



**NOVOGRADAC  
& COMPANY** LLP®  
CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET STUDY OF:**

# **RIVER GLEN APARTMENTS**

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# **RIVER GLEN APARTMENTS**

201 East Telfair Street  
Augusta, Richmond County, Georgia 30901

Effective Date: March 12, 2018  
Report Date: March 28, 2018

Prepared for:  
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March 28, 2018

Eric Omdahl  
Development Associate  
Dominium  
2905 Northwest Boulevard, Suite 150  
Plymouth, MN 55441

Re: Market Study - Application for River Glen Apartments, located in Augusta, Richmond County, Georgia

Dear Mr. Omdahl:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Augusta, Richmond County, Georgia area relative to the above-referenced acquisition/rehabilitation project.

The purpose of this market study is to assess the feasibility of the low income housing tax credit (LIHTC) acquisition/rehabilitation of River Glen Apartments (Subject), an existing 192-unit Section 8 multifamily development. The Subject currently offers two-bedroom units targeting the general population, and all units benefit from Section 8 rental assistance, which is expected to remain post-renovation. Upon renovation, the Subject will offer 172 two-bedroom units and 20 three-bedroom units that will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. 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 meets the requirements of Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true

assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development’s partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac & Company LLP



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## **A. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### 1. Project Description

River Glen Apartments (Subject) will be a renovated multifamily property located in Augusta, Richmond County, Georgia, which currently consists of 192 two-bedroom units contained in 26 two-story garden-style residential buildings. The Subject currently benefits from Project-Based Section 8 rent subsidies (Section 8 Contract No. GA001MR001, GA001MR002, and GA001MR003) that cover all of the Subject’s 192 units. As part of the proposed renovation, 20 two-bedroom units will be converted to three-bedroom units and post-renovation the Subject will offer 172 two-bedroom units and 20 three-bedroom units. The HAP contracts have each been renewed for one-year terms. Additionally, the developer is proposing to renovate with LIHTC equity in 2019.

The following table illustrates the proposed post-renovation unit mix and rents.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking LIHTC Rent (Absent Rental Assistance)	Utility Allowance (1)	Gross LIHTC Rent	2017 LIHTC Maximum Allowable Gross Rent	Proposed Contract Rents*	
@60% (Section 8)								
2BR / 1BA	665	160	\$837	\$0	\$837	\$837	\$840	
2BR / 1BA (ADA)	665	12	\$837	\$0	\$837	\$837	\$865	
3BR / 2BA	960	18	\$967	\$0	\$967	\$967	\$1,150	
3BR / 2BA (ADA)	960	2	\$967	\$0	\$967	\$967	\$1,175	
		<b>192</b>						

Notes (1) All utilities included in the rent

\*Post-renovation Contract Rents provided by the developer

All of the Subject’s units will continue to operate with Section 8 project-based subsidy, where tenants contribute 30 percent of their income towards rent, not to exceed the maximum allowable LIHTC rents. Overall, the Subject will be similar to the LIHTC comparables in terms of age/condition. The Subject will be generally inferior to the competition in terms of unit sizes and amenities. The Subject offers a similar location relative to the LIHTC comparables. Nonetheless, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place.

According to information provided by the developer, the Subject’s scope of renovation will include, but will not be limited to: converting 20 two-bedroom units to three-bedroom units, installing new cabinets and countertops, energy efficient refrigerators, plumbing fixtures, vinyl plank flooring, repairing windows, making 14 units handicap-accessible, repairing drywall, installing new HVAC equipment, renovating playgrounds, and laundry room, replacing gutters and downspouts, constructing an exercise facility and business center, replacing siding, installing video cameras, adding security gates, installing new bus stop at site, landscaping improvements, asphalt repairs, sidewalk repair, and repaving and restriping parking lots. The total renovation hard costs are estimated to be \$14,400,000, or approximately \$75,000 per unit. Based on the information from the developer, renovations will occur with limited tenant displacement.

## 2. Site Description/Evaluation

The Subject site is located at 201 East Telfair Street, Augusta, Richmond County, Georgia 30901. The Subject site is approximately 13.34 acres, is generally level, and has frontage along East Telfair Street which extends through the Subject site, as well as East Boundary which borders the Subject to the west. The Subject site has average visibility, views, and accessibility from neighborhood thoroughfares. Immediate surrounding uses include multifamily developments, single-family homes, and commercial/retail uses in average condition. The Subject site is considered “Car-Dependent” by *WalkScore* with a rating of 49 out of 100, which indicates some errands can be done by foot. Total crime in the PMA is above that of the nation and the MSA; however, as means of security, the Subject offers perimeter fencing, limited access, and video surveillance. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average condition, and the site is within reasonable proximity to locational amenities, which are within 2.4 miles of the Subject site.

## 3. Market Area Definition

The Primary Market Area (PMA) is defined as the city of Augusta, which generally includes the northern portion of Richmond County. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	5.8 miles
East:	1.3 miles
South:	5.6 miles
West:	7.9 miles

The PMA boundaries are generally defined as Interstate 20 and the Savannah River to the north, and Interstate 520 to the east, south, and west. This area was defined based on interviews with local market, including property managers at comparable properties and the Subject’s property manager. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 7.9 miles. The secondary market area (SMA) for the Subject is the Augusta-Richmond County, GA Metropolitan Statistical Area, which is comprised of Lincoln, McDuffie, Columbia, Richmond, and Burke Counties in Georgia, and Edgefield and Aiken Counties in South Carolina.

## 4. Community Demographic Data

Between 2000 and 2010 there was an approximate 0.8 percent annual decrease in total population within the PMA and 1.1 percent annual increase in the MSA. Total population in the PMA is anticipated to continue to decrease slightly through market entry and 2022, while the total populations within the MSA and the nation as a whole are projected to increase approximately 1.0 and 0.8 percent annually, respectively. The recent decrease in population in the PMA is typically cause for concern; however, the Subject is an existing fully subsidized property that typically operates at 95 percent occupancy or better, and will not add new units to the PMA. Renter households are concentrated in the lowest income cohorts, and 60.5 percent of renters in the PMA are earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$40,200, as all units will have subsidy in place. Overall, the Subject should be well positioned to service this market, and the data shows significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 2,149 housing units nationwide was in some stage of foreclosure as of February 2018. The Subject’s zip code (30901) is experiencing a foreclosure rate of one in every 4,284 homes. Further, the city of Augusta is experiencing a foreclosure rate of one in every 1,827 homes. Richmond County is experiencing a foreclosure rate of one in every 2,074 homes. The state of Georgia is experiencing a foreclosure rate of one in every 2,531 homes. Overall, the Subject’s zip code is experiencing a very low foreclosure rate compared to the county, city, state, and nation. The Subject’s

neighborhood does not appear to have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

### 5. Economic Data

The largest local employer is the Fort Gordon military base, located approximately 12 miles from the Subject and has an estimated annual impact of \$1.5 billion on the regional economy. The US Army is currently constructing a new cyber command facility at this base, which will result in the creation of more than 1,000 new jobs. We are not aware of any plans to close or downsize Fort Gordon. The MSA was significantly affected by the national recession. Employment losses due to the most recent national recession were recovered in the MSA as of 2016, while the nation passed pre-recession employment levels in 2014. However, manufacturing employment has declined substantially in recent years, falling from 10.5 percent of PMA employment in 2000 to approximately 7.8 percent in 2016. We believe the shift of employment away from the historically volatile manufacturing sector bodes well for future growth and stability of the PMA economy despite the drag of continued concentration in the manufacturing sector. Overall, the MSA appears to be in growth phase due to the increasing employment and a decreasing unemployment rate.

### 6. Project-Specific Affordability and Demand Analysis

The following table illustrates the demand and capture rates for the Subject’s units.

***All of the Subject’s 192 units will benefit from Section 8 rental assistance. We were not provided with an income audit; however, we have assumed that all of the Subject’s tenants will continue to income-qualify post-renovation, absent subsidy. These units are presumed leasable, and only the vacant units have been accounted for in our capture rate analysis, per DCA guidance, which totals 32 units. In the scenario without subsidy, we have assumed that none of the Subject’s tenants will continue to income-qualify, and have accounted for all 192 units.***

CAPTURE RATE ANALYSIS CHART - ABSENT SUBSIDY

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR @60%	\$28,697	\$33,480	172	589	131	458	37.5%	Nine months	\$911	\$633	\$1,407	\$837
2BR Overall	\$28,697	\$33,480	172	589	131	458	37.5%	Nine months	-	-	-	-
3BR @60%	\$33,154	\$40,200	20	261	55	206	9.7%	Nine months	\$993	\$672	\$1,539	\$967
3BR Overall	\$33,154	\$40,200	20	261	55	206	9.7%	Nine months	-	-	-	-
@60% Overall	\$28,697	\$40,200	192	850	186	664	28.9%	Nine months	-	-	-	-
Overall	\$28,697	\$40,200	192	850	186	664	28.9%	Nine months	-	-	-	-

CAPTURE RATE ANALYSIS CHART - WITH SUBSIDY

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR @60%	\$0	\$33,480	12	2,977	131	2,846	0.4%	Nine months	\$911	\$633	\$1,407	\$837
2BR Overall	\$0	\$33,480	12	2,977	131	2,846	0.4%	Nine months	-	-	-	-
3BR @60%	\$0	\$40,200	20	1,316	55	1,261	1.6%	Nine months	993	672	1539	\$967
3BR Overall	\$0	\$40,200	20	1,316	55	1,261	1.6%	Nine months	-	-	-	-
@60% Overall	\$0	\$40,200	32	4,294	186	4,108	0.8%	Nine months	-	-	-	-
Overall	\$0	\$40,200	32	4,294	186	4,108	0.8%	Nine months	-	-	-	-

As the analysis illustrates, the Subject’s 60 percent AMI capture rates, absent subsidy, range from 9.7 to 37.5 percent, with an overall capture rate of 28.9 percent. With subsidy, the Subject’s 60 percent AMI capture rates range from 0.4 to 1.6 percent, with an overall capture rate of 0.8 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates at the Subject, as proposed, fall below the 2018 DCA Market Study capture rate threshold of 30 percent. We believe these calculated capture rates are reasonable, particularly as these calculations do not considered demand from outside the PMA or standard rental household turnover.

## 7. Competitive Rental Analysis

The availability of LIHTC data is considered good; we have included four comparable properties which offer LIHTC units, all of which are located within the PMA, and all target the general population. We believe these comparables are the most comparable properties in the area as they target families and are located in generally similar areas in terms of access to amenities.

Finally, it is of note that all of the Subject’s 192 units currently benefit from a Housing Assistance Program (HAP) contract. Following renovation, all of the Subject’s units will continue to benefit from Section 8 subsidy. As such, qualifying tenants for 192 units will pay only 30 percent of their household income on rent. The comparable affordable properties are located between 0.1 and 6.3 miles from the Subject.

The availability of market rate data is considered good. The Subject is located in Augusta, and there are multiple comparable market rate properties in the area. We have included six conventional market rate properties in our analysis of the competitive market. The market rate properties are located in the PMA, between 0.6 and 5.9 miles from the Subject. The comparables were built or last renovated between 1998 and 2016. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on condition, design or tenancy.

When comparing the Subject’s rents to the average comparable rent, we have not included surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**SUBJECT COMPARISON TO SURVEYED RENTS**

Unit Type	Subject LIHTC Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
2BR	\$837	\$633	\$1,407	\$911	-8%
3BR	\$967	\$672	\$1,539	\$993	-3%

As illustrated the Subject’s proposed 60 percent AMI rents are below the surveyed average of the comparable properties. Overall, we believe that the Subject’s proposed rents (absent subsidy) are slightly above our achievable LIHTC rents, but will offer an advantage when compared to the average rents being achieved at comparable market rate properties.

## 8. Absorption/Stabilization Estimate

We were able to obtain information from the following developments regarding absorption information.

### ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Walton Oaks I and II	LIHTC/Section 8	Family	2012-2016	287	19
Walker Estates Apartments	Market	Family	2016	252	21
Benson Estates Apartments	Market	Family	2015	<u>252</u>	<u>16</u>
<b>Average</b>				<b>264</b>	<b>19</b>

We were able to obtain absorption information from three properties in Augusta. As demonstrated above, absorption rates for the properties in Augusta range from 16 to 21 units per month and average 19 units per month. We expect that the Subject would experience an absorption pace of 20 units per month, indicating an absorption period of approximately nine months. It should be noted that the Subject will be renovated with tenants in place. Therefore, the analysis is largely hypothetical. Additionally, we expect that the Subject's 32 vacant units would experience an absorption period of approximately one to two months.

## 9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is continued demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.6 percent, when excluding the 13 units at Cedarwood Apartments that are down due to renovations. Further, three of the four affordable properties maintain waiting lists. These factors illustrate demand for affordable housing. The Subject will offer generally inferior amenities in comparison to the LIHTC and market rate comparable properties. However, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the low vacancy levels, waiting lists, and subsidies in place that will remain post-renovation. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar in terms of condition to the majority of the comparable properties. The Subject's unit sizes are inferior to the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated good condition, subsidy in place on all units, and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed, despite some slightly inferior attributes. We believe that the Subject will continue to perform well and will not negatively impact the existing or proposed affordable rental units in the market.

**RIVER GLEN APARTMENTS – AUGUSTA, GEORGIA – MARKET STUDY**

<b>Summary Table:</b> (must be completed by the analyst and included in the executive summary)	
<b>Development Name:</b>	River Glen Apartments <span style="float: right;">Total # Units: 192</span>
<b>Location:</b>	201 East Telfair Street <span style="float: right;"># LIHTC Units: 192</span> August, Richmond County, GA 30901
<b>PMA Boundary:</b>	North: Interstate 20 and Savannah River; South: Interstate 520; East: Interstate 520; West: Interstate 520
	Farthest Boundary Distance to Subject: 7.9 miles

Rental Housing Stock (found on page 49)				
Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	51	5,059	56	98.9%
Market-Rate Housing	15	2,104	40	98.1%
Assisted/Subsidized Housing not to include LIHTC	19	1,087	0	100.0%
LIHTC	17	1,868	16	99.1%
Stabilized Comps	51	5,059	56	98.9%
Properties in Construction & Lease Up	3	402	N/Ap	N/Ap

\*Only includes properties in PMA

Subject Development						Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent***	Proposed Post-Renovation Contract Rents****	Per Unit	Per SF	Advantage	Per Unit	Per SF
172	2BR at 60% AMI	1	665	\$837	\$840 - \$865	\$911	\$1.37	9%	\$1,240	\$1.06
20	3BR at 60% AMI	2	960	\$967	\$1,150 - \$1,175	\$993	\$1.03	3%	\$1,340	\$0.99

Demographic Data (found on page 32)						
	2010		2017		February 2019	
Renter Households	21,762	55.5%	23,841	55.2%	23,834	55.3%
Income-Qualified Renter HHs (LIHTC)	6,398	29.4%	7,010	29.4%	7,008	29.4%

Targeted Income-Qualified Renter Household Demand (found on pages 46 to 60)						
Type of Demand	@60%	N/A	N/A	Market-rate	Other:___	Overall*
Renter Household Growth	-124	N/A	N/A	N/A	N/A	-124
Existing Households (Overburdened +)	7,899	N/A	N/A	N/A	N/A	7,899
Homeowner conversion (Seniors)	-	-	-	-	-	-
<b>Total Primary Market Demand</b>	<b>7,775</b>	-	-	-	-	<b>7,775</b>
Less Comparable/Competitive Supply	7,750	N/A	N/A	N/A	N/A	7,750
<b>Adjusted Income-qualified Renter HHs**</b>	<b>25</b>	-	-	-	-	<b>25</b>

Capture Rates (found on page 60)						
Targeted Population	@60%	N/A	N/A	Market-rate	N/A	Overall
Capture Rate:	0.8%	-	-	-	-	0.8%

\*Includes LIHTC and unrestricted (when applicable)

\*\*Not adjusted for demand by bedroom-type.

\*\*\*Tenants will pay 30 percent of their income towards rent, not to exceed these rents, which are set at the maximum allowable level

\*\*\*\*Post-renovation Section 8 Contract Rents provided by the developer

## **B. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

1. **Project Address and Development Location:** The Subject is located at 201 East Telfair Street, Augusta, Richmond County, Georgia 30901.
2. **Construction Type:** The Subject currently consists of 192 two-bedroom units contained in 26 two-story garden-style residential buildings constructed in 1962. During the renovation, 20 two-bedroom units will be converted to three-bedroom units and post-renovation, the Subject will consist of 172 two-bedroom units, and 20 three-bedroom units contained in 26 two-story garden-style residential buildings.
3. **Occupancy Type:** Family.
4. **Special Population Target:** None.
5. **Number of Units by Bedroom Type and AMI Level:** See following property profile.
6. **Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
7. **Rents and Utility Allowances:** See following property profile. It should be noted that the Subject's utility allowance is \$0, as the landlord will pay for all utilities.
8. **Existing or Proposed Project-Based Rental Assistance:** Currently, the Subject operates as a Section 8 development, where tenants contribute 30 percent of their income towards rent. Section 8 Contract Numbers GA001MR001, GA001MR002, and GA001MR003 have each been renewed for one-year terms.
9. **Proposed Development Amenities:** See following property profile.

# RIVER GLEN APARTMENTS – AUGUSTA, GEORGIA – MARKET STUDY

## Property Profile Report

River Glen As Renovated

**Comp #** Subject  
**Effective Rent Date** 3/19/2018  
**Location** 201 East Telfair Street  
 Augusta, GA 30901  
 Richmond County  
**Distance** 5.5 miles  
**Units** 192  
**Vacant Units** N/A  
**Vacancy Rate** N/A  
**Type** Garden  
 (2 stories)  
**Year Built / Renovated** 1962 / 2019  
**Marketing Began** n/a  
**Leasing Began** n/a  
**Last Unit Leased** n/a  
**Major Competitors** n/a  
**Tenant Characteristics** n/a  
**Contact Name** n/a  
**Phone** n/a



Market

<b>Program</b>	@60% (Section 8)	<b>Leasing Pace</b>	n/a
<b>Annual Turnover Rate</b>	N/A	<b>Change in Rent (Past Year)</b>	n/a
<b>Units/Month Absorbed</b>	n/a	<b>Concession</b>	
<b>Section 8 Tenants</b>	N/A		

Utilities

<b>A/C</b>	included – central	<b>Other Electric</b>	included
<b>Cooking</b>	included – gas	<b>Water</b>	included
<b>Water Heat</b>	included – gas	<b>Sewer</b>	included
<b>Heat</b>	included – gas	<b>Trash Collection</b>	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
2	1	Garden (2 stories)	12	665	\$837	\$0	@60% (Section 8)	n/a	N/A	N/A	yes
2	1	Garden (2 stories)	160	665	\$837	\$0	@60% (Section 8)	n/a	N/A	N/A	yes
3	2	Garden (2 stories)	2	960	\$967	\$0	@60% (Section 8)	n/a	N/A	N/A	yes
3	2	Garden (2 stories)	18	960	\$967	\$0	@60% (Section 8)	n/a	N/A	N/A	yes

Amenities

<b>In-Unit</b>	Blinds Central A/C Coat Closet Dishwasher Microwave Oven Refrigerator	<b>Security</b>	Limited Access Perimeter Fencing Video Surveillance
<b>Property</b>	Parking spaces: 200 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground	<b>Premium</b>	none
<b>Services</b>	Tutoring	<b>Other</b>	none

Comments

The Subject is an existing Section 8 property consisting of 192 two-bedroom one bathroom units. The Subject will be renovated with LIHTCs and units will be restricted to 60 percent of AMI. Through the course of renovations, 20 two-bedroom units will become three-bedroom two bath units. Amenities added during renovations will include a clubhouse, exercise facility, business center, tutoring program, microwaves, dishwashers, a security fob system, perimeter fencing, limited access and video surveillance. The ovens, which are currently apartment size, will be replaced with full sized ovens. The rents illustrated above are the maximum allowable LIHTC rents, absent rental assistance. The proposed post-renovation Section 8 contract rents range from \$840 to \$865 for the two-bedroom units, and from \$1,150 to \$1,175 for the three-bedroom units.

**10. Scope of Renovations:**

According to information provided by the developer, the Subject’s scope of renovation will include, but will not be limited to: converting 20 two-bedroom units to three-bedroom units, installing new cabinets and countertops, energy efficient refrigerators, plumbing fixtures, vinyl plank flooring, repairing windows, making 14 units handicap-accessible, repairing drywall, installing new HVAC equipment, renovating playgrounds, and laundry room, replacing gutters and downspouts, constructing an exercise facility and business center, replacing siding, installing video cameras, adding security gates, installing new bus stop at site, landscaping improvements, asphalt repairs, sidewalk repair, and repaving and restriping parking lots. The total renovation hard costs are estimated to be \$14,400,000, or approximately \$75,000 per unit. Based on the information from the developer, renovations will occur with limited tenant displacement.

**11. Current Rents:**

The Subject is an existing Section 8 development and all tenants currently pay 30 percent of their income towards rent. The following table illustrates the Subject’s current contract and tenant-paid rents and unit mix detailed on the rent roll provided, dated March 14, 2018. It should be noted that the property had 11 tenants move in during the month of March; as such, tenant paid rents are not available for these 11 units and the average tenant paid rent is based on 149 units.

**CURRENT RENTS**

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent (1)	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8</i>						
2BR/1BA	800	192	\$690	\$50	\$690	\$123

Notes (1) Rent Schedule effective 3/14/2018

**12. Current Occupancy:**

According to the rent roll dated March 14, 2018, the Subject is 83.3 percent occupied. According to the Subject’s historical financial statements, vacancy loss at the Subject ranged from 3.9 to 4.8 percent in 2014 and 2015. In 2016, vacancy loss increased to 23.8 percent, as management began holding units vacant in preparation for proposed renovation. Additional historical financial information was not available.

**13. Current Tenant Income:**

A tenant income audit was unavailable as of the date of this report. However, given the subsidy in place on all units, which will continue post renovation, we expect all current tenants to continue to income-qualify to reside at the property post-renovation. Absent subsidy, we believe all units would need to re-tenanted.

**14. Placed in Service Date:**

The Subject was originally constructed in 1962. The rehabilitation of the Subject is expected to begin in the second quarter 2018 and be completed in the first quarter of 2019. For the purposes of this report, we have estimated a placed in service date of February 1, 2019.

**Conclusion:**

The Subject will be an average-quality apartment community, comprised of two-story garden-style residential buildings comparable to most of the inventory in the area. As a newly renovated property, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

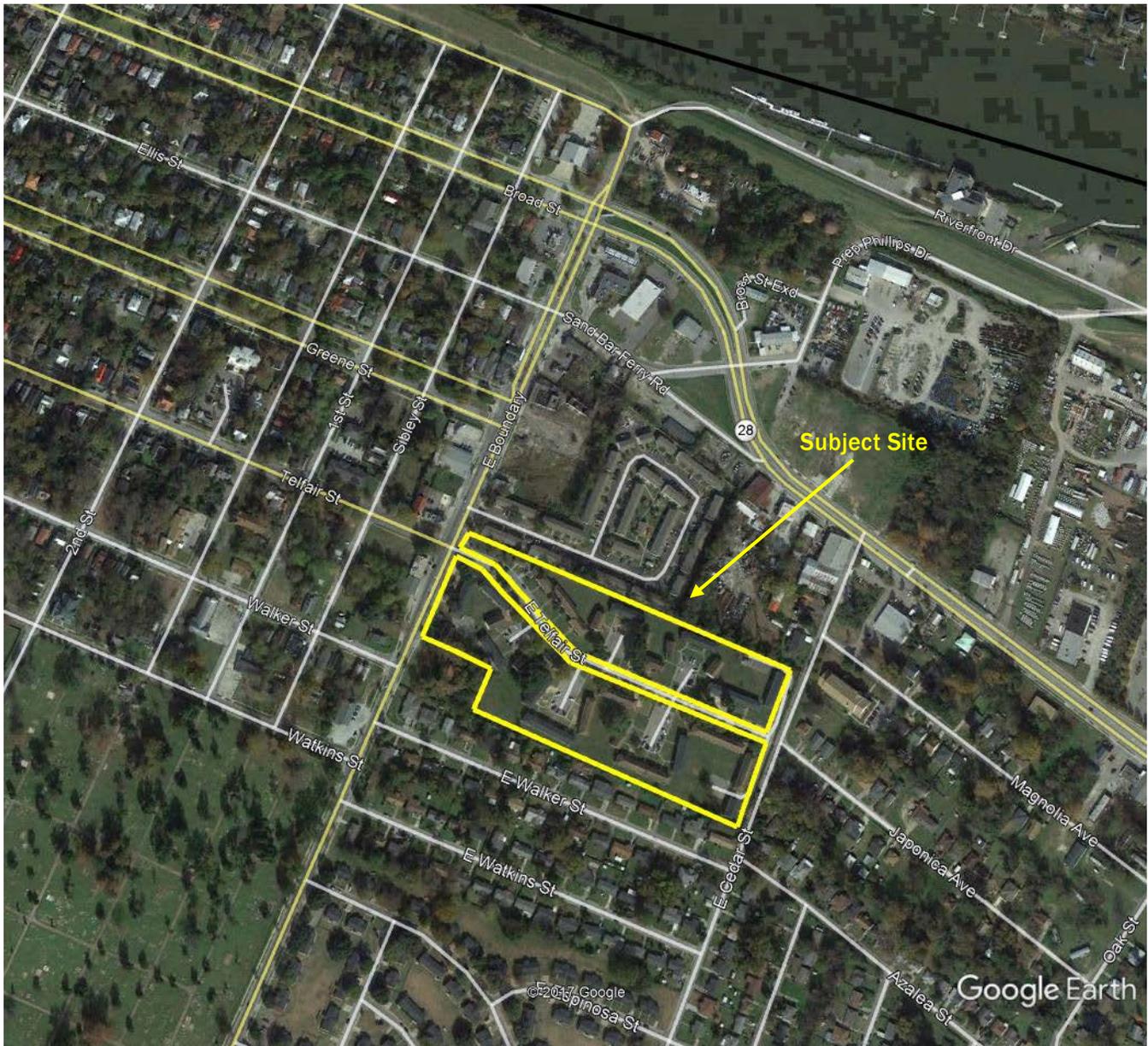
## **C. SITE EVALUATION**

## PROJECT DESCRIPTION

1. **Date of Site Visit and Name of Inspector:** Brian Neukam inspected the site on November 3, 2017.
2. **Physical Features of the Site:** The following illustrates the physical features of the site.

**Frontage:**

The Subject site has frontage along East Telfair Street which extends through the Subject site, as well as East Boundary which borders the Subject to the west. An aerial photograph of the Subject site is below.

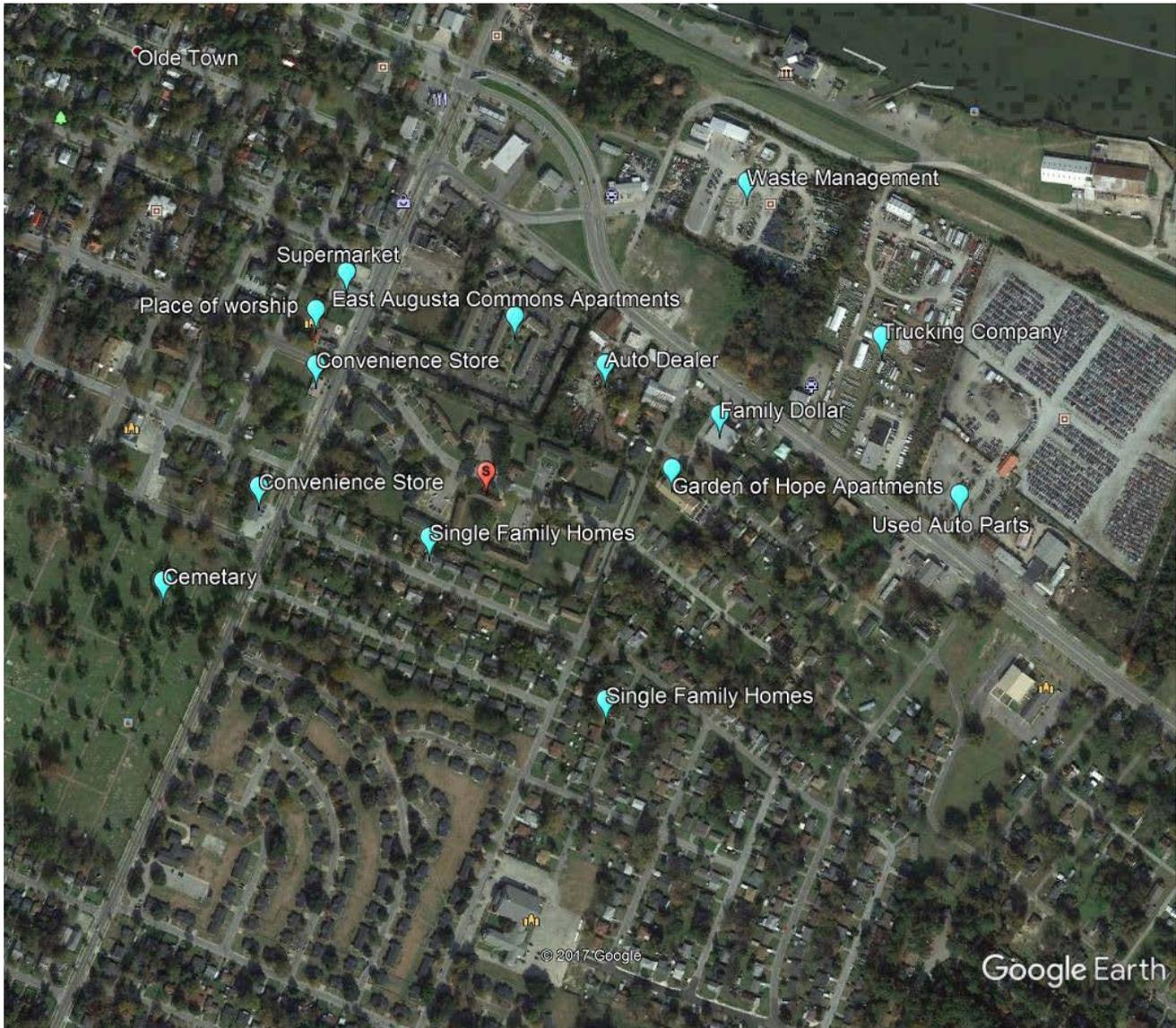


**Visibility/Views:**

The Subject is visible from East Boundary Street and East Cedar Street. Visibility is considered good. Views from the Subject include various commercial and multifamily uses, and single-family homes in average condition. Overall, views are considered average.

**Surrounding Uses:**

The following map illustrates the surrounding land uses.



The Subject is located in a mixed-use neighborhood in the northern portion of Augusta. Land use to the north of the Subject consists of East Augusta Commons Apartment, a 148-unit LIHTC development in average condition, which has been utilized as a comparable in this report. Land use east of the Subject consists of single-family homes and a Family Dollar in average condition. Land use west of the Subject consists of various commercial uses in average condition. Land use south of the Subject consists of consists of

single-family homes in average condition. Overall, the majority of surrounding land uses are in fair to average condition.

Retail/commercial occupancy appeared to be 90 percent occupied at the time of our inspection. Overall, surrounding land uses are considered compatible with the Subject's current multifamily use. The Subject site is considered "Car-Dependent" by WalkScore with a rating of 49, as few errands can be accompanied by foot. The only uses in walking distance of the Subject are grocery stores, a park, a gas station, and various retail stores and commercial uses. However, a bus stop will be installed in the front of the Subject, making uses located further from the Subject accessible without a car. The Subject site is considered to be in a desirable location for rental housing. The uses surrounding the Subject are in fair to average condition, and the site is within reasonable proximity to locational amenities, which are within 2.4 miles of the Subject.

**Positive/Negative Attributes of Site:**

The Subject is located within two miles from a variety of amenities, including public transportation.

**3. Physical Proximity to Locational Amenities:**

The Subject is located within 3.0 miles of most locational amenities and many employment centers.

**4. Pictures of Site and Adjacent Uses:**

The following are pictures of the Subject site and adjacent uses.



View of the Subject



View of the Subject



Subject exterior



Subject exterior



Subject mail room



Subject exterior



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



View north on East Boundary



View south on East Boundary



View east on East Telfair Street



View west on East Telfair Street



**6. Description of Land Uses:** The Subject is located in a mixed-use neighborhood in the northern portion of Augusta. Land use to the north of the Subject consists of East Augusta Commons Apartment, a 148-unit LIHTC development in average condition, which has been utilized as a comparable in this report. Land use east of the Subject consists of single-family homes and Family Dollar in average condition. Land use west of the Subject consists of various commercial uses in average condition. Land use south of the Subject consists of consists of single-family homes in average condition. Overall, the majority of surrounding land uses are in fair to average condition.

**7. Crime:** The following table illustrates crime statistics in the Subject’s PMA compared to the MSA.

**2017 CRIME INDICES**

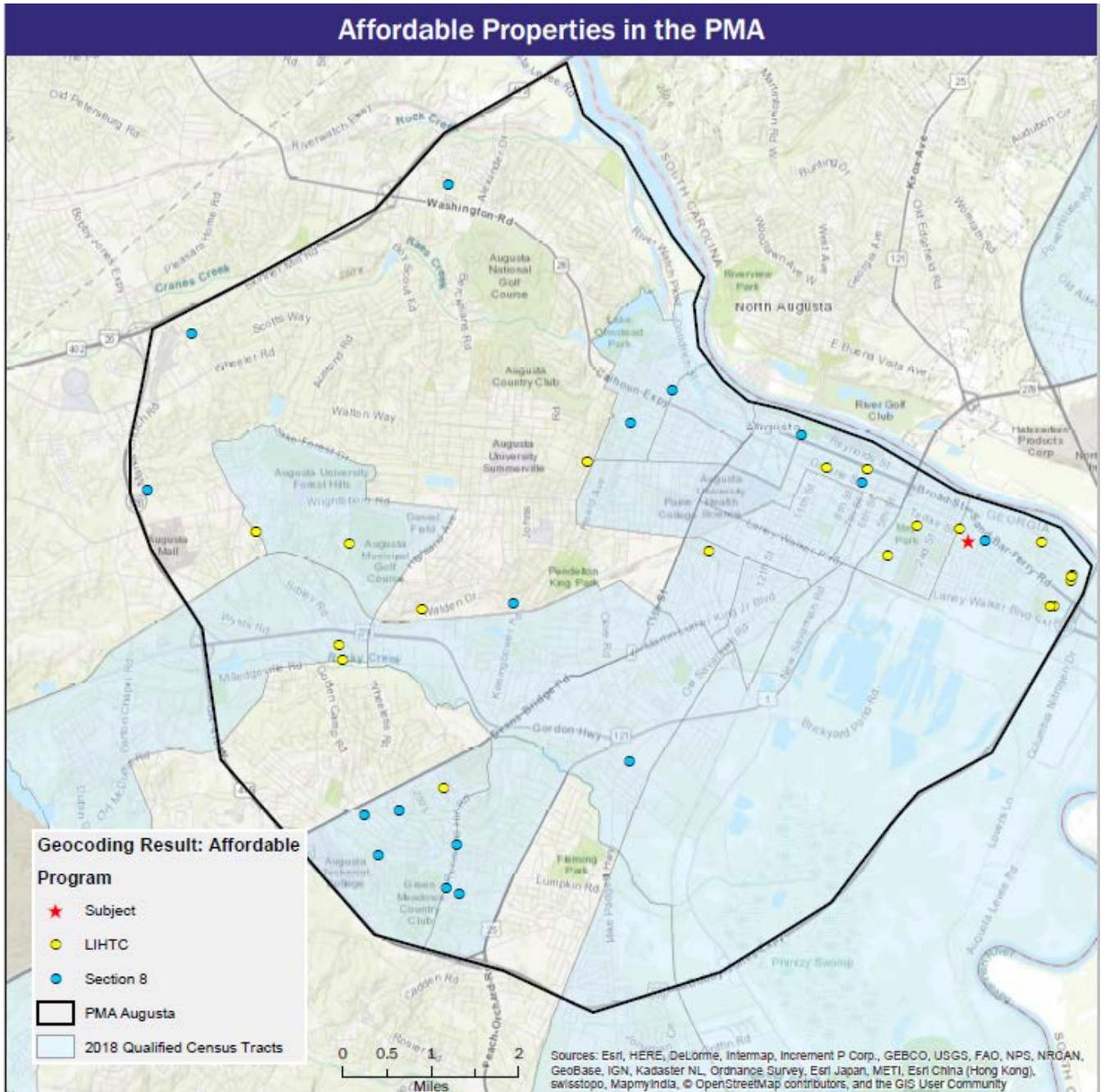
	PMA	Augusta-Richmond County, GA-SC MSA
<b>Total Crime*</b>	<b>201</b>	<b>126</b>
<b>Personal Crime*</b>	<b>172</b>	<b>113</b>
Murder	244	143
Rape	115	96
Robbery	276	114
Assault	127	113
<b>Property Crime*</b>	<b>204</b>	<b>127</b>
Burglary	276	163
Larceny	176	115
Motor Vehicle Theft	245	130

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

\*Unweighted aggregations

As indicated in the previous table, total crime in the PMA is above that of the nation and the MSA. It should be noted that all personal crime indices in the PMA are above those of the MSA and the nation. The most prevalent types of crime in the PMA are murder and burglary. Post-renovation, the Subject will offer perimeter fencing, limited access, and video surveillance, which is generally similar or superior to the comparable properties in the area.

8. Existing Assisted Rental Housing Property Map: The following map and list identifies all assisted rental housing properties in the PMA.



AFFORDABLE IN THE PMA

Property Name	Location	Number of Units	Program	Tenancy	Map Color
<b>River Glen Apartments (Subject)</b>	<b>Augusta</b>	<b>192</b>	<b>Section 8</b>	<b>Family</b>	<b>Red Star</b>
Augusta Manor	Augusta	100	Section 8	Family	
Augusta Properties	Augusta	88	Section 8	Family	
Bon Air Apartments	Augusta	203	Section 8	Family	
Villa Marie Apartments	Augusta	140	Section 8	Family	
Independent Living Horizons I	Augusta	3	Section 8	Senior	
Independent Living Horizons II	Augusta	9	Section 8	Senior	
Independent Living Horizons III	Augusta	5	Section 8	Senior	
Independent Living Horizons IV	Augusta	20	Section 8	Senior	
Independent Living Horizons V	Augusta	11	Section 8	Senior	
Independent Living Horizons 6	Augusta	40	Section 8	Senior	
Independent Living Horizons 8	Augusta	40	Section 8	Senior	
Independent Living Horizons 11	Augusta	13	Section 8	Senior	
Independent Living Horizons 12	Augusta	6	Section 8	Senior	
Independent Living Horizons 15	Augusta	12	Section 8	Senior	
Lynndale Group Homes	Augusta	12	Section 8	Senior	
Lynndale West Apartments	Augusta	11	Section 8	Senior	
S.G. Noble Garden of Hope	Augusta	30	Section 8	Senior	
Shadowood Apartments	Augusta	78	Section 8	Family	
St. John's Towers	Augusta	266	Section 8	Senior	
Augusta Senior Spring Apartments	Augusta	200	LIHTC	Senior	
Hale Street Apartments	Augusta	16	LIHTC	Family	
Riverchase Apartments	Augusta	80	LIHTC	Family	
Sandbar Manor II	Augusta	80	LIHTC	Family	
Old Towne Properties*	Augusta	116	LIHTC	Family	
East Augusta Commons*	Augusta	148	LIHTC	Family	
Ashton Bon Air	Augusta	202	LIHTC	Family	
Linden Square Apartments	Augusta	48	LIHTC/Market	Senior	
Richmond Summit Apartments	Augusta	136	Section 8/LIHTC	Family	
Maxwell House	Augusta	216	Section 8/LIHTC	Family	
Cedarwood Apartments*	Augusta	184	LIHTC	Family	
The Crest at Edinburgh*	Augusta	40	LIHTC	Family	
Terrace at Edinburgh	Augusta	72	LIHTC	Family	
Underwood Homes	Augusta	75	LIHTC/ACC/Public Housing	Senior	
Legacy at Walton Oaks I & II	Augusta	137	LIHTC/ACC/PBRA	Senior	

\*Utilized as a comparable

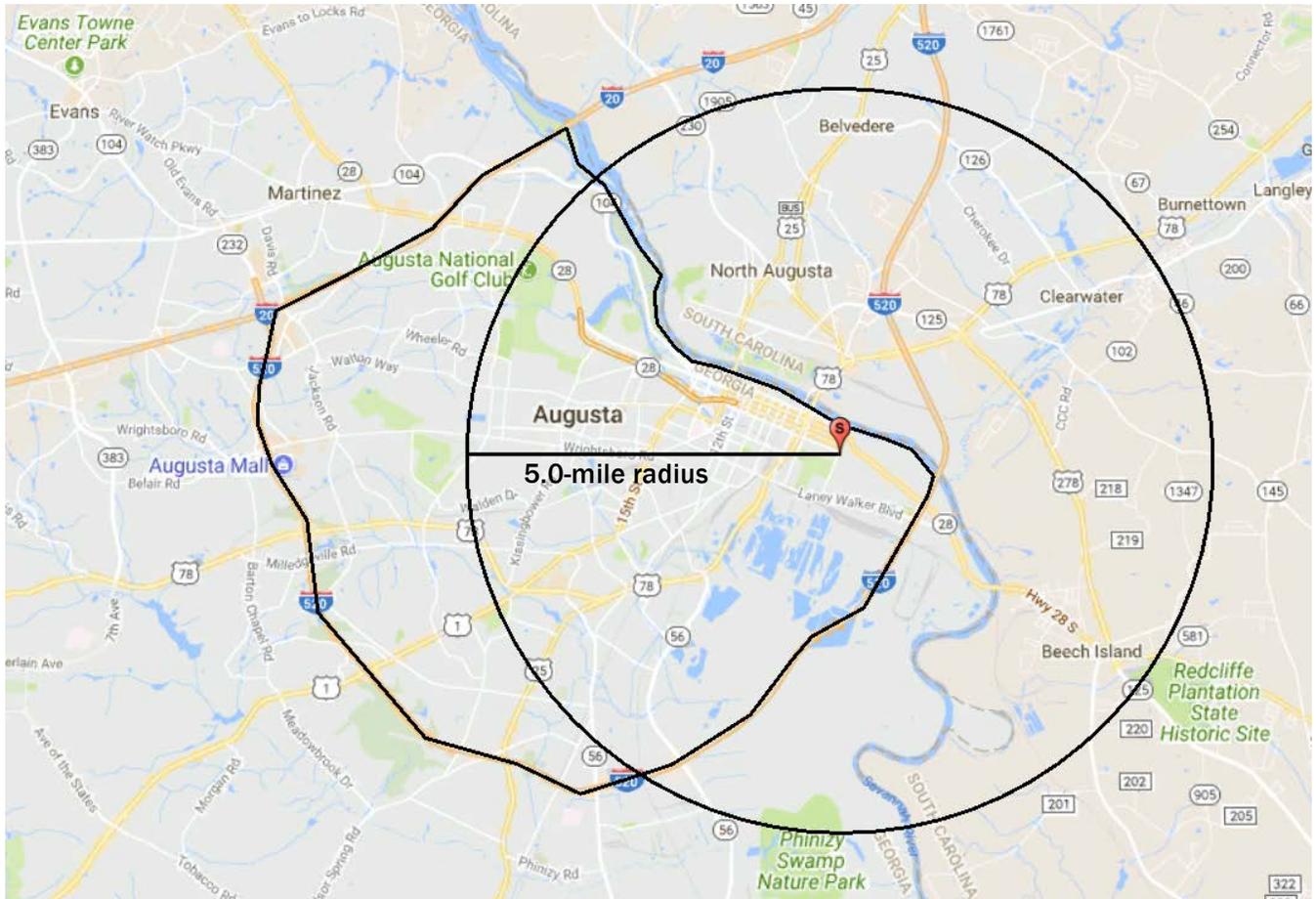
- 9. Road, Infrastructure or Proposed Improvements:** We did not witness any road, infrastructure or proposed improvements during our fieldwork.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject is accessed via the south side of East Telfair Street and the east side of East Boundary. East Telfair Street is lightly traveled two-lane roadway and East Boundary is a moderately traveled two-lane roadway that provides access to Broad Street, approximately 0.2 miles north of the Subject. Broad Street traverses and become Sand Bar Ferry Road, which provides access to Interstate 520, approximately 1.2 miles to the east of the Subject and Broad Street traverses and becomes John C. Calhoun Expressway, which provides access to Interstate 20, approximately 6.4 miles to the northwest of the Subject. Interstate 520 and Interstate 20 provide access to several highway and interstates within the region. Overall, access and traffic flow are considered average. Visibility of the site is considered average.
- 11. Conclusion:** The Subject site is located on East Telfair Street. The Subject site has average visibility, views, and accessibility from neighborhood thoroughfares. Immediate surrounding uses include multifamily developments, single-family homes, and commercial/retail uses in fair to average condition. The Subject site is considered “Car-Dependent” by *WalkScore* with a rating of 49 out of 100, which indicates some errands can be done by foot. Total crime in the PMA is above that of the nation and the MSA; however, as means of security, the Subject offers perimeter fencing, limited access, and video surveillance. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in fair to average condition, and the site is within reasonable proximity to locational amenities, which are within 2.4 miles of the Subject site.

## **D. MARKET AREA**

## PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at or below market rents.

### Primary Market Area Map



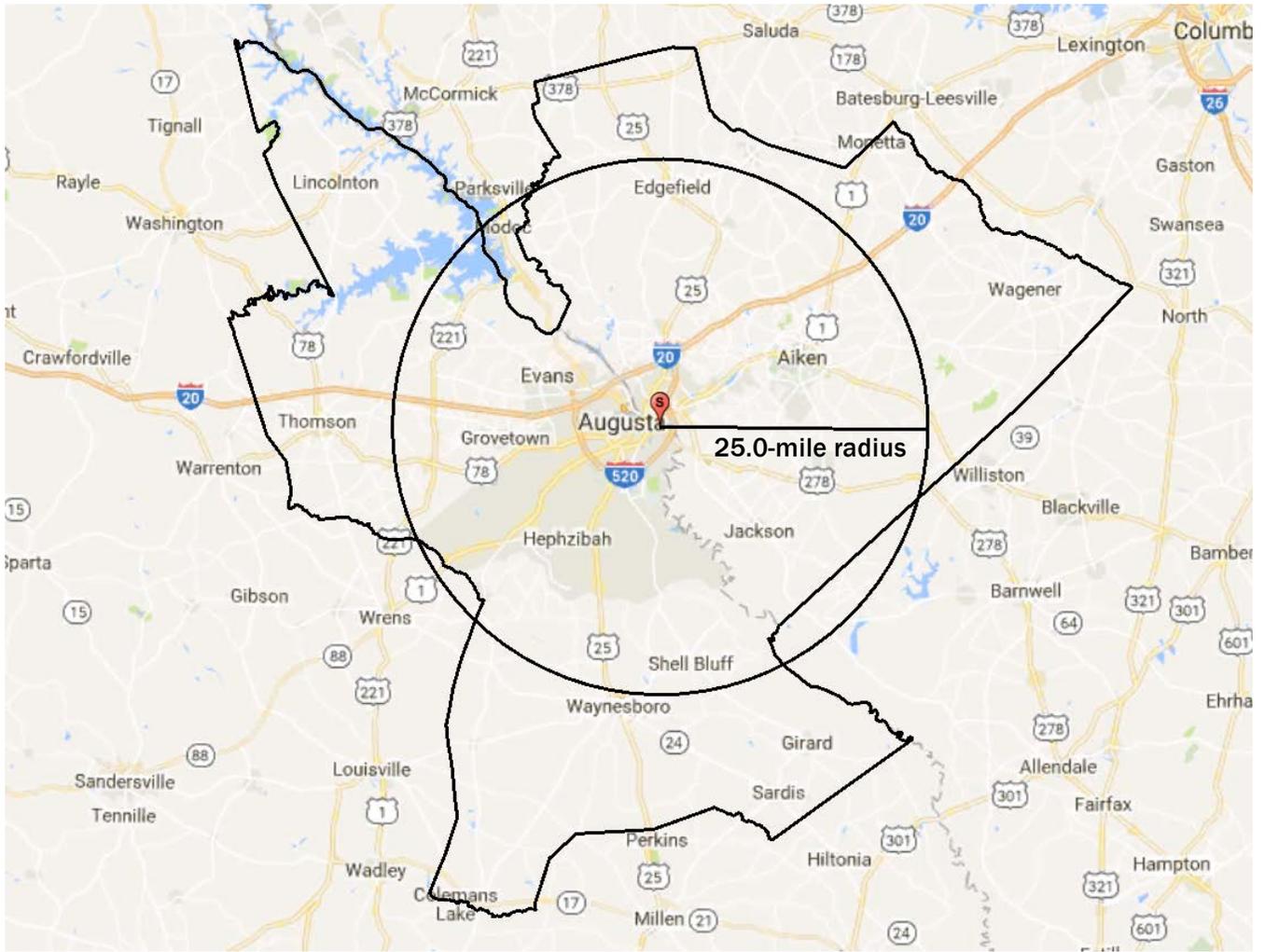
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction.

The PMA is defined as the city of Augusta, which generally includes the northern portion of Richmond County. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	5.8 miles
East:	1.3 miles
South:	5.6 miles
West:	7.9 miles

The PMA boundaries are generally defined as Interstate 20 and the Savannah River to the north, and Interstate 520 to the east, south, and west. This area was defined based on interviews with local market, including property managers at comparable properties and the Subject's property manager. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 7.9 miles. The secondary market area (SMA) for the Subject is the Augusta-Richmond County, GA Metropolitan Statistical Area, which is comprised of Lincoln, McDuffie, Columbia, Richmond, and Burke Counties in Georgia, and Edgefield and Aiken Counties in South Carolina.

Secondary Market Area Map



# **E. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Augusta-Richmond County, GA-SC MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and the MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly in the MSA, the PMA and nationally from 2000 through 2022, including the date of market entry.

#### 1a. Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2022, including market entry.

Year	POPULATION					
	PMA		Augusta-Richmond County, GA- SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	99,358	-	508,032	-	281,038,168	-
2010	91,159	-0.8%	564,873	1.1%	308,745,538	1.0%
2017	91,070	0.0%	607,516	1.0%	327,514,334	0.8%
Projected Mkt Entry February 2019	91,021	0.0%	617,302	1.0%	331,887,266	0.8%
2022	90,916	0.0%	638,420	1.0%	341,323,594	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

Between 2000 and 2010 there was an approximate 0.8 percent annual decrease in total population within the PMA and 1.1 percent annual increase in the MSA. Total population in the PMA is anticipated to continue to decrease slightly through market entry and 2022, while the total populations within the MSA and the nation as a whole are projected to increase approximately 1.0 and 0.8 percent annually, respectively. The recent decrease in population in the PMA is typically cause for concern; however, the Subject is an existing fully subsidized property that typically operates at 95 percent occupancy or better, and will not add new units to the PMA. Prior to the pending renovation, the Subject has historically maintained a vacancy rate of 3.9 to 4.8 percent. Further, the overall vacancy rate of the affordable comparables is 0.6 percent with three of the affordable comparables maintaining waiting lists.

**1b. Total Population by Age Group**

The following tables illustrate the population by age cohort within the PMA and MSA from 2000 to 2022.

**POPULATION BY AGE GROUP**

Age Cohort	PMA			Projected Mkt Entry February 2019	2022
	2000	2010	2017		
0-4	7,243	6,875	6,337	6,320	6,283
5-9	7,046	5,697	5,936	5,870	5,728
10-14	6,578	4,888	5,229	5,301	5,455
15-19	6,667	5,940	5,144	5,218	5,379
20-24	8,427	8,233	6,627	6,500	6,227
25-29	8,197	7,940	7,622	7,332	6,706
30-34	6,545	5,953	7,043	6,935	6,703
35-39	6,613	4,846	5,683	5,840	6,180
40-44	6,811	4,957	4,758	4,975	5,444
45-49	6,451	5,840	4,843	4,792	4,682
50-54	5,751	6,253	5,444	5,279	4,923
55-59	4,580	5,944	5,900	5,722	5,338
60-64	3,955	4,930	5,595	5,604	5,623
65-69	3,979	3,708	4,770	4,874	5,098
70-74	3,748	2,834	3,584	3,760	4,141
75-79	3,186	2,570	2,620	2,758	3,057
80-84	2,031	1,994	1,909	1,930	1,975
85+	1,550	1,757	2,027	2,011	1,976
<b>Total</b>	<b>99,358</b>	<b>91,159</b>	<b>91,071</b>	<b>91,023</b>	<b>90,918</b>

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

**POPULATION BY AGE GROUP**

Augusta-Richmond County, GA-SC MSA					
Age Cohort	2000	2010	2017	Projected Mkt Entry February 2019	2022
0-4	35,148	38,363	38,226	38,568	39,307
5-9	39,235	38,347	39,581	39,750	40,114
10-14	40,150	38,333	39,328	40,161	41,959
15-19	39,522	41,854	38,333	39,209	41,100
20-24	33,910	39,438	39,679	38,710	36,618
25-29	34,136	39,010	43,522	42,389	39,944
30-34	35,041	35,144	41,850	42,697	44,526
35-39	40,524	34,928	38,965	40,484	43,761
40-44	41,135	36,072	36,072	37,497	40,573
45-49	37,509	41,435	36,836	36,777	36,650
50-54	32,222	41,665	40,243	39,601	38,215
55-59	24,624	37,449	42,118	41,607	40,504
60-64	18,977	32,145	39,282	40,277	42,423
65-69	16,929	23,962	33,906	35,290	38,277
70-74	14,563	16,932	24,290	26,322	30,707
75-79	11,482	12,955	15,600	17,303	20,978
80-84	7,132	9,168	10,052	10,728	12,188
85+	5,791	7,673	9,633	9,932	10,576
<b>Total</b>	<b>508,030</b>	<b>564,873</b>	<b>607,516</b>	<b>617,302</b>	<b>638,420</b>

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

The largest age cohorts in the PMA as of 2017 are the 25 to 29, 30 to 34, 20 to 24, and 0 to 4 age groups, which indicates the presence of young families in the area.

**1c. Number of Elderly and Non-Elderly**

The following table illustrates the elderly population (62+) within the PMA and MSA from 2000 through 2022.

**NUMBER OF ELDERLY AND NON-ELDERLY**

Year	Total	PMA		Augusta-Richmond County, GA-SC MSA		
		Non-Elderly	Elderly (62+)	Total	Non-Elderly	Elderly (62+)
2000	99,358	76,329	16,867	508,032	408,534	67,283
2010	91,159	67,422	15,821	564,873	424,589	89,977
2017	91,070	64,665	18,267	607,516	432,635	117,050
Projected Mkt Entry February 2019	91,021	64,362	18,696	617,302	435,843	123,741
2022	90,916	63,708	19,621	638,420	442,767	138,180

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

The non-elderly population in the PMA is expected to decrease slightly through market entry and 2022.

## 2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, and (d) Renter Households by Size within the PMA, the MSA, and nationally from 2000 through 2022.

### 2a. Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA and nation from 2000 through 2022.

Year	HOUSEHOLDS					
	PMA		Augusta-Richmond County, GA-SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	41,199	-	188,041	-	105,403,008	-
2010	39,211	-0.5%	215,524	1.5%	116,716,293	1.1%
2017	39,451	0.1%	231,794	1.0%	123,158,898	0.8%
Projected Mkt Entry	39,375	-0.1%	235,178	0.9%	124,527,658	0.7%
2022	39,210	-0.1%	242,481	0.9%	127,481,298	0.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

The total number of households within the PMA increased approximately 0.1 percent annually between 2010 and 2017, which is a slower rate than those of the MSA and the nation as a whole. The total number of households within the PMA is projected to decrease at an annual rate of approximately 0.1 percent through market entry and 2022, while the total number of households within the MSA and the nation as a whole are projected to increase approximately 0.9 and 0.7 percent annually, respectively.

Year	AVERAGE HOUSEHOLD SIZE					
	PMA		Augusta-Richmond County, GA-SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.33	-	2.61	-	2.59	-
2010	2.24	-0.4%	2.54	-0.3%	2.58	-0.1%
2017	2.25	0.0%	2.54	0.0%	2.59	0.1%
Projected Mkt Entry February 2019	2.25	0.1%	2.55	0.1%	2.60	0.2%
2022	2.26	0.1%	2.56	0.1%	2.61	0.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

The average household size in the PMA is slightly smaller than that of the MSA and the nation at 2.25 persons. Over the next five years, the average household size in the PMA is projected to increase slightly at a similar rate as the MSA.

## 2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2022.

### TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Augusta-Richmond County, GA-SC MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	20,224	49.1%	20,975	50.9%	131,387	69.9%	56,654	30.1%
2010	17,449	44.5%	21,762	55.5%	145,304	67.4%	70,220	32.6%
2017	15,610	39.6%	23,841	60.4%	150,997	65.1%	80,797	34.9%
Projected Mkt Entry February 2019	15,540	39.5%	23,834	60.5%	153,662	65.5%	80,797	34.5%
2022	15,390	39.3%	23,820	60.7%	159,414	66.4%	80,797	33.6%

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

As the table illustrates, 60.4 percent of households within the PMA reside in renter-occupied units. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation.

## 2c. Household Income

The following table depicts renter household income in the PMA in 2017, market entry, and 2022.

### RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry February 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,516	23.1%	5,483	23.0%	5,412	22.7%
\$10,000-19,999	4,711	19.8%	4,680	19.6%	4,613	19.4%
\$20,000-29,999	4,203	17.6%	4,145	17.4%	4,020	16.9%
\$30,000-39,999	2,799	11.7%	2,796	11.7%	2,789	11.7%
\$40,000-49,999	1,974	8.3%	2,010	8.4%	2,088	8.8%
\$50,000-59,999	1,314	5.5%	1,330	5.6%	1,365	5.7%
\$60,000-74,999	1,053	4.4%	1,065	4.5%	1,090	4.6%
\$75,000-99,999	1,130	4.7%	1,149	4.8%	1,190	5.0%
\$100,000-124,999	416	1.7%	438	1.8%	485	2.0%
\$125,000-149,999	320	1.3%	326	1.4%	340	1.4%
\$150,000-199,999	235	1.0%	231	1.0%	221	0.9%
\$200,000+	170	0.7%	182	0.8%	207	0.9%
<b>Total</b>	<b>23,841</b>	<b>100.0%</b>	<b>23,834</b>	<b>100.0%</b>	<b>23,820</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, March 2018

**RENTER HOUSEHOLD INCOME DISTRIBUTION - Augusta-Richmond County, GA-SC MSA**

Income Cohort	2017		Projected Mkt Entry February 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	14,738	18.2%	14,688	18.0%	14,581	17.6%
\$10,000-19,999	13,784	17.1%	13,658	16.8%	13,385	16.1%
\$20,000-29,999	12,690	15.7%	12,632	15.5%	12,508	15.1%
\$30,000-39,999	9,727	12.0%	9,775	12.0%	9,879	11.9%
\$40,000-49,999	7,039	8.7%	7,104	8.7%	7,245	8.7%
\$50,000-59,999	5,917	7.3%	6,024	7.4%	6,255	7.5%
\$60,000-74,999	5,198	6.4%	5,330	6.5%	5,616	6.8%
\$75,000-99,999	5,512	6.8%	5,652	6.9%	5,953	7.2%
\$100,000-124,999	2,280	2.8%	2,406	3.0%	2,679	3.2%
\$125,000-149,999	1,664	2.1%	1,776	2.2%	2,017	2.4%
\$150,000-199,999	1,047	1.3%	1,123	1.4%	1,288	1.6%
\$200,000+	1,201	1.5%	1,347	1.7%	1,661	2.0%
<b>Total</b>	<b>80,797</b>	<b>100.0%</b>	<b>81,516</b>	<b>100.0%</b>	<b>83,067</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, March 2018

As shown in the previous table, approximately 60.5 percent of renter households earn \$30,000 or less, annually.

**2d. Renter Households by Number of Persons in the Household**

The following table illustrates household size for all households in 2017, market entry, and 2022. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

**RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA**

Household Size	2017		Projected Mkt Entry February 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	10,032	42.1%	10,080	42.3%	10,184	42.8%
2 Persons	6,196	26.0%	6,164	25.9%	6,096	25.6%
3 Persons	3,642	15.3%	3,634	15.2%	3,616	15.2%
4 Persons	2,084	8.7%	2,079	8.7%	2,068	8.7%
5+ Persons	1,887	7.9%	1,877	7.9%	1,856	7.8%
<b>Total Households</b>	<b>23,841</b>	<b>100%</b>	<b>23,834</b>	<b>100%</b>	<b>23,820</b>	<b>100%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, March 2018

The majority of renter households in the PMA are one and two-person households, followed by three-person households. Upon completion, the Subject development will serve households with two to five or more persons as a property offering two and three-bedroom units.

## Conclusion

Between 2000 and 2010 there was an approximate 0.8 percent annual decrease in total population within the PMA and 1.1 percent annual increase in the MSA. Total population in the PMA is anticipated to continue to decrease slightly through market entry and 2022, while the total populations within the MSA and the nation as a whole are projected to increase approximately 1.0 and 0.8 percent annually, respectively. The recent decrease in population in the PMA is typically cause for concern; however, the Subject is an existing fully subsidized property that typically operates at 95 percent occupancy or better, and will not add new units to the PMA. Renter households are concentrated in the lowest income cohorts, and 60.5 percent of renters in the PMA are earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$40,200, as all units will have subsidy in place. Overall, the Subject should be well positioned to service this market, and the data shows significant demand for affordable rental housing in the market.

## **F. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The PMA is economically reliant on the military, education and healthcare industries. Employment in the MSA recovered and surpassed pre-recessionary levels in 2008, six years earlier than the overall nation. Since 2012, the MSA economy generally under-performed the nation. The most recent data indicate MSA employment expanding at a rate of 3.4 percent, compared to 1.5 percent job growth across the overall nation.

### 1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Richmond County. Note that the data below was the most recent data available.

**TOTAL JOBS IN RICHMOND COUNTY, GEORGIA**

Year	Total Employment	% Change
2007	102,241	-
2008	101,082	-1.1%
2009	98,601	-2.5%
2010	97,612	-1.0%
2011	98,589	1.0%
2012	98,246	-0.3%
2013	99,596	1.4%
2014	102,434	2.8%
2015	104,602	2.1%
2016	104,303	-0.3%
2017*	104,534	0.2%

Source: U.S. Bureau of Labor Statistics, March 2018

\*YTD Average through September 2017

As illustrated in the table above, Richmond County experienced a weakening economy during the national recession in terms of total jobs from 2008 to 2010. During this time, Richmond County’s total employment decreased 4.6 percentage points. However, employment in the county has increased annually from 2011 through 2017 year-to-date, with slight decrease in 2012 and 2016.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Richmond County as of third quarter 2017.

### COVERED EMPLOYMENT (3Q2017)

Richmond County, Georgia

	Number	Percent
<b>Total, all industries</b>	<b>75,807</b>	-
<b>Goods-producing</b>	<b>11,935</b>	-
Natural resources and mining	200	0.3%
Construction	3,726	4.9%
Manufacturing	8,009	10.6%
<b>Service-providing</b>	<b>67,872</b>	-
Trade, transportation, and utilities	15,991	21.1%
Information	1,621	2.1%
Financial activities	2,556	3.4%
Professional and business services	13,991	18.5%
Education and health services	18,834	24.8%
Leisure and hospitality	12,301	16.2%
Other services	2,525	3.3%
Unclassified	133	0.2%

Source: U.S. Bureau of Labor Statistics, March 2018

Education and health services is the largest industry in Richmond County, followed closely by trade, transportation, and utilities. The education, health services, and utilities industries are generally more stable, while the manufacturing and trade and transportation industries are historically volatile industries particularly during economic downturns.

The following table illustrates employment by industry for the PMA as of 2017.

**2017 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	6,642	18.0%	21,941,435	14.2%
Accommodation/Food Services	4,789	13.0%	12,036,513	7.8%
Retail Trade	4,619	12.5%	17,038,977	11.0%
Educational Services	3,352	9.1%	14,390,707	9.3%
Manufacturing	3,048	8.3%	15,589,157	10.1%
Admin/Support/Waste Mgmt Svcs	2,022	5.5%	6,968,170	4.5%
Construction	2,004	5.4%	9,872,629	6.4%
Other Services (excl Publ Adm)	1,922	5.2%	7,493,272	4.8%
Public Administration	1,898	5.1%	6,982,075	4.5%
Prof/Scientific/Tech Services	1,367	3.7%	11,068,132	7.1%
Transportation/Warehousing	997	2.7%	6,498,777	4.2%
Real Estate/Rental/Leasing	878	2.4%	3,130,712	2.0%
Arts/Entertainment/Recreation	817	2.2%	3,448,696	2.2%
Wholesale Trade	814	2.2%	4,064,621	2.6%
Information	654	1.8%	2,741,630	1.8%
Finance/Insurance	639	1.7%	7,200,593	4.6%
Utilities	400	1.1%	1,401,281	0.9%
Mgmt of Companies/Enterprises	11	0.0%	86,740	0.1%
Agric/Forestry/Fishing/Hunting	8	0.0%	2,288,795	1.5%
Mining	7	0.0%	609,828	0.4%
<b>Total Employment</b>	<b>36,888</b>	<b>100.0%</b>	<b>154,852,740</b>	<b>100.0%</b>

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

Employment in the PMA is concentrated in the healthcare/social assistance, accommodation/food services, retail trade industries, which collectively comprise 43.5 percent of local employment. Relative to the overall nation, the PMA features comparatively greater employment in the accommodation/food services, retail trade, and admin/support/waste mgmt svcs. Conversely, the PMA is under-represented in the prof/scientific/tech services, finance/insurance, and agric/forestry/fishing/hunting relative to the overall nation.

### 3. Major Employers

The following table details the largest employers in the Augusta region.

#### LARGEST EMPLOYERS: AUGUSTA REGION

Rank	Company	Industry	No. Employed
1	U.S. Army Cyber Center of Excellence & Fort Gordon	Military	25,264
2	Augusta University	Education	4,656
3	Richmond County School System	Education	4,418
4	NSA Augusta	Government	4,000
5	University Hospital	Health Care	3,200
6	Augusta University Hospitals	Health Care	3,054
7	Augusta-Richmond County	Municipal Services	2,612
8	VA Medical Centers	Health Care	2,082
9	East Central Regional Hospital	Health Care	1,488
10	Doctors Hospital	Health Care	1,210

Source: Augusta Economic Development 2017

As indicated in the table above, the major employers in Augusta are concentrated in the military, education and healthcare sectors. These three sectors account for eight of the top 10 employers in the region. Manufacturing is also a critical significant part of employment in the region.

### 4. Expansions/Contractions

We have reviewed publications by the Georgia Department of Economic Development for WARN (Worker Adjustment and Retraining Notification Act) filings since 2016. These layoffs are illustrated in the following table.

#### WARN LISTINGS

##### Richmond County 2017 YTD

Company	Industry	Employees Affected	Notice Date
Whole Foods Market	Retail	70	2/22/2017
General Dynamics	Aerospace	122	7/11/2017
South State Bank	Banking	<u>91</u>	2/17/2017
<b>Subtotal 2017 YTD</b>		<b>283</b>	
DB Schenker, Inc.	Logistics	27	4/23/2016
Resolute Forest Products	Manufacturing	96	7/5/2016
Fibrant	Consulting	285	6/30/2016
Augusta Service Company, Inc.	Excavating	21	7/31/2016
<b>Subtotal 2016 YTD</b>		<b><u>429</u></b>	
<b>Total</b>		<b>712</b>	

Source: Georgia Department of Economic Development 2017

As illustrated in the previous table, there have been minimal major employment losses in Richmond County the past several years when accounting for the scale of the MSA economy, as well as area expansions.

The following table details recently announced business expansions, hiring activity, and plant construction in the Augusta, GA region.

**EMPLOYMENT EXPANSIONS**

**AUGUSTA, GA**

Company	Industry	New Jobs	Year	Investment
EdenCrete	Manufacturing	250	Through 2020	\$67 Million Facility
UNISYS	IT, Government Contractor	700	Through 2019	Port Royal Building
ADP	Business Processes	450	Through 2018	60,000 sq. ft. Facility
Textron, Specialized Vehicles	Manufacturing	400	Through 2020	Acquisition of P&G Plant
ICT Industries	Manufacturing	100	Through 2020	Acquisition of Int'l Flavors
Huntsman Corporation	Manufacturing	<u>100</u>	2016	\$172 Million Facility
<b>Total</b>		<b>2,000</b>		

Source: Augusta Economic Development 2017

As indicated in the table above, the majority of business expansions in Augusta are concentrated in the manufacturing and IT sectors.

**Military**

The largest employer in the Augusta area is the Fort Gordon military base, which is located approximately 12 miles from the Subject. This base was established in 1917 and played key roles in both World Wars as well as the Vietnam War. Following the Second World War, base operations became centered on electronic signals intelligence and cyber warfare. According to employment statistics published by the Augusta Economic Development Department, Fort Gordon employs 25,264 persons including both military and civilian personnel. The economic impact of Fort Gordon on the local economy is estimated to be \$1.5 billion per year. In December 2013 the military selected Fort Gordon to house the consolidated US Army Cyber Command, and began plans to expand base facilities to accommodate this new role. According to an article published by the Augusta Chronicle, construction on a new “Army Cyber Command Complex” began in November 2016, with estimated completion in May 2018. A second phase is scheduled to begin in 2019. The Army Cyber Command Complex will house the Army Cyber Protection Brigade, which maintains and defends the nation’s defense networks; and the post’s joint-force operations, which include Navy, Air Force and Marines’ cyber and intelligence personnel. The combined Army Cyber Command Complex will have space for more than 1,200 soldiers and civilian contractors by late 2020.

**National Security Agency Cryptologic Center**

Also noteworthy is that the National Security Agency (NSA) constructed a 600,000 square foot cryptologic center in 2012, which is located adjacent to the site of the Army Cyber Command Complex. The NSA facility employs approximately 4,000 analysts who intercept and decipher communications from the Middle East, North Africa and Europe. The cyber industry’s average annual salaries are \$115,000, well above the Subject’s maximum income limits. However, multiplier effects and capital infusion into the regional economy resulting from military expansion will likely be beneficial to the future economic performance of the Subject. We are not aware of any planned downsizing or closures. Further, given the substantial level of long-term fixed investment as well as the increased role of cyber technology in modern military intelligence and warfare, we believe Fort Gordon’s core functions will continue to be paramount to U.S. national security for the foreseeable future.

## 5. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Augusta-Richmond County, GA MSA from 2002 to 2017 year-to-date (December).

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Augusta-Richmond County, GA-SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	229,153	-	5.1%	-	136,485,000	-	5.8%	-
2003	234,215	2.2%	5.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	239,841	2.4%	5.4%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	240,686	0.4%	6.1%	0.7%	141,730,000	1.8%	5.1%	-0.5%
2006	242,357	0.7%	5.9%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	246,618	1.8%	5.5%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	247,126	0.2%	6.3%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	240,106	-2.8%	9.3%	3.0%	139,878,000	-3.8%	9.3%	3.5%
2010	230,828	-3.9%	9.7%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	233,616	1.2%	9.8%	0.1%	139,869,000	0.6%	9.0%	-0.7%
2012	235,384	0.8%	9.2%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	236,001	0.3%	8.4%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2014	237,356	0.6%	7.3%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015	242,387	2.1%	6.4%	-1.0%	148,833,000	1.7%	5.3%	-0.9%
2016	248,468	2.5%	5.6%	-0.7%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	255,217	2.7%	4.9%	-0.7%	153,307,833	1.2%	4.4%	-0.5%
Dec-2016	251,267	-	5.1%	-	151,798,000	-	4.5%	-
Dec-2017	259,892	3.4%	4.6%	-0.5%	154,021,000	1.5%	4.1%	-0.4%

Source: U.S. Bureau of Labor Statistics March 2018

\*2017 data is through December

### EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Augusta-Richmond County, GA-SC MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	229,153	-	-7.8%	136,485,000	-	-9.9%
2003	234,215	2.2%	-5.7%	137,736,000	0.9%	-9.0%
2004	239,841	2.4%	-3.5%	139,252,000	1.1%	-8.0%
2005	240,686	0.4%	-3.1%	141,730,000	1.8%	-6.4%
2006	242,357	0.7%	-2.5%	144,427,000	1.9%	-4.6%
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2008	247,126	0.2%	-0.5%	145,363,000	-0.5%	-4.0%
2009	240,106	-2.8%	-3.4%	139,878,000	-3.8%	-7.6%
2010	230,828	-3.9%	-7.1%	139,064,000	-0.6%	-8.2%
2011	233,616	1.2%	-6.0%	139,869,000	0.6%	-7.6%
2012	235,384	0.8%	-5.3%	142,469,000	1.9%	-5.9%
2013	236,001	0.3%	-5.0%	143,929,000	1.0%	-5.0%
2014	237,356	0.6%	-4.5%	146,305,000	1.7%	-3.4%
2015	242,387	2.1%	-2.4%	148,833,000	1.7%	-1.7%
2016	248,468	2.5%	0.0%	151,436,000	1.7%	0.0%
2017 YTD Average*	255,217	2.7%	-	153,307,833	1.2%	-
Dec-2016	251,267	-	-	151,798,000	-	-
Dec-2017	259,892	3.4%	-	154,021,000	1.5%	-

Source: U.S. Bureau of Labor Statistics March 2018

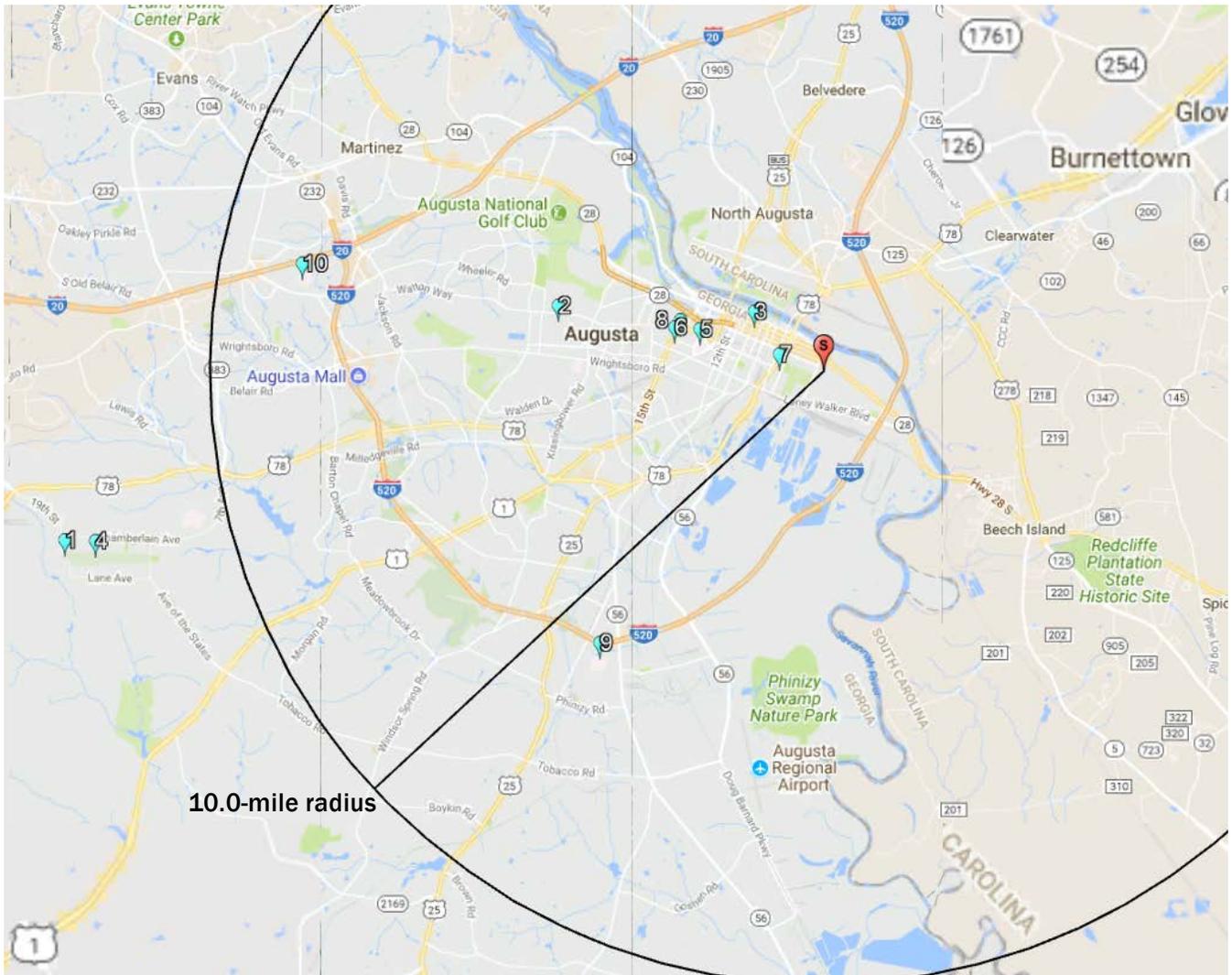
Prior to the national recession, employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in three of the six years between 2002 and 2007. The effects of the recession were particularly pronounced in the MSA, which suffered a 6.4 percent contraction in total employment, more than the 4.8 percent contraction experienced by the nation as a whole. Employment in

the MSA recovered and surpassed pre-recessionary levels in 2008, six years earlier than the overall nation. Since 2012, the MSA economy generally under-performed the nation. The most recent data indicate MSA employment expanding at a rate of 3.4 percent, compared to 1.5 percent job growth across the overall nation.

The MSA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. Unemployment in the MSA reached a historic low in 2002, which is five years before the overall nation. The local labor market demonstrated relative strength during the recession, as the rate of unemployment increased only 4.4 percent compared to a 4.9 percent increase across the overall nation. Since 2012, the MSA has experienced an unemployment rate above the nation as a whole. According to the most recent labor statistics, the unemployment rate in the MSA is 4.6 percent, above the current national unemployment rate of 4.1 percent.

## 6. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Richmond County, Georgia.



Source: Google Earth, March 2018

**LARGEST EMPLOYERS: AUGUSTA REGION**

Rank	Company	Industry	No. Employed
1	U.S. Army Cyber Center of Excellence & Fort Gordon	Military	25,264
2	Augusta University	Education	4,656
3	Richmond County School System	Education	4,418
4	NSA Augusta	Government	4,000
5	University Hospital	Health Care	3,200
6	Augusta University Hospitals	Health Care	3,054
7	Augusta-Richmond County	Municipal Services	2,612
8	VA Medical Centers	Health Care	2,082
9	East Central Regional Hospital	Health Care	1,488
10	Doctors Hospital	Health Care	1,210

Source: Augusta Economic Development 2017

**7. Conclusion**

The largest local employer is the Fort Gordon military base, located approximately 12 miles from the Subject and has an estimated annual impact of \$1.5 billion on the regional economy. The US Army is currently constructing a new cyber command facility at this base, which will result in the creation of more than 1,000 new jobs. We are not aware of any plans to close or downsize Fort Gordon. The MSA was significantly affected by the national recession. Employment losses due to the most recent national recession were recovered in the MSA as of 2016, while the nation passed pre-recession employment levels in 2014. However, manufacturing employment has declined substantially in recent years, falling from 10.5 percent of PMA employment in 2000 to approximately 7.8 percent in 2016. We believe the shift of employment away from the historically volatile manufacturing sector bodes well for future growth and stability of the PMA economy despite the drag of continued concentration in the manufacturing sector. Overall, the MSA appears to be in growth phase due to the increasing employment and a decreasing unemployment rate.

# **G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS**

## PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

### 1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 30 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

### 2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

#### INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
@60% (Section 8)		
2BR	\$0	\$33,480
3BR	\$0	\$40,200

#### INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
@60% (Section 8)		
2BR	\$28,697	\$33,480
3BR	\$33,154	\$40,200

### 3. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

#### 3a. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2019, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are extrapolated to 2019 by calculating the difference between 2017 estimates and 2022 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2019. This number takes the overall growth from 2017 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

#### 3b. Demand from Existing Households

Demand for existing households is estimated by summing two sources of potential tenants. The first source is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using ACS data based on appropriate income levels.

The second source is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

#### 3c. Demand from Elderly Homeowners likely to Convert to Rentership

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. As the Subject is not an age-restricted development, no senior conversion rate is necessary.

#### 3d. Other

Per the 2017 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

DCA does not consider household turnover to be a source of market demand. Therefore, we have not accounted for household turnover in our demand analysis.

We have adjusted all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes.

#### 4. New Demand, Capture Rates and Stabilization Conclusions

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2015 to the present.

##### Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2015 through the present.
- Vacancies in projects placed in service prior to 2015 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2015 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. We were able to identify competitive units at two developments in the PMA that were allocated, placed in service, or stabilizing between 2015 and present.

- 15<sup>th</sup> Street Development Phase II is located 2.8 miles west of the Subject. This development will offer 90 one and two LIHTC/PBRA/market rate units. Of the 90 units, 42 are LIHTC restricted at the 60 percent AMI level and nine are PBRA restricted and rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band. The remaining nine units are unrestricted market rate units.
- Gardens at Harvest is located 7.3 miles west of the Subject. This development was allocated tax credits in 2015 and is currently under construction and in lease-up. The development currently has 52 units online, all of which are occupied or pre-leased. Upon completion, this development will offer 256 one, two, and three-bedroom units restricted at the 60 percent AMI level. There are 64 one-bedrooms, 128 two-bedrooms, and 64 three-bedrooms. The remaining 204 units are anticipated to be completed in May 2018.

The following table illustrates the total number of units removed based on existing properties, as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2015 and present.

##### ADDITIONS TO SUPPLY 2017

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Unrestricted	Overall
2BR	-	-	-	131	-	131
3BR	-	-	-	55	-	55
<b>Total</b>	-	-	-	<b>186</b>	-	<b>186</b>

**PMA Occupancy**

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

**PMA OCCUPANCY**

Property Name	Program	Tenancy	Location	# of Units	Occupancy
Augusta Manor	Section 8	Family	Augusta	100	100.0%
Augusta Properties	Section 8	Family	Augusta	88	100.0%
Bon Air Apartments	Section 8	Family	Augusta	203	100.0%
Villa Marie Apartments	Section 8	Family	Augusta	140	100.0%
Independent Living Horizons I	Section 8	Senior	Augusta	3	100.0%
Independent Living Horizons II	Section 8	Senior	Augusta	9	100.0%
Independent Living Horizons III	Section 8	Senior	Augusta	5	100.0%
Independent Living Horizons IV	Section 8	Senior	Augusta	20	100.0%
Independent Living Horizons V	Section 8	Senior	Augusta	11	100.0%
Independent Living Horizons 6	Section 8	Senior	Augusta	40	100.0%
Independent Living Horizons 8	Section 8	Senior	Augusta	40	100.0%
Independent Living Horizons 11	Section 8	Senior	Augusta	13	100.0%
Independent Living Horizons 12	Section 8	Senior	Augusta	6	100.0%
Independent Living Horizons 15	Section 8	Senior	Augusta	12	100.0%
Lynndale Group Homes	Section 8	Senior	Augusta	12	100.0%
Lynndale West Apartments	Section 8	Senior	Augusta	11	100.0%
S.G. Noble Garden of Hope	Section 8	Senior	Augusta	30	100.0%
Shadowood Apartments	Section 8	Family	Augusta	78	100.0%
St. John's Towers	Section 8	Senior	Augusta	266	100.0%
Augusta Senior Spring Apartments	LIHTC	Senior	Augusta	200	100.0%
Riverchase Apartments	LIHTC	Family	Augusta	80	100.0%
Sandbar Manor II	LIHTC	Family	Augusta	80	100.0%
Old Towne Properties*	LIHTC	Family	Augusta	116	97.4%
East Augusta Commons*	LIHTC	Family	Augusta	148	100.0%
Linden Square Apartments	LIHTC/Market	Senior	Augusta	48	100.0%
Richmond Summit Apartments	Section 8/LIHTC	Family	Augusta	136	100.0%
Maxwell House	Section 8/LIHTC	Family	Augusta	216	100.0%
Cedarwood Apartments*	LIHTC	Family	Augusta	184	92.9%
The Crest at Edinburgh*	LIHTC	Family	Augusta	40	100.0%
Terrace at Edinburgh	LIHTC	Family	Augusta	72	100.0%
Underwood Homes	LIHTC/ACC/Public Housing	Senior	Augusta	75	100.0%
Legacy at Walton Oaks I & II	LIHTC/ACC/PBRA	Senior	Augusta	137	100.0%
<b>Average</b>					<b>99.7%</b>

\*Utilized as a comparable

The average occupancy rate of competitive developments in the PMA is 99.7 percent.

### **Rehab Developments and PBRA**

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

***All of the Subject's 192 units will benefit from Section 8 rental assistance. We were not provided with an income audit; however, we have assumed that all of the Subject's tenants will continue to income-qualify post-renovation, absent subsidy. These units are presumed leasable, and only the vacant units have been accounted for in our capture rate analysis, per DCA guidance, which totals 32 units. In the scenario without subsidy, we have assumed that none of the Subject's tenants will continue to income-qualify, and have accounted for all 192 units.***

## 5. Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of February 2019 were illustrated in the previous section of this report.

### RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry February 2019		2022	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	5,516	23.1%	5,483	23.0%	5,412	22.7%
\$10,000-19,999	4,711	19.8%	4,680	19.6%	4,613	19.4%
\$20,000-29,999	4,203	17.6%	4,145	17.4%	4,020	16.9%
\$30,000-39,999	2,799	11.7%	2,796	11.7%	2,789	11.7%
\$40,000-49,999	1,974	8.3%	2,010	8.4%	2,088	8.8%
\$50,000-59,999	1,314	5.5%	1,330	5.6%	1,365	5.7%
\$60,000-74,999	1,053	4.4%	1,065	4.5%	1,090	4.6%
\$75,000-99,999	1,130	4.7%	1,149	4.8%	1,190	5.0%
\$100,000-124,999	416	1.7%	438	1.8%	485	2.0%
\$125,000-149,999	320	1.3%	326	1.4%	340	1.4%
\$150,000-199,999	235	1.0%	231	1.0%	221	0.9%
\$200,000+	170	0.7%	182	0.8%	207	0.9%
<b>Total</b>	<b>23,841</b>	<b>100.0%</b>	<b>23,834</b>	<b>100.0%</b>	<b>23,820</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, March 2018

**60% AMI – As Proposed**

Minimum Income Limit		\$0		Maximum Income Limit		\$40,200	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter		
	Households PMA 2017 to Prj Mrkt Entry	February 2019			Households	within Bracket	
\$0-9,999	-33	495.2%	\$9,999	100.0%	-33		
\$10,000-19,999	-31	466.7%	\$9,999	100.0%	-31		
\$20,000-29,999	-58	871.4%	\$9,999	100.0%	-58		
\$30,000-39,999	-3	47.6%	\$9,999	100.0%	-3		
\$40,000-49,999	36	-542.9%	\$200	2.0%	1		
\$50,000-59,999	16	-242.9%	\$0	0.0%	0		
\$60,000-74,999	12	-176.2%	\$0	0.0%	0		
\$75,000-99,999	19	-285.7%	\$0	0.0%	0		
\$100,000-124,999	22	-328.6%	\$0	0.0%	0		
\$125,000-149,999	6	-95.2%	\$0	0.0%	0		
\$150,000-199,999	-4	66.7%	\$0	0.0%	0		
\$200,000+	12	-176.2%	\$0	0.0%	0		
<b>Total</b>	<b>-7</b>	<b>100.0%</b>		<b>N/A</b>	<b>-124</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$0		Maximum Income Limit		\$40,200	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households		
	Households	%			within Bracket		
\$0-9,999	5,516	23.1%	\$9,999	100.0%	5,516		
\$10,000-19,999	4,711	19.8%	\$9,999	100.0%	4,711		
\$20,000-29,999	4,203	17.6%	\$9,999	100.0%	4,203		
\$30,000-39,999	2,799	11.7%	\$9,999	100.0%	2,799		
\$40,000-49,999	1,974	8.3%	\$200	2.0%	39		
\$50,000-59,999	1,314	5.5%	\$0	0.0%	0		
\$60,000-74,999	1,053	4.4%	\$0	0.0%	0		
\$75,000-99,999	1,130	4.7%	\$0	0.0%	0		
\$100,000-124,999	416	1.7%	\$0	0.0%	0		
\$125,000-149,999	320	1.3%	\$0	0.0%	0		
\$150,000-199,999	235	1.0%	\$0	0.0%	0		
\$200,000+	170	0.7%	\$0	0.0%	0		
<b>Total</b>	<b>23,841</b>	<b>100.0%</b>		<b>72.4%</b>	<b>17,268</b>		

**ASSUMPTIONS - @60%**

Tenancy	Family	% of Income towards Housing		35%	
Rural/Urban	Urban	Maximum # of Occupants		5	
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	10%	70%	20%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	60%	40%

**Demand from New Renter Households 2017 to February 2019**

Income Target Population	@60%
New Renter Households PMA	-7
Percent Income Qualified	N/A
<b>New Renter Income Qualified Households</b>	<b>-124</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	@60%
Total Existing Demand	23,841
Income Qualified	72.4%
Income Qualified Renter Households	17,268
Percent Rent Overburdened Prj Mrkt Entry February 2019	44.9%
<b>Rent Overburdened Households</b>	<b>7,750</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	17,268
Percent Living in Substandard Housing	0.9%
<b>Households Living in Substandard Housing</b>	<b>149</b>

**Senior Households Converting from Homeownership**

Income Target Population	@60%
<b>Total Senior Homeowners</b>	<b>0</b>
Rural Versus Urban	0.0%
<b>Senior Demand Converting from Homeownership</b>	<b>0</b>

**Total Demand**

Total Demand from Existing Households	7,899
Total New Demand	-124
<b>Total Demand (New Plus Existing Households)</b>	<b>7,775</b>

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

**By Bedroom Demand**

One Person	42.3%	3,288
Two Persons	25.9%	2,011
Three Persons	15.2%	1,185
Four Persons	8.7%	678
Five Persons	7.9%	612
<b>Total</b>	<b>100.0%</b>	<b>7,775</b>

**To place Person Demand into Bedroom Type Units**

Of one-person households in 2BR units	20%	658
Of two-person households in 2BR units	80%	1,609
Of three-person households in 2BR units	60%	711
Of three-person households in 3BR units	40%	474
Of four-person households in 3BR units	70%	475
Of five-person households in 3BR units	60%	367
<b>Total Demand</b>		<b>7,836</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
2 BR	2,977	-	157	=	2,820
3 BR	1,316	-	68	=	1,248
<b>Total</b>	<b>4,294</b>		<b>225</b>		<b>4,069</b>

	Developer's Unit Mix		Net Demand		Capture Rate
2 BR	12	/	2,820	=	0.4%
3 BR	20	/	1,248	=	1.6%
<b>Total</b>	<b>32</b>		<b>4,069</b>		<b>0.8%</b>

**60% AMI – Without Subsidy**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$28,697		Maximum Income Limit		\$40,200	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry February 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-33			495.2%	\$0	0.0%
\$10,000-19,999	-31	466.7%	\$0	0.0%	0		
\$20,000-29,999	-58	871.4%	\$1,302	13.0%	-8		
\$30,000-39,999	-3	47.6%	\$9,999	100.0%	-3		
\$40,000-49,999	36	-542.9%	\$200	2.0%	1		
\$50,000-59,999	16	-242.9%	\$0	0.0%	0		
\$60,000-74,999	12	-176.2%	\$0	0.0%	0		
\$75,000-99,999	19	-285.7%	\$0	0.0%	0		
\$100,000-124,999	22	-328.6%	\$0	0.0%	0		
\$125,000-149,999	6	-95.2%	\$0	0.0%	0		
\$150,000-199,999	-4	66.7%	\$0	0.0%	0		
\$200,000+	12	-176.2%	\$0	0.0%	0		
<b>Total</b>	<b>-7</b>	<b>100.0%</b>		<b>N/A</b>	<b>-10</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$28,697		Maximum Income Limit		\$40,200	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	5,516			23.1%	\$0	0.0%
\$10,000-19,999	4,711	19.8%	\$0	0.0%	0		
\$20,000-29,999	4,203	17.6%	\$1,302	13.0%	547		
\$30,000-39,999	2,799	11.7%	\$9,999	100.0%	2,799		
\$40,000-49,999	1,974	8.3%	\$200	2.0%	39		
\$50,000-59,999	1,314	5.5%	\$0	0.0%	0		
\$60,000-74,999	1,053	4.4%	\$0	0.0%	0		
\$75,000-99,999	1,130	4.7%	\$0	0.0%	0		
\$100,000-124,999	416	1.7%	\$0	0.0%	0		
\$125,000-149,999	320	1.3%	\$0	0.0%	0		
\$150,000-199,999	235	1.0%	\$0	0.0%	0		
\$200,000+	170	0.7%	\$0	0.0%	0		
<b>Total</b>	<b>23,841</b>	<b>100.0%</b>		<b>14.2%</b>	<b>3,386</b>		

**ASSUMPTIONS - @60%**

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Urban		Maximum # of Occupants		5	
Persons in Household	0BR	1BR	2BR	3BR	4BR+		
1	10%	70%	20%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	60%	40%	0%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	60%	40%		

**Demand from New Renter Households 2017 to February 2019**

Income Target Population	@60%
New Renter Households PMA	-7
Percent Income Qualified	N/A
<b>New Renter Income Qualified Households</b>	<b>-10</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	@60%
Total Existing Demand	23,841
Income Qualified	14.2%
Income Qualified Renter Households	3,386
Percent Rent Overburdened Prj Mrkt Entry February 2019	44.9%
<b>Rent Overburdened Households</b>	<b>1,520</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	3,386
Percent Living in Substandard Housing	0.9%
<b>Households Living in Substandard Housing</b>	<b>29</b>

**Senior Households Converting from Homeownership**

Income Target Population	@60%
<b>Total Senior Homeowners</b>	<b>0</b>
Rural Versus Urban	0.0%
<b>Senior Demand Converting from Homeownership</b>	<b>0</b>

**Total Demand**

Total Demand from Existing Households	1,549
Total New Demand	-10
<b>Total Demand (New Plus Existing Households)</b>	<b>1,539</b>

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

**By Bedroom Demand**

One Person	42.3%	651
Two Persons	25.9%	398
Three Persons	15.2%	235
Four Persons	8.7%	134
Five Persons	7.9%	121
<b>Total</b>	<b>100.0%</b>	<b>1,539</b>

**To place Person Demand into Bedroom Type Units**

Of one-person households in 2BR units	20%	130
Of two-person households in 2BR units	80%	318
Of three-person households in 2BR units	60%	141
Of three-person households in 3BR units	40%	94
Of four-person households in 3BR units	70%	94
Of five-person households in 3BR units	60%	73
<b>Total Demand</b>		<b>1,551</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
2 BR	589	-	131	=	458
3 BR	261	-	55	=	206
<b>Total</b>	<b>850</b>		<b>186</b>		<b>664</b>

	Developer's Unit Mix		Net Demand		Capture Rate
2 BR	172	/	458	=	37.5%
3 BR	20	/	206	=	9.7%
<b>Total</b>	<b>192</b>		<b>664</b>		<b>28.9%</b>

**Conclusions**

We have conducted such an analysis to determine a base of demand for the Subject as a LIHTC property. Several factors affect the indicated capture rates and are discussed following.

- The capture rate assumes the Subject's LIHTC units do not benefit from subsidy. With the assumption that all units benefit from Section 8 rental assistance, at least one additional tenant may have an income as low as \$0.
- This *Demand Analysis* does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

**DEMAND AND NET DEMAND (NO SUBSIDY)**

DCA Conclusion Tables (Family)	HH at 60% AMI (\$28,697 to \$40,200)	All Tax Credit Households
Demand from New Households (age and income appropriate)	-10	-10
<b>PLUS</b>	+	+
Demand from Existing Renter Households - Substandard Housing	149	149
<b>PLUS</b>	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	7,750	7,750
Sub Total	7,889	7,889
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
<b>Equals Total Demand</b>	7,889	7,889
<b>Less</b>	-	-
Competitive New Supply	186	186
<b>Equals Net Demand</b>	7,703	7,703

**DEMAND AND NET DEMAND (WITH SUBSIDY)**

DCA Conclusion Tables (Family)	HH at 60% AMI (\$0 to \$40,200)	All Tax Credit Households
Demand from New Households (age and income appropriate)	-124	-124
<b>PLUS</b>	+	+
Demand from Existing Renter Households - Substandard Housing	149	149
<b>PLUS</b>	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	7,750	7,750
Sub Total	7,775	7,775
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
<b>Equals Total Demand</b>	7,775	7,775
<b>Less</b>	-	-
Competitive New Supply	186	186
<b>Equals Net Demand</b>	7,589	7,589

**CAPTURE RATE ANALYSIS CHART - ABSENT SUBSIDY**

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR @60%	\$28,697	\$33,480	172	589	131	458	37.5%	Nine months	\$911	\$633	\$1,407	\$837
2BR Overall	\$28,697	\$33,480	172	589	131	458	37.5%	Nine months	-	-	-	-
3BR @60%	\$33,154	\$40,200	20	261	55	206	9.7%	Nine months	\$993	\$672	\$1,539	\$967
3BR Overall	\$33,154	\$40,200	20	261	55	206	9.7%	Nine months	-	-	-	-
@60% Overall	\$28,697	\$40,200	192	850	186	664	28.9%	Nine months	-	-	-	-
Overall	\$28,697	\$40,200	192	850	186	664	28.9%	Nine months	-	-	-	-

**CAPTURE RATE ANALYSIS CHART - WITH SUBSIDY**

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR @60%	\$0	\$33,480	12	2,977	131	2,846	0.4%	Nine months	\$911	\$633	\$1,407	\$837
2BR Overall	\$0	\$33,480	12	2,977	131	2,846	0.4%	Nine months	-	-	-	-
3BR @60%	\$0	\$40,200	20	1,316	55	1,261	1.6%	Nine months	993	672	1539	\$967
3BR Overall	\$0	\$40,200	20	1,316	55	1,261	1.6%	Nine months	-	-	-	-
@60% Overall	\$0	\$40,200	32	4,294	186	4,108	0.8%	Nine months	-	-	-	-
Overall	\$0	\$40,200	32	4,294	186	4,108	0.8%	Nine months	-	-	-	-

As the analysis illustrates, the Subject’s 60 percent AMI capture rates, absent subsidy, range from 9.7 to 37.5 percent, with an overall capture rate of 28.9 percent. With subsidy, the Subject’s 60 percent AMI capture rates range from 0.4 to 1.6 percent, with an overall capture rate of 0.8 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates at the Subject, as proposed, fall below the 2018 DCA Market Study capture rate threshold of 30 percent.

# **H. COMPETITIVE RENTAL ANALYSIS**

## COMPETITIVE RENTAL ANALYSIS

### Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 1,377 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; we have included four comparable properties which offer LIHTC units, all of which are located within the PMA, and all target the general population. We believe these comparables are the most comparable properties in the area as they target families and are located in generally similar areas in terms of access to amenities.

Finally, it is of note that all of the Subject’s 192 units currently benefit from a Housing Assistance Program (HAP) contract. Following renovation, all of the Subject’s units will continue to benefit from Section 8 subsidy. As such, qualifying tenants for 192 units will pay only 30 percent of their household income on rent. The comparable affordable properties are located between 0.1 and 6.3 miles from the Subject.

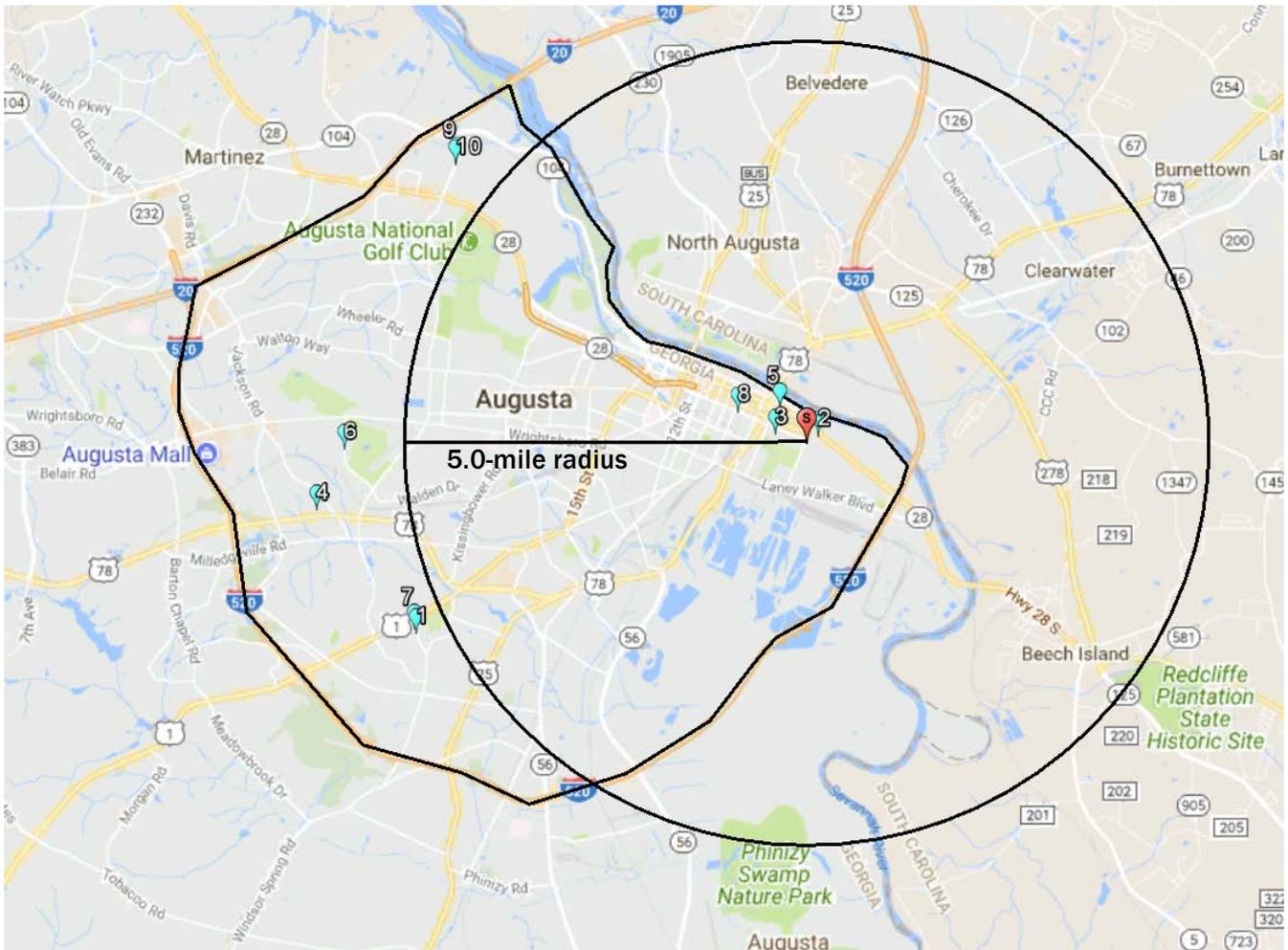
The availability of market rate data is considered good. The Subject is located in Augusta, and there are multiple comparable market rate properties in the area. We have included six conventional market rate properties in our analysis of the competitive market. The market rate properties are located in the PMA, between 0.6 and 5.9 miles from the Subject. The comparables were built or last renovated between 1998 and 2016. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on condition, design or tenancy.

## Excluded Properties

The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES			
Property Name	Tenancy	Type	Reason for Exclusion
Augusta Spring Apartments	Senior	LIHTC	Dissimilar tenancy
Davidson Senior Manor	Senior	LIHTC	Dissimilar tenancy
Terraces At Edinburgh	Senior	LIHTC	Dissimilar tenancy
Freedom's Path	Family	LIHTC (PBRA)	Subsidized
Maxwell House	Family	LIHTC (PBRA)	Subsidized
Richmond Summit	Senior	LIHTC (PBRA)	Subsidized/Dissimilar tenancy
Linden Square	Senior	LIHTC, Market	Dissimilar tenancy
Underwood Homes Ph I	Senior	Public Housing	Subsidized/Dissimilar tenancy
Underwood Homes Ph II	Family	Public Housing	Subsidized
Ashton Bon Air	Family	Section 8	Subsidized
Lynndale West Apartments	Senior	Section 8	Subsidized/Dissimilar tenancy
Lynndale Group Homes	Senior	Section 8	Subsidized/Dissimilar tenancy
S.G. Noble Garden Of Hope	Senior	Section 8	Subsidized/Dissimilar tenancy
Shadowood Apartments	Family	Section 8	Subsidized
St. John's Towers	Family	Section 8	Subsidized
Independent Living Horizons	Special Needs	Section 811	Subsidized/Dissimilar tenancy
Bailey Place	Family	Market	More comparable properties
Cedar Grove Apartments	Family	Market	Majority of tenants use vouchers
Cedar Ridge Apartments	Family	Market	Closer comparables
Champion's Pines	Family	Market	Closer comparables
Oak Hill Apartments	Family	Market	Inferior condition
Oxford Glen Apartments	Family	Market	Closer comparables
Providence Place	Family	Market	Inferior condition
Regency Village	Family	Market	Closer comparables
Woodhaven Apartments	Family	Market	Closer comparables
Woodhill Apartments	Family	Market	Closer comparables

**Comparable Rental Property Map**



**COMPARABLE PROPERTIES**

#	Comparable Property	City	Rent Structure	Distance to Subject
1	Cedarwood Apartments	Augusta	LIHTC	5.5 miles
2	East Augusta Commons	Augusta	LIHTC	0.1 miles
3	Olde Towne Properties	Augusta	LIHTC	0.5 miles
4	The Crest At Edinburgh	Augusta	LIHTC	6.3 miles
5	Broadway Apartments	Augusta	Market	0.6 miles
6	Forest Brook	Augusta	Market	5.9 miles
7	High Point Crossing	Augusta	Market	5.5 miles
8	River Ridge	Augusta	Market	1.0 miles
9	TEN35 Alexander	Augusta	Market	5.7 miles
10	The Glen At Alexander	Augusta	Market	5.7 miles

RIVER GLEN APARTMENTS – AUGUSTA, GEORGIA – MARKET STUDY

1. The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

SUMMARY MATRIX														
Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	River Glen As Renovated 201 East Telfair Street Augusta, GA 30901 Richmond County		Garden (2 stories) 1962 / 2019 Family	@60% (Section 8)	2BR / 1BA	12	6.3%	665	@60% (Section 8)	\$837	Yes		N/A	N/A
					2BR / 1BA	160	83.3%	665	@60% (Section 8)	\$837	Yes		N/A	N/A
					3BR / 2BA	2	1.0%	960	@60% (Section 8)	\$967	Yes		N/A	N/A
					3BR / 2BA	18	9.4%	960	@60% (Section 8)	\$967	Yes		N/A	N/A
						192	100.0%							N/A
1	Cedarwood Apartments 527 Richmond Hill Rd W Augusta, GA 30906 Richmond County	5.5 miles	Various (2 stories) 1970s / 2007 Family	@30%, @50%, @60%	1BR / 1BA	8	4.3%	850	@30%	\$274	Yes	Yes	N/A	N/A
					1BR / 1BA	37	20.1%	850	@50%	\$507	Yes	Yes	N/A	N/A
					1BR / 1BA	11	6.0%	850	@60%	\$544	Yes	Yes	N/A	N/A
					2BR / 1.5BA	12	6.5%	950	@30%	\$318	Yes	Yes	N/A	N/A
					2BR / 1.5BA	4	2.2%	1,150	@30%	\$318	Yes	Yes	N/A	N/A
					2BR / 1.5BA	52	28.3%	950	@50%	\$597	Yes	Yes	N/A	N/A
					2BR / 1.5BA	16	8.7%	1,150	@50%	\$597	Yes	Yes	N/A	N/A
					2BR / 1.5BA	16	8.7%	950	@60%	\$645	Yes	Yes	N/A	N/A
					2BR / 1.5BA	4	2.2%	1,150	@60%	\$645	Yes	Yes	N/A	N/A
					3BR / 2BA	4	2.2%	1,200	@30%	\$349	Yes	Yes	N/A	N/A
					3BR / 2BA	15	8.2%	1,200	@50%	\$672	Yes	Yes	N/A	N/A
					3BR / 2BA	5	2.7%	1,200	@60%	\$833	Yes	Yes	N/A	N/A
						184	100.0%							
2	East Augusta Commons 420 East Boundary Augusta, GA 30901 Richmond County	0.1 miles	Townhouse (2 stories) 1970s / 2001 Family	@60%	2BR / 1.5BA	148	100.0%	948	@60%	\$555	No	Yes	0	0.0%
						148	100.0%							
3	Olde Towne Properties 602 3rd Street Augusta, GA 30901 Richmond County	0.5 miles	Conversion (3 stories) 1910 / 2002 Family	@50%, @60%	0BR / 1BA	2	1.7%	325	@50%	\$433	Yes	No	N/A	N/A
					0BR / 1BA	2	1.7%	325	@60%	\$450	Yes	No	N/A	N/A
					1BR / 1BA	27	23.3%	540	@50%	\$485	Yes	No	N/A	N/A
					1BR / 1BA	36	31.0%	540	@60%	\$595	Yes	No	N/A	N/A
					2BR / 1BA	14	12.1%	820	@50%	\$583	Yes	No	N/A	N/A
					2BR / 1BA	27	23.3%	820	@60%	\$716	Yes	No	N/A	N/A
					3BR / 2BA	4	3.4%	1,050	@50%	\$705	Yes	No	N/A	N/A
					3BR / 2BA	4	3.4%	1,050	@60%	\$866	Yes	No	N/A	N/A
						116	100.0%							
4	The Crest At Edinburg 3227 Milledgeville Road Augusta, GA 30909 Richmond County	6.3 miles	Single Family (2 stories) 2011 / n/a Family	@50%, @60%	3BR / 2.5BA	6	15.0%	1,325	@50%	\$496	Yes	Yes	0	0.0%
					3BR / 2.5BA	24	60.0%	1,325	@60%	\$652	Yes	Yes	0	0.0%
					4BR / 2.5BA	2	5.0%	1,516	@50%	\$506	Yes	Yes	0	0.0%
					4BR / 2.5BA	8	20.0%	1,516	@60%	\$683	Yes	Yes	0	0.0%
						40	100.0%							
5	Broadway Apartments 335 Broad Street Augusta, GA 30901 Richmond County	0.6 miles	Garden (3 stories) 1920 / 2016 Family	Market	1BR / 1BA	8	20.0%	612	Market	\$719	N/A	No	1	12.5%
					2BR / 2BA	8	20.0%	1,060	Market	\$899	N/A	No	0	0.0%
					2BR / 2BA	11	27.5%	1,125	Market	\$899	N/A	No	0	0.0%
					2BR / 2BA	13	32.5%	1,225	Market	\$899	N/A	No	0	0.0%
						40	100.0%							
6	Forest Brook 3122 Damascus Road Augusta, GA 30909 Richmond County	5.9 miles	Garden (2 stories) 1984 / 1998 Family	Market	1BR / 1BA	56	34.8%	580	Market	\$580	N/A	No	1	1.8%
					2BR / 1BA	48	29.8%	840	Market	\$670	N/A	No	2	4.2%
					2BR / 2BA	48	29.8%	916	Market	\$695	N/A	No	0	0.0%
					3BR / 2BA	9	5.6%	1,250	Market	\$820	N/A	No	1	11.1%
						161	100.0%							
7	High Point Crossing 524 Richmond Hill Road W Augusta, GA 30906 Richmond County	5.5 miles	Garden (2 stories) 1972 / 2001 Family	Market	1BR / 1BA	32	19.0%	850	Market	\$620	N/A	No	0	0.0%
					2BR / 1BA	120	71.4%	950	Market	\$695	N/A	No	3	2.5%
					3BR / 2BA	16	9.5%	1,050	Market	\$800	N/A	No	1	6.3%
						168	100.0%							
8	River Ridge 505 13th Street Augusta, GA 30901 Richmond County	1.0 miles	Garden (3 stories) 1984 / 2012 Family	Market	2BR / 2BA	52	50.0%	850	Market	\$615	N/A	No	0	0.0%
					2BR / 2BA	52	50.0%	900	Market	\$615	N/A	No	5	9.6%
					104	100.0%							5	4.8%
9	TEN35 Alexander 1035 Alexander Drive Augusta, GA 30909 Richmond County	5.7 miles	Various (2 stories) 2003 / n/a Family	Market	1BR / 1BA	14	7.0%	824	Market	\$991	N/A	No	0	0.0%
					1BR / 1BA	48	24.0%	909	Market	\$1,043	N/A	No	0	0.0%
					1.5BR / 1BA	24	12.0%	1,094	Market	\$1,095	N/A	No	0	0.0%
					2BR / 2BA	43	21.5%	1,166	Market	\$1,087	N/A	No	2	4.7%
					2BR / 2BA	43	21.5%	1,261	Market	\$1,079	N/A	No	2	4.7%
					3BR / 2BA	28	14.0%	1,403	Market	\$1,299	N/A	No	0	0.0%
	200	100.0%									4	2.0%		
10	The Glen At Alexander 1040 Alexander Drive Augusta, GA 30909 Richmond County	5.7 miles	Garden (3 stories) 2003 / n/a Family	Market	1BR / 1BA	26	12.0%	975	Market	\$1,110	N/A	Yes	0	0.0%
					2BR / 2BA	130	60.2%	1,175	Market	\$1,240	N/A	Yes	0	0.0%
					3BR / 2BA	60	27.8%	1,350	Market	\$1,340	N/A	Yes	0	0.0%
					216	100.0%							0	0.0%

**RIVER GLEN APARTMENTS – AUGUSTA, GEORGIA – MARKET STUDY**

<b>RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.</b>				
	Units Surveyed:	1,377	Weighted Occupancy:	97.5%
	Market Rate	889	Market Rate	98.0%
	Tax Credit	488	Tax Credit	96.7%
		<b>Two-Bedroom One Bath</b>	<b>Three-Bedroom Two Bath</b>	
	<b>Property</b>	<b>Average</b>	<b>Property</b>	<b>Average</b>
<b>RENT</b>	The Glen At Alexander (Market)(2BA)	\$1,240	The Glen At Alexander (Market)	\$1,340
	TEN35 Alexander (Market)(2BA)	\$1,087	TEN35 Alexander (Market)	\$1,299
	TEN35 Alexander (Market)(2BA)	\$1,079	<b>River Glen As Renovated (@60%)</b>	<b>\$967</b>
	Broadway Apartments (Market)(2BA)	\$899	<b>River Glen As Renovated (@60%)</b>	<b>\$967</b>
	Broadway Apartments (Market)(2BA)	\$899	Olde Towne Properties (@60%)	\$866
	Broadway Apartments (Market)(2BA)	\$899	Cedarwood Apartments (@60%)	\$833
	<b>River Glen As Renovated (@60%)</b>	<b>\$837</b>	Forest Brook (Market)	\$820
	<b>River Glen As Renovated (@60%)</b>	<b>\$837</b>	High Point Crossing (Market)	\$800
	Olde Towne Properties (@60%)	\$716	Olde Towne Properties (@50%)	\$705
	High Point Crossing (Market)	\$695	Cedarwood Apartments (@50%)	\$672
	Forest Brook (Market)(2BA)	\$695	The Crest At Edinburgh (@60%)(2.5BA)	\$652
	Forest Brook (Market)	\$670	The Crest At Edinburgh (@50%)(2.5BA)	\$496
	Cedarwood Apartments (@60%)(1.5BA)	\$645	Cedarwood Apartments (@30%)	\$349
	Cedarwood Apartments (@60%)(1.5BA)	\$645		
	River Ridge (Market)(2BA)	\$615		
	River Ridge (Market)(2BA)	\$615		
	Cedarwood Apartments (@50%)(1.5BA)	\$597		
	Cedarwood Apartments (@50%)(1.5BA)	\$597		
	Olde Towne Properties (@50%)	\$583		
	East Augusta Commons (@60%)(1.5BA)	\$555		
	Cedarwood Apartments (@30%)(1.5BA)	\$318		
	Cedarwood Apartments (@30%)(1.5BA)	\$318		
<b>SQUARE FOOTAGE</b>	TEN35 Alexander (Market)(2BA)	1,261	TEN35 Alexander (Market)	1,403
	Broadway Apartments (Market)(2BA)	1,225	The Glen At Alexander (Market)	1,350
	The Glen At Alexander (Market)(2BA)	1,175	The Crest At Edinburgh (@60%)(2.5BA)	1,325
	TEN35 Alexander (Market)(2BA)	1,166	The Crest At Edinburgh (@50%)(2.5BA)	1,325
	Cedarwood Apartments (@30%)(1.5BA)	1,150	Forest Brook (Market)	1,250
	Cedarwood Apartments (@50%)(1.5BA)	1,150	Cedarwood Apartments (@60%)	1,200
	Cedarwood Apartments (@60%)(1.5BA)	1,150	Cedarwood Apartments (@30%)	1,200
	Broadway Apartments (Market)(2BA)	1,125	Cedarwood Apartments (@50%)	1,200
	Broadway Apartments (Market)(2BA)	1,060	Olde Towne Properties (@50%)	1,050
	High Point Crossing (Market)	950	High Point Crossing (Market)	1,050
	Cedarwood Apartments (@50%)(1.5BA)	950	Olde Towne Properties (@60%)	1,050
	Cedarwood Apartments (@60%)(1.5BA)	950	<b>River Glen As Renovated (@60%)</b>	<b>960</b>
	Cedarwood Apartments (@30%)(1.5BA)	950	<b>River Glen As Renovated (@60%)</b>	<b>960</b>
	East Augusta Commons (@60%)(1.5BA)	948		
	Forest Brook (Market)(2BA)	916		
	River Ridge (Market)(2BA)	900		
	River Ridge (Market)(2BA)	850		
	Forest Brook (Market)	840		
	Olde Towne Properties (@60%)	820		
	Olde Towne Properties (@50%)	820		
	<b>River Glen As Renovated (@60%)</b>	<b>665</b>		
	<b>River Glen As Renovated (@60%)</b>	<b>665</b>		
<b>RENT PER SQUARE FOOT</b>	<b>River Glen As Renovated (@60%)</b>	<b>\$1.26</b>	<b>River Glen As Renovated (@60%)</b>	<b>\$1.01</b>
	<b>River Glen As Renovated (@60%)</b>	<b>\$1.26</b>	<b>River Glen As Renovated (@60%)</b>	<b>\$1.01</b>
<b>FOOT</b>	The Glen At Alexander (Market)(2BA)	\$1.06	The Glen At Alexander (Market)	\$0.99
	TEN35 Alexander (Market)(2BA)	\$0.93	TEN35 Alexander (Market)	\$0.93
	Olde Towne Properties (@60%)	\$0.87	Olde Towne Properties (@60%)	\$0.82
	TEN35 Alexander (Market)(2BA)	\$0.86	High Point Crossing (Market)	\$0.76
	Broadway Apartments (Market)(2BA)	\$0.85	Cedarwood Apartments (@60%)	\$0.69
	Broadway Apartments (Market)(2BA)	\$0.80	Olde Towne Properties (@50%)	\$0.67
	Forest Brook (Market)	\$0.80	Forest Brook (Market)	\$0.66
	Forest Brook (Market)(2BA)	\$0.76	Cedarwood Apartments (@50%)	\$0.56
	Broadway Apartments (Market)(2BA)	\$0.73	The Crest At Edinburgh (@60%)(2.5BA)	\$0.49
	High Point Crossing (Market)	\$0.73	The Crest At Edinburgh (@50%)(2.5BA)	\$0.37
	River Ridge (Market)(2BA)	\$0.72	Cedarwood Apartments (@30%)	\$0.29

# PROPERTY PROFILE REPORT

## Cedarwood Apartments

Effective Rent Date	3/13/2018
Location	527 Richmond Hill Rd W Augusta, GA 30906 Richmond County
Distance	5.5 miles
Units	184
Vacant Units	13
Vacancy Rate	7.1%
Type	Various (2 stories)
Year Built/Renovated	1970s / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cedar Grove, High Point.
Tenant Characteristics	Variety of tenants mostly from Augusta
Contact Name	Ally
Phone	706-790-1003



### Market Information

Program	@30%, @50%, @60%
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	42%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes; approximately five months

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not 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	Garden	8	850	\$274	\$0	@30%	Yes	N/A	N/A	yes	None
1	1	Garden	37	850	\$507	\$0	@50%	Yes	N/A	N/A	yes	None
1	1	Garden	11	850	\$544	\$0	@60%	Yes	N/A	N/A	yes	None
2	1.5	Garden	12	950	\$318	\$0	@30%	Yes	N/A	N/A	yes	None
2	1.5	Garden	52	950	\$597	\$0	@50%	Yes	N/A	N/A	yes	None
2	1.5	Garden	16	950	\$645	\$0	@60%	Yes	N/A	N/A	yes	None
2	1.5	Townhouse	4	1,150	\$318	\$0	@30%	Yes	N/A	N/A	yes	None
2	1.5	Townhouse	16	1,150	\$597	\$0	@50%	Yes	N/A	N/A	yes	None
2	1.5	Townhouse	4	1,150	\$645	\$0	@60%	Yes	N/A	N/A	yes	None
3	2	Townhouse	4	1,200	\$349	\$0	@30%	Yes	N/A	N/A	yes	None
3	2	Townhouse	15	1,200	\$672	\$0	@50%	Yes	N/A	N/A	yes	None
3	2	Townhouse	5	1,200	\$833	\$0	@60%	Yes	N/A	N/A	yes	None



Trend Report

Vacancy Rates

2Q13	1Q17	4Q17	1Q18
2.7%	7.6%	2.2%	7.1%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$229	\$0	\$229	\$297
2017	1	N/A	\$225	\$0	\$225	\$293
2017	4	N/A	\$225	\$0	\$225	\$293
2018	1	N/A	\$274	\$0	\$274	\$342

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$257	\$0	\$257	\$335
2017	1	N/A	\$265 - \$294	\$0	\$265 - \$294	\$343 - \$372
2017	4	N/A	\$265 - \$294	\$0	\$265 - \$294	\$343 - \$372
2018	1	N/A	\$318	\$0	\$318	\$396

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$296	\$0	\$296	\$392
2017	1	N/A	\$315	\$0	\$315	\$411
2017	4	N/A	\$315	\$0	\$315	\$411
2018	1	N/A	\$349	\$0	\$349	\$445

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$429	\$0	\$429	\$497
2017	1	N/A	\$450	\$0	\$450	\$518
2017	4	N/A	\$450	\$0	\$450	\$518
2018	1	N/A	\$507	\$0	\$507	\$575

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	2.9%	\$504	\$0	\$504	\$582
2017	1	N/A	\$530	\$0	\$530	\$608
2017	4	N/A	\$530	\$0	\$530	\$608
2018	1	N/A	\$597	\$0	\$597	\$675

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	20.0%	\$576	\$0	\$576	\$672
2017	1	N/A	\$625	\$0	\$625	\$721
2017	4	N/A	\$625	\$0	\$625	\$721
2018	1	N/A	\$672	\$0	\$672	\$768

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$455	\$0	\$455	\$523
2017	1	N/A	\$488	\$0	\$488	\$556
2017	4	N/A	\$488	\$0	\$488	\$556
2018	1	N/A	\$544	\$0	\$544	\$612

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$504	\$0	\$504	\$582
2017	1	N/A	\$550	\$0	\$550	\$628
2017	4	N/A	\$550	\$0	\$550	\$628
2018	1	N/A	\$645	\$0	\$645	\$723

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$679	\$0	\$679	\$775
2017	1	N/A	\$725	\$0	\$725	\$821
2017	4	N/A	\$725	\$0	\$725	\$821
2018	1	N/A	\$833	\$0	\$833	\$929

Trend: Comments

- 2Q13 The contact stated that they are no longer maintaining a waiting list, as the property is now first-come, first-served.
- 1Q17 The property manager reported that they do not currently maintain a waiting list. The vacancy rate is currently slightly elevated due to a spate of recent evictions. The property manager was not able to report a breakdown of vacancy but unit type and set aside.
- 4Q17 The property manager reported that they currently maintain a waiting list. The vacancy rate is currently two percent. Contact did not disclose how long the wait list was.
- 1Q18 The contact reported all 13 vacancies are down for renovations; however, all of the vacancies are pre-leased. Renovations include new flooring, walling, appliances, and fixtures.

Photos



# PROPERTY PROFILE REPORT

## East Augusta Commons

Effective Rent Date	3/12/2018
Location	420 East Boundary Augusta, GA 30901 Richmond County
Distance	0.1 miles
Units	148
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1970s / 2001
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Most are from Augusta; families with children
Contact Name	Gloria
Phone	706-724-6912



### Market Information

Program	@60%
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	Increased 7.1 to 9.3% since 1Q17
Concession	None
Waiting List	Yes; approximately five households

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not 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
2	1.5	Townhouse (2 stories)	148	948	\$555	\$0	@60%	Yes	0	0.0%	no	AVG*
2	1.5	Townhouse (2 stories)	N/A	948	\$585	\$0	@60%	Yes	0	N/A	no	HIGH
2	1.5	Townhouse (2 stories)	N/A	948	\$525	\$0	@60%	Yes	0	N/A	no	LOW

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$525 - \$585	\$0	\$525 - \$585	\$78	\$603 - \$663

### Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Volleyball Court		

Comments

The range in rent is based on the condition of the unit, as some have been updated to offer ceramic tile and ceiling fans.

## East Augusta Commons, continued

### Trend Report

#### Vacancy Rates

2Q13	1Q17	4Q17	1Q18
0.0%	9.5%	1.4%	0.0%

Trend: @60%

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$425	\$0	\$425	\$503
2017	1	N/A	\$490 - \$535	\$0	\$490 - \$535	\$568 - \$613
2017	4	N/A	\$525 - \$560	\$0	\$525 - \$560	\$603 - \$638
2018	1	N/A	\$525 - \$585	\$0	\$525 - \$585	\$603 - \$663

### Trend: Comments

2Q13	Management reported a strong demand, with no need to offer concession at this time.
1Q17	The range in rent is based on the condition of a given unit, and whether or not it offers ceramic tile and ceiling fans. The contact indicated the current vacancy rate is above typical levels; however, not unusual. She noted that evictions are an issue at this property and contribute to vacancy.
4Q17	The range in rent is based on the condition of a given unit, and whether or not it offers ceramic tile and ceiling fans. Contact did not disclose how long the wait list was.
1Q18	The range in rent is based on the condition of the unit, as some have been updated to offer ceramic tile and ceiling fans.

# PROPERTY PROFILE REPORT

## Olde Towne Properties

Effective Rent Date	3/13/2018
Location	602 3rd Street Augusta, GA 30901 Richmond County
Distance	0.5 miles
Units	116
Vacant Units	3
Vacancy Rate	2.6%
Type	Conversion (3 stories)
Year Built/Renovated	1910 / 2002
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Providence Place and Heritage Apartments.
Tenant Characteristics	Singles and families from Augusta
Contact Name	Sherry
Phone	706-774-0110



### Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	26%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 4.0% since 1Q17
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not 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
0	1	Conversion (3 stories)	2	325	\$433	\$0	@50%	No	N/A	N/A	yes	None
0	1	Conversion (3 stories)	2	325	\$450	\$0	@60%	No	N/A	N/A	yes	None
1	1	Conversion (3 stories)	27	540	\$485	\$0	@50%	No	N/A	N/A	yes	None
1	1	Conversion (3 stories)	36	540	\$595	\$0	@60%	No	N/A	N/A	yes	None
2	1	Conversion (3 stories)	14	820	\$583	\$0	@50%	No	N/A	N/A	yes	None
2	1	Conversion (3 stories)	27	820	\$716	\$0	@60%	No	N/A	N/A	yes	None
3	2	Conversion (3 stories)	4	1,050	\$705	\$0	@50%	No	N/A	N/A	yes	None
3	2	Conversion (3 stories)	4	1,050	\$866	\$0	@60%	No	N/A	N/A	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$433	\$0	\$433	\$59	\$492	Studio / 1BA	\$450	\$0	\$450	\$59	\$509
1BR / 1BA	\$485	\$0	\$485	\$68	\$553	1BR / 1BA	\$595	\$0	\$595	\$68	\$663
2BR / 1BA	\$583	\$0	\$583	\$78	\$661	2BR / 1BA	\$716	\$0	\$716	\$78	\$794
3BR / 2BA	\$705	\$0	\$705	\$96	\$801	3BR / 2BA	\$866	\$0	\$866	\$96	\$962

## Olde Towne Properties, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Central Laundry	On-Site Management		
Picnic Area			

### Comments

The contact reported that one vacancy is pre-leased.

# Olde Towne Properties, continued

## Trend Report

### Vacancy Rates

2Q13	1Q17	4Q17	1Q18
0.0%	10.3%	15.5%	2.6%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$400	\$0	\$400	\$468
2017	1	0.0%	\$450	\$0	\$450	\$518
2017	4	N/A	\$485	\$0	\$485	\$553
2018	1	N/A	\$485	\$0	\$485	\$553

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$500	\$0	\$500	\$578
2017	1	14.3%	\$550	\$0	\$550	\$628
2017	4	N/A	\$583	\$0	\$583	\$661
2018	1	N/A	\$583	\$0	\$583	\$661

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$610	\$0	\$610	\$706
2017	1	0.0%	\$600	\$0	\$600	\$696
2017	4	N/A	\$705	\$0	\$705	\$801
2018	1	N/A	\$705	\$0	\$705	\$801

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$350	\$0	\$350	\$409
2017	1	0.0%	\$425	\$0	\$425	\$484
2017	4	N/A	\$433	\$0	\$433	\$492
2018	1	N/A	\$433	\$0	\$433	\$492

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$400	\$0	\$400	\$468
2017	1	5.6%	\$500	\$0	\$500	\$568
2017	4	N/A	\$595	\$0	\$595	\$663
2018	1	N/A	\$595	\$0	\$595	\$663

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$500	\$0	\$500	\$578
2017	1	22.2%	\$600	\$0	\$600	\$678
2017	4	N/A	\$716	\$0	\$716	\$794
2018	1	N/A	\$716	\$0	\$716	\$794

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$610	\$0	\$610	\$706
2017	1	50.0%	\$675	\$0	\$675	\$771
2017	4	N/A	\$866	\$0	\$866	\$962
2018	1	N/A	\$866	\$0	\$866	\$962

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$350	\$0	\$350	\$409
2017	1	0.0%	\$450	\$0	\$450	\$509
2017	4	N/A	\$450	\$0	\$450	\$509
2018	1	N/A	\$450	\$0	\$450	\$509

## Trend: Comments

2Q13	The contact noted that they have stopped maintaining a waiting list. The contact noted a strong demand for affordable housing in the area.
1Q17	New management assumed control of this property in late February 2017. The current manager attributed the elevated vacancy rate to the previous management, and believed occupancy levels would return to 95 percent or better by early April 2017.
4Q17	New management assumed control of this property in late February 2017 and increased rents, which has attributed to the property's elevated vacancy rate. Management reported that only the three-bedroom unit rents are set at the maximum allowable levels.
1Q18	The contact reported that one vacancy is pre-leased.

# PROPERTY PROFILE REPORT

## The Crest At Edinburgh

Effective Rent Date	3/12/2018
Location	3227 Milledgeville Road Augusta, GA 30909 Richmond County Intersection: Milledgeville Rd and Bayvale Rd
Distance	6.3 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Single Family (2 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	12/14/2011
Last Unit Leased	12/14/2011
Major Competitors	Woodbridge
Tenant Characteristics	Families from Augusta
Contact Name	Robin
Phone	706-504-9114



### Market Information

Program	@50%, @60%
Annual Turnover Rate	13%
Units/Month Absorbed	40
HCV Tenants	40%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 2.5 to 4.2% since 1Q17
Concession	None
Waiting List	Yes; approximately 25 households

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- other
Other Electric	not included
Water	not included
Sewer	not 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
3	2.5	Single Family (2 stories)	6	1,325	\$496	\$0	@50%	Yes	0	0.0%	yes	None
3	2.5	Single Family (2 stories)	24	1,325	\$652	\$0	@60%	Yes	0	0.0%	yes	None
4	2.5	Single Family (2 stories)	2	1,516	\$506	\$0	@50%	Yes	0	0.0%	yes	None
4	2.5	Single Family (2 stories)	8	1,516	\$683	\$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
3BR / 2.5BA	\$496	\$0	\$496	\$176	\$672	3BR / 2.5BA	\$652	\$0	\$652	\$176	\$828
4BR / 2.5BA	\$506	\$0	\$506	\$206	\$712	4BR / 2.5BA	\$683	\$0	\$683	\$206	\$889

## The Crest At Edinburgh, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C	Video Surveillance	
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground			

### Comments

Management reported strong demand for affordable family and senior housing options in the area.

# The Crest At Edinburgh, continued

## Trend Report

### Vacancy Rates

1Q16	1Q17	4Q17	1Q18
0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$477	\$0	\$477	\$653
2017	1	0.0%	\$476	\$0	\$476	\$652
2017	4	0.0%	\$476	\$0	\$476	\$652
2018	1	0.0%	\$496	\$0	\$496	\$672

#### 4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$486	\$0	\$486	\$692
2017	1	0.0%	\$486	\$0	\$486	\$692
2017	4	0.0%	\$486	\$0	\$486	\$692
2018	1	0.0%	\$506	\$0	\$506	\$712

### Trend: @60%

#### 3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$626	\$0	\$626	\$802
2017	1	0.0%	\$626	\$0	\$626	\$802
2017	4	0.0%	\$626	\$0	\$626	\$802
2018	1	0.0%	\$652	\$0	\$652	\$828

#### 4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$656	\$0	\$656	\$862
2017	1	0.0%	\$656	\$0	\$656	\$862
2017	4	0.0%	\$656	\$0	\$656	\$862
2018	1	0.0%	\$683	\$0	\$683	\$889

## Trend: Comments

1Q16	The property maintains a waiting list of approximately 20 households.
1Q17	The waiting list consists of 10 households. Rent growth at this property is being constrained by the fact the current rents are already equal to the LIHTC maximum allowable levels. However, the on-site manager noted a new utility allowance is expected to be released in April 2017. The contact believes the new utility allowance will likely to be lower than existing estimates, thus allowing the property to increase the net asking rents.
4Q17	The waiting list consists of 20 to 25 households. Rents are a little lower than the maximum allowable due to the fact that the utility allowance has changed. Management plans to increase rents in December 2017. Management stated there is high demand for affordable family and senior housing options in the area. The contact also manages a senior LIHTC property, Terraces at Edinburgh, and there is a long waitlist at the property.
1Q18	Management reported strong demand for affordable family and senior housing options in the area.

# PROPERTY PROFILE REPORT

## Broadway Apartments

Effective Rent Date	3/12/2018
Location	335 Broad Street Augusta, GA 30901 Richmond County
Distance	0.6 miles
Units	40
Vacant Units	1
Vacancy Rate	2.5%
Type	Garden (3 stories)
Year Built/Renovated	1920 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mix of professionals from various fields; 60% local, 40% out of state
Contact Name	Molly
Phone	706-432-2873



### Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	See comments
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not 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	612	\$719	\$0	Market	No	1	12.5%	N/A	None
2	2	Garden (3 stories)	8	1,060	\$899	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	11	1,125	\$899	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	13	1,225	\$899	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$719	\$0	\$719	\$135	\$854
2BR / 2BA	\$899	\$0	\$899	\$167	\$1,066

## Broadway Apartments, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Phone)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Courtyard	Off-Street Parking	None	None
On-Site Management	Picnic Area		

### Comments

The contact reported that units are renovated as they become vacant. Renovations include new cabinets, wood plank flooring in living areas and carpet in bedrooms, granite counter tops, stainless steel appliances, and minor bathroom renovations. One-bedroom rents have remained stable since the fourth quarter of 2017, while two-bedroom rents have increased two percent.

## Broadway Apartments, continued

### Trend Report

#### Vacancy Rates

2Q14	2Q16	4Q17	1Q18
2.5%	7.5%	2.5%	2.5%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$535	\$0	\$535	\$670
2016	2	12.5%	\$719	\$0	\$719	\$854
2017	4	N/A	\$719	\$0	\$719	\$854
2018	1	12.5%	\$719	\$0	\$719	\$854

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	3.1%	\$695 - \$735	\$0	\$695 - \$735	\$862 - \$902
2016	2	6.2%	\$859 - \$881	\$0	\$859 - \$881	\$1,026 - \$1,048
2017	4	N/A	\$881	\$0	\$881	\$1,048
2018	1	0.0%	\$899	\$0	\$899	\$1,066

### Trend: Comments

2Q14	Management reported that the vacant unit is pre-leased. When people move out, it is typically because they have been relocated or deployed elsewhere or are buying a home.
2Q16	Management indicated that as units are vacated, they are being renovated. Renovations include new cabinets, wood plank flooring in living areas and carpet in bedrooms, granite countertops, stainless steel appliances, and minor bathroom renovations. Vacancies are due to lags during renovation periods. Rents increased approximately 20 to 30 percent post-renovation, as management indicated rents were far too low for the area prior to renovations. The property pays 20 percent of the water, sewer, and trash bill each month. Parking at the property is an approximate ratio of one space per unit. Rents reflected are the post-renovation unit rents.
4Q17	Management indicated that as units are vacated, they are being renovated. Renovations include new cabinets, wood plank flooring in living areas and carpet in bedrooms, granite countertops, stainless steel appliances, and minor bathroom renovations. Rents increased approximately 20 to 30 percent, post-renovation. Management indicated rents were far too low for the area prior to renovations. The property pays 20 percent of the water, sewer, and trash bill each month. Parking at the property is an approximate ratio of one space per unit. Rents reflected are the post-renovation unit rents.
1Q18	The contact reported that units are renovated as they become vacant. Renovations include new cabinets, wood plank flooring in living areas and carpet in bedrooms, granite counter tops, stainless steel appliances, and minor bathroom renovations. One-bedroom rents have remained stable since the fourth quarter of 2017, while two-bedroom rents have increased two percent.

Photos



# PROPERTY PROFILE REPORT

## Forest Brook

Effective Rent Date	3/12/2018
Location	3122 Damascus Road Augusta, GA 30909 Richmond County
Distance	5.9 miles
Units	161
Vacant Units	4
Vacancy Rate	2.5%
Type	Garden (2 stories)
Year Built/Renovated	1984 / 1998
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fox Den, Governor's Place, Georgian Place
Tenant Characteristics	70% families, balance is split between older and persons from the VA program. Avg household is 2.5 persons, avg age is 32, avg income is \$18,000
Contact Name	Devon (Property Manager)
Phone	706-738-8440



### Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not 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	Garden (2 stories)	56	580	\$580	\$0	Market	No	1	1.8%	N/A	None
2	1	Garden (2 stories)	48	840	\$670	\$0	Market	No	2	4.2%	N/A	None
2	2	Garden (2 stories)	48	916	\$695	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	9	1,250	\$820	\$0	Market	No	1	11.1%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$580	\$0	\$580	\$68	\$648
2BR / 1BA	\$670	\$0	\$670	\$78	\$748
2BR / 2BA	\$695	\$0	\$695	\$78	\$773
3BR / 2BA	\$820	\$0	\$820	\$96	\$916

## Forest Brook, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Limited Access	None
Central A/C	Coat Closet	Patrol	
Dishwasher	Ceiling Fan	Perimeter Fencing	
Oven	Refrigerator	Video Surveillance	
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

### Comments

The contact reported that the property stopped operating as a tax credit property in November 2017.

## Forest Brook, continued

### Trend Report

#### Vacancy Rates

2Q16	1Q17	4Q17	1Q18
0.6%	2.5%	2.5%	2.5%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	1.8%	\$580	\$0	\$580	\$648

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	4.2%	\$670	\$0	\$670	\$748

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$695	\$0	\$695	\$773

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	11.1%	\$820	\$0	\$820	\$916

### Trend: Comments

2Q16	The contact reported that the waiting list has ten households for the two-bedroom units and five households for the three-bedroom units. Rents increased last summer. Despite the rate increase, the contact noted only the three-bedroom units are at the maximum allowable.
1Q17	The contact believes the local market is strong, and stated that the property has had a good start to 2017. The contact was uncertain whether the current rents are at the LIHTC maximum allowable levels; however, believed the three-bedroom units were at or near the maximum levels.
4Q17	The contact believes the local market is strong, and stated that the property has had a good start to 2017.
1Q18	The contact reported that the property stopped operating as a tax credit property in November 2017.

# PROPERTY PROFILE REPORT

## High Point Crossing

Effective Rent Date	3/09/2018
Location	524 Richmond Hill Road W Augusta, GA 30906 Richmond County
Distance	5.5 miles
Units	168
Vacant Units	4
Vacancy Rate	2.4%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 2001
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pinnacle Place
Tenant Characteristics	35% military, remainder from Richmond County
Contact Name	Property Manager
Phone	706-793-3697



### Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See comments
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not 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	Garden (2 stories)	32	850	\$620	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	120	950	\$695	\$0	Market	No	3	2.5%	N/A	None
3	2	Garden (2 stories)	16	1,050	\$800	\$0	Market	No	1	6.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$620	\$0	\$620	\$68	\$688
2BR / 1BA	\$695	\$0	\$695	\$78	\$773
3BR / 2BA	\$800	\$0	\$800	\$96	\$896

## High Point Crossing, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

### Comments

The contact reported that one vacancy is pre-leased. Only three-bedroom units have washer/dryers, while the other unit types have washer/dryer hookups. One and three-bedroom rents have increased 1.3 to 3.3 percent since the first quarter of 2017, respectively, while two-bedroom rents have remained stable.

## High Point Crossing, continued

### Trend Report

#### Vacancy Rates

2Q16	1Q17	4Q17	1Q18
1.8%	1.8%	7.1%	2.4%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$580	\$0	\$580	\$648
2017	1	0.0%	\$600	\$0	\$600	\$668
2017	4	N/A	\$600	\$0	\$600	\$668
2018	1	0.0%	\$620	\$0	\$620	\$688

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	2.5%	\$670	\$0	\$670	\$748
2017	1	2.5%	\$695	\$0	\$695	\$773
2017	4	N/A	\$695	\$0	\$695	\$773
2018	1	2.5%	\$695	\$0	\$695	\$773

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$770	\$0	\$770	\$866
2017	1	0.0%	\$790	\$0	\$790	\$886
2017	4	N/A	\$790	\$0	\$790	\$886
2018	1	6.2%	\$800	\$0	\$800	\$896

### Trend: Comments

2Q16	This is a well maintained market rate property with good curb appeal relative to other area properties. Housing Choice Vouchers are not accepted at this property. Only three-bedroom units have washer/dryers, while the other unit types have washer/dryer hookups. Management indicated that the property has experienced two rent increases over the past year.
1Q17	This is a well maintained market rate property with good curb appeal relative to other area properties. Only three-bedroom units have washer/dryers, while the other unit types have washer/dryer hookups. This property does not accept Housing Choice Vouchers.
4Q17	Only three-bedroom units have washer/dryers, while the other unit types have washer/dryer hookups. This property does not accept Housing Choice Vouchers. The property has 12 vacant units with five units pre-leased for one and three-bedroom units.
1Q18	The contact reported that one vacancy is pre-leased. Only three-bedroom units have washer/dryers, while the other unit types have washer/dryer hookups. One and three-bedroom rents have increased 1.3 to 3.3 percent since the first quarter of 2017, respectively, while two-bedroom rents have remained stable.

Photos





Comments

The contact reported that two vacancies are pre-leased.

## River Ridge, continued

### Trend Report

#### Vacancy Rates

2Q14	2Q16	4Q17	1Q18
18.3%	0.0%	6.7%	4.8%

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$575	\$0	\$575	\$653
2016	2	0.0%	\$600	\$0	\$600	\$678
2017	4	6.7%	\$615	\$0	\$615	\$693
2018	1	4.8%	\$615	\$0	\$615	\$693

### Trend: Comments

2Q14	Contact did not know of annual turnover or whether the property accepts Section 8 tenants. There are a total of 19 vacancies due to evictions and relocations.
2Q16	The property no longer accepts Housing Choice Vouchers. The property has experienced strong demand in recent months, but does not maintain a waiting list.
4Q17	The property no longer accepts Housing Choice Vouchers. Management indicated that seven units are vacant with three units pre-leased.
1Q18	The contact reported that two vacancies are pre-leased.

# PROPERTY PROFILE REPORT

## TEN35 Alexander

Effective Rent Date	3/09/2018
Location	1035 Alexander Drive Augusta, GA 30909 Richmond County
Distance	5.7 miles
Units	200
Vacant Units	4
Vacancy Rate	2.0%
Type	Various (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Glen at Alexander Apartments
Tenant Characteristics	Most are from Augusta; few out of state. Some students and military personnel
Contact Name	Melissa
Phone	706.733.0064



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Fluctuate daily
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not 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	Garden (2 stories)	14	824	\$991	\$0	Market	No	0	0.0%	N/A	AVG*
1	1	Garden (2 stories)	48	909	\$1,043	\$0	Market	No	0	0.0%	N/A	AVG*
1.5	1	Loft (3 stories)	24	1,094	\$1,095	\$0	Market	No	0	0.0%	N/A	AVG*
2	2	Garden (2 stories)	43	1,166	\$1,087	\$0	Market	No	2	4.7%	N/A	AVG*
2	2	Garden (2 stories)	43	1,261	\$1,079	\$0	Market	No	2	4.7%	N/A	AVG*
3	2	Garden (2 stories)	28	1,403	\$1,299	\$0	Market	No	0	0.0%	N/A	AVG*

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$991 - \$1,043	\$0	\$991 - \$1,043	\$68	\$1,059 - \$1,111
1.5BR / 1BA	\$1,095	\$0	\$1,095	\$68	\$1,163
2BR / 2BA	\$1,079 - \$1,087	\$0	\$1,079 - \$1,087	\$78	\$1,157 - \$1,165
3BR / 2BA	\$1,299	\$0	\$1,299	\$96	\$1,395

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Carpeting	Perimeter Fencing	
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage	Jacuzzi		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court	Wi-Fi		

Comments

The contact reported that the two-bedroom 1,166-square foot units are more expensive than the two-bedroom 1,261-square foot units since there is more demand for that floor plan. Garage parking is available for an additional monthly fee of \$75.

## Trend Report

## Vacancy Rates

1Q16	2Q16	4Q17	1Q18
12.5%	6.0%	1.0%	2.0%

## Trend: Market

## 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$885	\$0	\$885	\$953
2016	2	4.2%	\$925	\$0	\$925	\$993
2017	4	N/A	\$1,040	\$0	\$1,040	\$1,108
2018	1	0.0%	\$1,095	\$0	\$1,095	\$1,163

## 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$825 - \$845	\$0	\$825 - \$845	\$893 - \$913
2016	2	4.8%	\$865 - \$885	\$0	\$865 - \$885	\$933 - \$953
2017	4	N/A	\$805 - \$1,020	\$0	\$805 - \$1,020	\$873 - \$1,088
2018	1	0.0%	\$991 - \$1,043	\$0	\$991 - \$1,043	\$1,059 - \$1,111

## 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$955 - \$975	\$0	\$955 - \$975	\$1,033 - \$1,053
2016	2	8.1%	\$995 - \$1,015	\$0	\$995 - \$1,015	\$1,073 - \$1,093
2017	4	N/A	\$1,130 - \$1,150	\$0	\$1,130 - \$1,150	\$1,208 - \$1,228
2018	1	4.7%	\$1,079 - \$1,087	\$0	\$1,079 - \$1,087	\$1,157 - \$1,165

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,095	\$0	\$1,095	\$1,191
2016	2	3.6%	\$1,220	\$0	\$1,220	\$1,316
2017	4	N/A	\$1,185	\$0	\$1,185	\$1,281
2018	1	0.0%	\$1,299	\$0	\$1,299	\$1,395

## Trend: Comments

1Q16	The contact reported a block of corporate units recently vacated the property which has elevated the occupancy rate at this time. Typical occupancy has ranged from the low to mid 90 percent range during the past six to nine months.
2Q16	Management noted that they have stabilized to 94 percent occupancy. Vouchers are not accepted.
4Q17	Management noted that they have stabilized to 94 percent occupancy. Vouchers are not accepted. Formally, Century Hills Apartments was rebranded to TEN35 Alexander. The complex features 15 corporate units. The property is offering a 'Look and Lease' special for a \$300 gift card.
1Q18	The contact reported that the two-bedroom 1,166-square foot units are more expensive than the two-bedroom 1,261-square foot units since there is more demand for that floor plan. Garage parking is available for an additional monthly fee of \$75.

# PROPERTY PROFILE REPORT

## The Glen At Alexander

Effective Rent Date	3/12/2018
Location	1040 Alexander Drive Augusta, GA 30909 Richmond County
Distance	5.7 miles
Units	216
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	9/01/2003
Leasing Began	9/01/2003
Last Unit Leased	9/01/2004
Major Competitors	None identified
Tenant Characteristics	From Augusta, North Augusta, and Aiken areas
Contact Name	Deadra
Phone	706-738-6205



### Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	18
HCV Tenants	0%
Leasing Pace	Within one week.
Annual Chg. in Rent	Increased 3.9 to 4.7% since 4Q17
Concession	None
Waiting List	Yes; approximately two households

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not 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)	26	975	\$1,110	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	130	1,175	\$1,240	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	60	1,350	\$1,340	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,110	\$0	\$1,110	\$135	\$1,245
2BR / 2BA	\$1,240	\$0	\$1,240	\$167	\$1,407
3BR / 2BA	\$1,340	\$0	\$1,340	\$199	\$1,539

## The Glen At Alexander, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	Afterschool Program
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	None
Car Wash	Clubhouse/Meeting Room/Community		
Concierge	Exercise Facility		
Garage	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

### Comments

Garage parking is available for an additional monthly fee of \$135.

## Trend Report

### Vacancy Rates

1Q16	2Q16	4Q17	1Q18
6.0%	3.7%	1.4%	0.0%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	3.8%	\$1,084	\$0	\$1,084	\$1,219
2016	2	0.0%	\$1,084	\$0	\$1,084	\$1,219
2017	4	N/A	\$1,060	\$0	\$1,060	\$1,195
2018	1	0.0%	\$1,110	\$0	\$1,110	\$1,245

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	4.6%	\$1,272	\$0	\$1,272	\$1,439
2016	2	3.1%	\$1,200	\$0	\$1,200	\$1,367
2017	4	N/A	\$1,190	\$0	\$1,190	\$1,357
2018	1	0.0%	\$1,240	\$0	\$1,240	\$1,407

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	10.0%	\$1,255	\$0	\$1,255	\$1,454
2016	2	6.7%	\$1,471	\$0	\$1,471	\$1,670
2017	4	N/A	\$1,290	\$0	\$1,290	\$1,489
2018	1	0.0%	\$1,340	\$0	\$1,340	\$1,539

## Trend: Comments

1Q16	The contact confirmed that the property's rent prices fluctuate on a daily basis with the use of Yieldstar. The contact reported that the property typically maintains a waiting list, and at this time, there are two applicants for the one-bedroom units only.
2Q16	Management confirmed that the property's rent prices fluctuate on a daily basis with the use of Yieldstar. Management stated that the waiting list is for one-bedroom units only and has six applicants.
4Q17	Management confirmed that the property's rent prices fluctuate on a daily basis with the use of Yieldstar.
1Q18	Garage parking is available for an additional monthly fee of \$135.

Photos



**2. The following information is provided as required by DCA:**

**Housing Choice Vouchers**

We spoke with Alicia Mortley, Housing Occupancy Manager with the Housing Authority of the City of Augusta. According to Ms. Mortley, a total of 4,287 vouchers are allocated, of which 3,762 are currently in use. The waiting list for Housing Choice Vouchers contains approximately 5,200 households and is closed to new applicants. Ms. Mortley estimated it will be at least three years before the waiting list is re-opened. The housing authority gives preference to homeless households as well as households considered to be rent overburdened. The current payment standards for two and three-bedroom units are illustrated in the following table.

**PAYMENT STANDARDS – RICHMOND COUNTY (EFFECTIVE 10/2/2017)**

Unit Type	Gross Payment Standard
2BR	\$848
3BR	\$1,158

Source: The Housing Authority of the City of Augusta, 3/2018

Following completion of the proposed renovations, all of the Subject’s units will continue to operate with project-based Section 8 rental assistance. Therefore, tenants will not use vouchers. However, if the Subject were to lose the subsidy, the asking rents would need to be reduced to achievable LIHTC levels. The Subject’s achievable LIHTC rents are below the payment standards, indicating voucher holders in the absent subsidy scenario would not be required to pay additional rent out of pocket.

**TENANTS WITH VOUCHERS**

Property Name	Rent Structure	Housing Choice Voucher Tenants
Cedarwood Apartments	LIHTC	42%
East Augusta Commons	LIHTC	30%
Olde Towne Properties	LIHTC	26%
The Crest At Edinburgh	LIHTC	40%
Broadway Apartments	Market	0%
Forest Brook	Market	0%
High Point Crossing	Market	0%
River Ridge	Market	0%
TEN35 Alexander	Market	0%
The Glen At Alexander	Market	0%

Housing Choice Voucher usage in this market ranges from zero to 42 percent. All of the comparable LIHTC properties reported tenants with vouchers. Given that all of the Subject’s units currently benefit from a HAP contract, it is not necessary that qualifying households have a voucher in order to benefit from subsidized rent. However, should the Subject operate without a HAP Contract, it is likely that the Subject would maintain a voucher usage of approximately 30 percent following renovations.

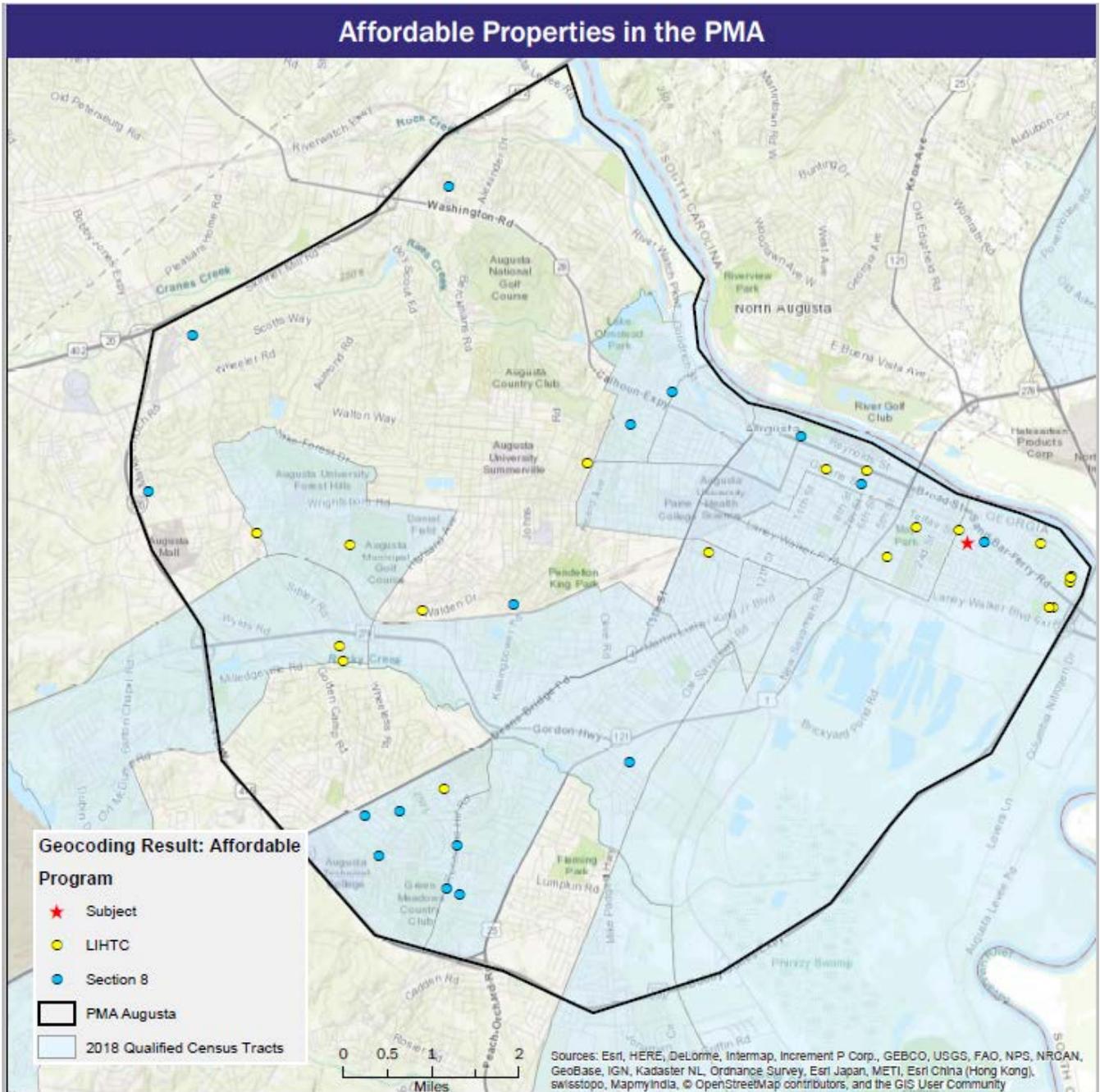
**Phased Developments**

The Subject is not part of a phased development.

**Rural Areas**

The Subject is not located in a rural area.

### 3. Competitive Project Map



AFFORDABLE IN THE PMA

Property Name	Location	Number of Units	Program	Tenancy	Map Color	
<b>River Glen Apartments (Subject)</b>	<b>Augusta</b>	<b>192</b>	<b>Section 8</b>	<b>Family</b>	<b>Red Star</b>	
Augusta Manor	Augusta	100	Section 8	Family	Blue	
Augusta Properties	Augusta	88	Section 8	Family		
Bon Air Apartments	Augusta	203	Section 8	Family		
Villa Marie Apartments	Augusta	140	Section 8	Family		
Independent Living Horizons I	Augusta	3	Section 8	Senior		
Independent Living Horizons II	Augusta	9	Section 8	Senior		
Independent Living Horizons III	Augusta	5	Section 8	Senior		
Independent Living Horizons IV	Augusta	20	Section 8	Senior		
Independent Living Horizons V	Augusta	11	Section 8	Senior		
Independent Living Horizons 6	Augusta	40	Section 8	Senior		
Independent Living Horizons 8	Augusta	40	Section 8	Senior		
Independent Living Horizons 11	Augusta	13	Section 8	Senior		
Independent Living Horizons 12	Augusta	6	Section 8	Senior		
Independent Living Horizons 15	Augusta	12	Section 8	Senior		
Lynndale Group Homes	Augusta	12	Section 8	Senior		
Lynndale West Apartments	Augusta	11	Section 8	Senior		
S.G. Noble Garden of Hope	Augusta	30	Section 8	Senior		
Shadowood Apartments	Augusta	78	Section 8	Family		
St. John's Towers	Augusta	266	Section 8	Senior		
Augusta Senior Spring Apartments	Augusta	200	LIHTC	Senior		Yellow
Hale Street Apartments	Augusta	16	LIHTC	Family		
Riverchase Apartments	Augusta	80	LIHTC	Family		
Sandbar Manor II	Augusta	80	LIHTC	Family		
Old Towne Properties*	Augusta	116	LIHTC	Family		
East Augusta Commons*	Augusta	148	LIHTC	Family		
Ashton Bon Air	Augusta	202	LIHTC	Family		
Linden Square Apartments	Augusta	48	LIHTC/Market	Senior		
Richmond Summit Apartments	Augusta	136	Section 8/LIHTC	Family		
Maxwell House	Augusta	216	Section 8/LIHTC	Family		
Cedarwood Apartments*	Augusta	184	LIHTC	Family		
The Crest at Edinburgh*	Augusta	40	LIHTC	Family		
Terrace at Edinburgh	Augusta	72	LIHTC	Family		
Underwood Homes	Augusta	75	LIHTC/ACC/Public Housing	Senior		
Legacy at Walton Oaks I & II	Augusta	137	LIHTC/ACC/PBRA	Senior		

\*Utilized as a comparable

### 4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

AMENITY MATRIX											
	Subject	Cedarwood Apartments	East Augusta Commons	Olde Towne Properties	The Crest At Edinburgh	Broadway Apartments	Forest Brook	High Point Crossing	River Ridge	TEN35 Alexander	The Glen At Alexander
	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
<b>Building</b>											
Property Type	Garden	Various	Townhouse	Conversion	Single Family	Garden	Garden	Garden	Garden	Various	Garden
# of Stories	2-stories	2-stories	2-stories	3-stories	2-stories	3-stories	2-stories	2-stories	3-stories	2-stories	3-stories
Year Built	1962	1970s	1970s	1910	2011	1920	1984	1972	1984	2003	2003
Year Renovated	2019	2007	2001	2002	n/a	2016	1998	2001	2012	n/a	n/a
Courtyard	no	no	no	no	no	yes	no	no	no	no	no
<b>Utility Structure</b>											
Cooking	yes	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Sewer	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Trash	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
<b>Unit Amenities</b>											
Balcony/Patio	no	yes	no	yes	yes	no	no	no	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	yes	no	no	no	no	yes	yes	no	yes	yes
Coat Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no	no	no	no	yes	no
Vaulted Ceilings	no	no	no	no	yes	no	no	no	no	yes	no
Walk-In Closet	no	yes	yes	no	no	yes	yes	yes	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	yes	no	no	yes
W/D Hookup	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Kitchen</b>											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Microwave	yes	no	no	no	no	no	no	no	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Community</b>											
Business Center	yes	yes	no	no	yes	no	no	yes	no	yes	yes
Community Room	yes	yes	yes	yes	no	no	yes	yes	no	yes	yes
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no	no	no	no	no	yes
<b>Recreation</b>											
Basketball Court	no	yes	no	yes	no	no	no	no	no	no	yes
Exercise Facility	yes	yes	no	no	yes	no	no	no	no	yes	yes
Playground	yes	yes	yes	no	yes	no	yes	yes	no	yes	yes
Swimming Pool	no	yes	no	no	no	no	yes	yes	no	yes	yes
Picnic Area	no	yes	no	yes	yes	yes	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	no	yes	yes
Jacuzzi	no	no	no	no	no	no	no	no	no	yes	no
Hot Tub	no	no	no	no	no	no	no	no	no	yes	no
Volleyball Court	no	no	yes	no	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	no	no	yes	no
<b>Security</b>											
Intercom (Phone)	no	no	no	no	no	yes	no	no	no	no	no
Limited Access	yes	no	no	no	no	yes	yes	no	no	yes	yes
Patrol	no	yes	no	no	no	no	yes	no	no	no	no
Perimeter Fencing	yes	no	no	no	yes	no	yes	no	no	yes	no
Video Surveillance	yes	no	no	no	yes	no	yes	no	no	no	no
<b>Parking</b>											
Garage	no	no	no	no	no	no	no	no	no	yes	yes
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$75	\$135
Off-Street Parking	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes

The Subject’s in-unit amenity package is considered to be slightly inferior to inferior in comparison to the LIHTC and market rate comparable properties. In terms of property amenities, the Subject is generally similar to slightly inferior relative to the majority of the comparables. Upon renovation, the Subject will not offer balconies/patios, ceiling fans, walk-in closets, washer/dryer hookups, or garbage disposals, which are offered at the majority of the comparables. Further, the Subject will not offer a swimming pool or picnic area, which are offered at the majority of the comparables. Conversely, the Subject will offer a business center

and an exercise facility upon completion of the renovations, which are not offered at the majority of the comparables. Nonetheless, as a subsidized development, we believe that the amenities package will allow the Subject to effectively compete in the market, particularly given the stabilized occupancy levels historically.

### 5. Comparable Tenancy

The Subject will target families. All of the LIHTC and market comparable properties also target families.

### 6. Vacancy

The following table illustrates the vacancy rates in the market. It should be noted that Cedarwood Apartments currently has 13 units down due to ongoing renovations. These units have been excluded from the total LIHTC and overall vacancy calculations in the table below.

<b>OVERALL VACANCY</b>				
<b>Property Name</b>	<b>Rent Structure</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Cedarwood Apartments*	LIHTC	184	13	7.1%
East Augusta Commons	LIHTC	148	0	0.0%
Olde Towne Properties	LIHTC	116	3	2.6%
The Crest At Edinburgh	LIHTC	40	0	0.0%
Broadway Apartments	Market	40	1	2.5%
Forest Brook	Market	161	4	2.5%
High Point Crossing	Market	168	4	2.4%
River Ridge	Market	104	5	4.8%
TEN35 Alexander	Market	200	4	2.0%
The Glen At Alexander	Market	216	0	0.0%
<b>Total LIHTC**</b>		<b>475</b>	<b>3</b>	<b>0.6%</b>
<b>Total Market Rate</b>		<b>889</b>	<b>18</b>	<b>2.0%</b>
<b>Overall Total**</b>		<b>1,364</b>	<b>21</b>	<b>1.5%</b>

\*Undergoing renovations

\*\*Excludes 13 units at Cedarwood Apartments that are down due to renovations

As illustrated in the previous table, the vacancy rates at the affordable comparables range from zero to 7.1 percent. However, as previously noted, Cedarwood Apartments currently has 13 units down due to ongoing renovations, all of which are pre-leased. When excluding the units down due to renovations, the LIHTC comparables reported vacancy rates ranging from zero to 2.6 percent, with an average vacancy rate of 0.6 percent. The market rate comparables reported vacancy rates ranging from zero to 4.8 percent, with an overall average vacancy rate of 2.0 percent.

The low vacancy rates at the comparable properties indicate that there is strong demand for rental housing in the Subject’s PMA. As a newly renovated property, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Given that the Subject is an existing property that is fully subsidized and typically operates at a 95 percent occupancy rate, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

## 7. Properties Under Construction and Proposed

We spoke with Lois Schmidt, Zoning Assistant Technician with the City of Augusta’s Planning, Zoning and Development Department, regarding proposed, under construction, or recently completed multifamily developments within Augusta. The table below displays the list of developments that have been provided by Ms. Schmidt.

### NEW SUPPLY

Project Name	Project Address	Tenancy	Type	Total Units	Status	Distance from Subject
Peach Orchard Apartments	3630 Peach Orchard	Family	LIHTC	240	Completed	8.2 miles
McHenry Square Apartments	Harper Franklin Ave.	Family	Market	228	Proposed	9.4 miles
Alexander Apartments	1034 Alexander Dr.	Family	Market	200	Proposed	5.7 miles
Residence at Riverwatch Apartments	205 River Pl.	Family	Market	260	Under Construction	5.6 miles
Gardens at Harvest Point	1901 Harvest Point Way	Family	LIHTC	256	Under Construction	6.7 miles
15th Street Development Phase II	1550 15th Street	Family	LIHTC/PBRA/Market	90	Under Construction	2.8 miles
15th Street Development Phase III	1550 15th Street	Senior	LIHTC	<u>60</u>	Proposed	2.8 miles
<b>Total</b>				<b>1,334</b>		

As illustrated in the table above, three of the developments are unrestricted market rate properties, while the remaining four are LIHTC properties. Three of the developments will directly compete with the Subject’s LIHTC gross rents, while one will not due senior tenancy.

Further, we searched the Georgia DCA’s LIHTC award listings to identify any proposed, planned, or under construction multifamily developments within the PMA. A table detailing our findings is included following.

### LIHTC ALLOCATIONS IN PMA

Property Name	Program	Tenancy	Year Allocated	Status	Total Units	LIHTC Units	Subsidized Units	Distance from Subject
Legacy at Walton Green (15th Street Phase I)	LIHTC/ACC/Market	Senior	2015	Completed	80	52	12	2.8 miles
Gardens at Harvest Point	LIHTC	Family	2015	Under Construction	256	256	0	6.7 miles
15th Street Development Phase II	LIHTC/PBRA/Market	Family	2016	Under Construction	90	42	9	2.8 miles
15th Street Development Phase III	LIHTC	Senior	2017	Proposed	60	<u>60</u>	<u>0</u>	2.8 miles
<b>Total Competitive</b>						<b>410</b>	<b>21</b>	

It should be noted that as of the date of this report Gardens at Harvest Point has 52 units that are online, while the remaining 204 units are still being constructed. The property is in lease-up and expects the remaining units to be completed by May 2018.

## 8. Rental Advantage

The following table illustrates the Subject’s similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Cedarwood Apartments	LIHTC	Family	Superior	Superior	Superior	Similar	Superior	40
2	East Augusta Commons	LIHTC	Family	Inferior	Superior	Similar	Similar	Superior	10
3	Olde Towne Properties	LIHTC	Family	Inferior	Superior	Slightly Inferior	Similar	Slightly Superior	0
4	The Crest At Edinburgh	LIHTC	Family	Slightly Superior	Superior	Superior	Slightly Superior	Superior	40
5	Broadway Apartments	Market	Family	Inferior	Superior	Inferior	Similar	Superior	0
6	Forest Brook	Market	Family	Slightly Inferior	Superior	Inferior	Similar	Superior	5
7	High Point Crossing	Market	Family	Slightly Superior	Superior	Superior	Similar	Superior	35
8	River Ridge	Market	Family	Inferior	Superior	Superior	Similar	Superior	20
9	TEN35 Alexander	Market	Family	Superior	Superior	Superior	Similar	Superior	40
10	The Glen At Alexander	Market	Family	Superior	Superior	Superior	Similar	Superior	40

\*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents (absent rental assistance) in the following table.

LIHTC RENT COMPARISON @60%

Property Name	2BR	3BR
River Glen Apartments	\$837	\$967
<b>LIHTC Maximum Rent (Net)</b>	<b>\$837</b>	<b>\$967</b>
Cedarwood Apartments	\$723	\$929
East Augusta Commons	\$633	-
Olde Towne Properties	\$794	\$962
The Crest At Edinburgh	-	\$828
<b>Average (excluding Subject)</b>	<b>\$717</b>	<b>\$906</b>
<b>Achievable LIHTC Rent</b>	<b>\$800</b>	<b>\$930</b>

The Subject’s proposed rental rates (absent rental assistance) at 60 percent AMI are set at the 2017 maximum allowable levels. Three of the four comparables reported to be achieving rents at the maximum allowable levels. It should be noted that these figures may appear below the maximum allowable level due to differing utility allowances. The Subject is generally inferior in terms of unit sizes and amenities offered. The Subject offers a similar location relative to the majority of the LIHTC comparables. Overall, assuming no subsidy in place, we believe the Subject would achieve rents just below the maximum allowable level.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not ‘Achievable unrestricted market rent.’ In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market, there may be neither tax credit comps nor market rate comps with similar positioning as the Subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average comparable rent, we have not included surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable

properties between rents at the two AMI levels, we have not included the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**SUBJECT COMPARISON TO SURVEYED RENTS**

Unit Type	Subject LIHTC Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
2BR	\$837	\$633	\$1,407	\$911	-8%
3BR	\$967	\$672	\$1,539	\$993	-3%

As illustrated the Subject’s proposed 60 percent AMI rents are below the surveyed average of the comparable market rate properties. Overall, we believe that the Subject’s proposed rents (absent rental assistance) are slightly above our achievable LIHTC rents, but will offer an advantage when compared to the average market rents being achieved at comparable properties.

**9. LIHTC Competition – DCA Funded Properties within the PMA**

The capture rate for the Subject affordable units is 0.8 percent as proposed, taking into account the vacant units, which is considered excellent. If allocated, the Subject will be generally similar to the existing LIHTC housing stock. The average LIHTC vacancy rate is also considered very good at 0.6 percent.

According to the Georgia Department of Community Affairs’ Tax Credit Awards lists, four properties in the PMA have been allocated since 2015.

**LIHTC ALLOCATIONS IN PMA**

Property Name	Program	Tenancy	Year Allocated	Status	Total Units	LIHTC Units	Subsidized Units	Distance from Subject
Legacy at Walton Green (15th Street Phase I)	LIHTC/ACC/Market	Senior	2015	Completed	80	52	12	2.8 miles
Gardens at Harvest Point	LIHTC	Family	2015	Under Construction	256	256	0	6.7 miles
15th Street Development Phase II	LIHTC/PBRA/Market	Family	2016	Under Construction	90	42	9	2.8 miles
15th Street Development Phase III	LIHTC	Senior	2017	Proposed	60	60	0	2.8 miles
<b>Total Competitive</b>						<b>410</b>	<b>21</b>	

As illustrated in the table above, two developments will be competitive with the Subject, as they target the general population and the remaining two will not due to those developments being age-restricted.

It should be noted that as of the date of this report Gardens at Harvest Point has 52 units that are online, while the remaining 204 units are still being constructed. The property is in lease-up and expects the remaining units to be completed by May 2018.

Overall, we believe there is ample demand for the Subject, in addition to the existing LIHTC properties, as well as those proposed.

The Subject property is currently 83.3 percent occupied and all of the Subject’s units will continue to benefit from Section 8 subsidy, where tenants contribute 30 percent of their income towards rent. It should be noted that the vacant units at the Subject are being held vacant for pending renovations. Additionally, existing LIHTC and other affordable properties in the PMA maintain high occupancy rates. Given this information, we do not believe that the renovation of the Subject utilizing tax credits will impact the existing LIHTC properties in the area that are in overall good condition and currently performing well. However, it is

possible that the Subject will draw tenants from the older affordable properties that suffer from deferred maintenance.

### 10. Rental Trends in the PMA

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Augusta-Richmond County, GA-SC MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	20,224	49.1%	20,975	50.9%	131,387	69.9%	56,654	30.1%
2010	17,449	44.5%	21,762	55.5%	145,304	67.4%	70,220	32.6%
2017	15,610	39.6%	23,841	60.4%	150,997	65.1%	80,797	34.9%
Projected Mkt Entry February 2019	15,540	39.5%	23,834	60.5%	153,662	65.5%	80,797	34.5%
2022	15,390	39.3%	23,820	60.7%	159,414	66.4%	80,797	33.6%

Source: Esri Demographics 2017, Novogradac & Company LLP, March 2018

As the table illustrates, 60.4 percent of households within the PMA reside in renter-occupied units. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation.

### Historical Vacancy

The following table details historical vacancy levels for the properties included as comparables.

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	Vacancy Rates (%)													
			2QTR 2008	3QTR 2009	1QTR 2010	2QTR 2010	2QTR 2011	4QTR 2011	4QTR 2012	1QTR 2015	2QTR 2015	1QTR 2016	2QTR 2016	1QTR 2017	4QTR 2017	1QTR 2018
Cedarwood Apartments	Various	184	1.1%	N/A	N/A	0.0%	0.0%	0.0%	2.2%	N/A	N/A	N/A	N/A	7.6%	2.2%	7.1%
East Augusta Commons	Townhouse	148	N/A	4.1%	N/A	N/A	5.4%	N/A	N/A	N/A	N/A	N/A	N/A	9.5%	1.4%	0.0%
Olde Towne Properties	Conversion	116	N/A	N/A	N/A	N/A	4.3%	4.3%	2.6%	N/A	N/A	N/A	N/A	10.3%	15.5%	2.6%
The Crest At Edinburgh	Single Family	40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
Broadway Apartments	Garden	40	N/A	N/A	2.5%	N/A	0.0%	N/A	N/A	N/A	N/A	N/A	7.5%	N/A	2.5%	2.5%
Forest Brook	Garden	161	0.0%	1.9%	N/A	2.5%	N/A	2.5%	0.0%	5.0%	3.7%	1.2%	0.6%	2.5%	2.5%	2.5%
High Point Crossing	Garden	168	4.8%	4.8%	6.5%	4.8%	1.2%	N/A	N/A	N/A	2.4%	N/A	1.8%	1.8%	7.1%	2.4%
River Ridge	Garden	104	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	N/A	6.7%	4.8%
TEN35 Alexander	Various	200	N/A	N/A	N/A	2.0%	N/A	N/A	N/A	10.0%	N/A	12.5%	6.0%	N/A	1.0%	2.0%
The Glen At Alexander	Garden	216	N/A	N/A	4.6%	0.0%	1.9%	N/A	N/A	5.6%	N/A	6.0%	3.7%	N/A	1.4%	0.0%
		1,569	1.9%	3.6%	4.6%	1.8%	2.1%	2.3%	1.6%	6.8%	2.0%	4.9%	3.3%	5.3%	4.0%	2.4%

In general, the majority of the comparable properties have generally experienced stable vacancy rates from 2012 through 2018. All of the affordable properties demonstrate an historic trend of low vacancy rates. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject’s market.

### Change in Rental Rates

The following table illustrates rental rate increases as reported by the comparable properties.

**RENT GROWTH**

Property Name	Rent Structure	Rent Growth
Cedarwood Apartments	LIHTC	Kept at max
East Augusta Commons	LIHTC	Increased 7.1 to 9.3% since 1Q17
Olde Towne Properties	LIHTC	Increased 4.0% since 1Q17
The Crest At Edinburgh	LIHTC	Increased 2.5 to 4.2% since 1Q17
Broadway Apartments	Market	2BR increased 2.0% since 1Q17
Forest Brook	Market	None reported
High Point Crossing	Market	1BR, 3BR increased 1.3 to 3.3% since 1Q17
River Ridge	Market	Increased 2.1% since 1Q17
TEN35 Alexander	Market	Fluctuate daily
The Glen At Alexander	Market	Increased 3.9 to 4.7% since 4Q17

Three of the LIHTC comparables reported achieving the maximum allowable rents at all AMI levels. The remaining LIHTC comparable reported increasing rents ranging up to 9.3 percent since the first quarter of 2017. Among the market rate comparables, one reported no changes, four reported rent increases in at least one unit type, and one comparable reported that rents change daily. The Subject’s asking rents are set at the maximum allowable level; as such, increases in rent will be determined by increases in the AMI. However, as the Subject will continue to benefit with Section 8 subsidy, where tenants contribute 30 percent of their income towards rent, this analysis is largely hypothetical.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to *RealtyTrac* statistics, one in every 2,149 housing units nationwide was in some stage of foreclosure as of February 2018. The Subject’s zip code (30901) is experiencing a foreclosure rate of one in every 4,284 homes. Further, the city of Augusta is experiencing a foreclosure rate of one in every 1,827 homes. Richmond County is experiencing a foreclosure rate of one in every 2,074 homes. The state of Georgia is experiencing a foreclosure rate of one in every 2,531 homes. Overall, the Subject’s zip code is experiencing a very low foreclosure rate compared to the county, city, state, and nation. The Subject’s neighborhood does not appear to have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

**12. Primary Housing Void**

Three of the four affordable comparables reported achieving rents at the maximum allowable levels for all AMI levels. The average vacancy among the affordable comparables, when excluding the 13 units down due to renovations at Cedarwood Apartments, is 0.6 percent, and three reported maintaining waiting lists. The high occupancy rates at the affordable properties indicate demand for affordable housing in the market. Additionally, among renter households in the PMA, 60.5 percent earn less than \$30,000 annually indicating a need for affordable housing in the immediate area; however, the number of renter households is projected to decrease slightly through projected market entry.

**13. Effect of Subject on Other Affordable Units in Market**

As previously noted, there are no LIHTC developments currently planned or under construction in the PMA. The low vacancy rates among both the affordable and market rate properties illustrate a strong demand for the addition of affordable housing within the market. As the Subject is an existing and stabilized development, it is not considered an addition to the amount of affordable housing in the market. The vacancy rate among the existing affordable comparables, when excluding the 13 units at Cedarwood Apartments that are down due to renovations, is very low, at 0.6 percent. The need for quality rental housing is further illustrated by the generally diminishing vacancy rates of the comparable properties, and the high occupancy rates of the other subsidized properties in the area. In summary, the performance of the comparable LIHTC properties and that fact the Subject is an existing stabilized, Section 8 property, all

indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

### **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is continued demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.6 percent, when excluding the 13 units at Cedarwood Apartments that are down due to renovations. Further, three of the four affordable properties maintain waiting lists. These factors illustrate demand for affordable housing. The Subject will offer generally inferior amenities in comparison to the LIHTC and market rate comparable properties. However, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the low vacancy levels, waiting lists, and subsidies in place that will remain post-renovation. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar in terms of condition to the majority of the comparable properties. The Subject's unit sizes are inferior to the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated good condition, subsidy in place on all units, and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed, despite some slightly inferior attributes. We believe that the Subject will continue to perform well and will not negatively impact the existing or proposed affordable rental units in the market.

# **I. ABSORPTION AND STABILIZATION RATES**

## ABSORPTION AND STABILIZATION RATES

We were able to obtain information from the following developments regarding absorption information.

### ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Walton Oaks I and II	LIHTC/Section 8	Family	2012-2016	287	19
Walker Estates Apartments	Market	Family	2016	252	21
Benson Estates Apartments	Market	Family	2015	<u>252</u>	<u>16</u>
<b>Average</b>				<b>264</b>	<b>19</b>

We were able to obtain absorption information from three properties in Augusta. As demonstrated above, absorption rates for the properties in Augusta range from 16 to 21 units per month and average 19 units per month. We expect that the Subject would experience an absorption pace of 20 units per month, indicating an absorption period of approximately nine months. It should be noted that the Subject will be renovated with tenants in place. Therefore, the analysis is largely hypothetical. Additionally, we expect that the Subject's 32 vacant units would experience an absorption period of approximately one to two months.

# J. INTERVIEWS

## INTERVIEWS

### Housing Authority of the City of Augusta

We spoke with Alicia Mortley, Housing Occupancy Manager with the Housing Authority of the City of Augusta. According to Ms. Mortley, a total of 4,389 vouchers are allocated, of which 4,320 are currently in use. The waiting list for Housing Choice Vouchers contains approximately 4,287 households and is closed to new applicants. Ms. Mortley estimated it will be at least three years before the waiting list is re-opened. The housing authority gives preference to homeless households as well as households considered to be rent overburdened. The current payment standards for two and three-bedroom units are illustrated in the following table.

#### PAYMENT STANDARDS

Unit Type	Gross Payment Standard
2BR	\$848
3BR	\$1,158

The Subject's rents are below the payment standards; however, upon completion of renovations, the Subject's units will continue to operate with project-based Section 8 rental assistance.

### Planning

We spoke with Lois Schmidt, Zoning Assistant Technician with the City of Augusta's Planning, Zoning and Development Department, regarding proposed, under construction, or recently completed multifamily developments within Augusta. The table below displays the list of developments that have been provided by Ms. Schmidt.

#### NEW SUPPLY

Project Name	Project Address	Tenancy	Type	Total Units	Status	Distance from Subject
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<b>Total</b>				<b>1,334</b>		

As illustrated in the table above, three of the developments are unrestricted market rate properties, while the remaining four are LIHTC properties. Three of the developments will directly compete with the Subject's LIHTC gross rents, while one will not due senior tenancy.

It should be noted that as of the date of this report Gardens at Harvest Point has 52 units that are online, while the remaining 204 units are still being constructed. The property is in lease-up and expects the remaining units to be completed by May 2018.

### **Business Expansions/Contractions**

We attempted to contact the Augusta Economic Development Authority; however, as of the date of this report our phone calls and emails have not been returned. As such, we have conducted online research to obtain information regarding business expansions or contractions within Augusta.

- According to an article published by the Area Development New Desk, dated November 3, 2017, “Starbucks signed-off on a \$130 million industrial revenue bond issue to fund Starbucks’ 140,000 square foot plant expansion at Augusta Corporate Park in Richmond County.” Furthermore, the company currently employs 180 people and plans to create approximately 100 new jobs.
- EdenCrete Industries, a concrete additives manufacturer has announced plans to build a \$67 million plant that could create approximately 250 new jobs. The plant plans to open by early 2019.
- Economic developers in Augusta are exploring options to come up with \$5 million to \$8 million to bring rail service to Augusta Corporate Park, one of Georgia’s largest industrial properties.
- Buona Caffè, a local coffee shop in Augusta has purchased a building located at 520 Reynolds Street in order to expand their growing inventory and roasting operation.
- In January 2018, Textron Specialized Vehicles laid off 60 employees. Currently, the company employs approximately 1,200 employees.

**Additional interviews can be found in the comments section of the property profiles.**

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

### Demographics

Between 2000 and 2010 there was an approximate 0.8 percent annual decrease in total population within the PMA and 1.1 percent annual increase in the MSA. Total population in the PMA is anticipated to continue to decrease slightly through market entry and 2022, while the total populations within the MSA and the nation as a whole are projected to increase approximately 1.0 and 0.8 percent annually, respectively. The recent decrease in population in the PMA is typically cause for concern; however, the Subject is an existing fully subsidized property that typically operates at 95 percent occupancy or better, and will not add new units to the PMA. Renter households are concentrated in the lowest income cohorts, and 60.5 percent of renters in the PMA are earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$40,200, as all units will have subsidy in place. Overall, the Subject should be well positioned to service this market, and the data shows significant demand for affordable rental housing in the market.

### Employment Trends

The largest local employer is the Fort Gordon military base, located approximately 12 miles from the Subject and has an estimated annual impact of \$1.5 billion on the regional economy. The US Army is currently constructing a new cyber command facility at this base, which will result in the creation of more than 1,000 new jobs. We are not aware of any plans to close or downsize Fort Gordon. The MSA was significantly affected by the national recession. Employment losses due to the most recent national recession were recovered in the MSA as of 2016, while the nation passed pre-recession employment levels in 2014. However, manufacturing employment has declined substantially in recent years, falling from 10.5 percent of PMA employment in 2000 to approximately 7.8 percent in 2016. We believe the shift of employment away from the historically volatile manufacturing sector bodes well for future growth and stability of the PMA economy despite the drag of continued concentration in the manufacturing sector. Overall, the MSA appears to be in growth phase due to the increasing employment and a decreasing unemployment rate.

### Capture Rates

The following table illustrates the demand and capture rates for the Subject's units.

**All of the Subject's 192 units will benefit from Section 8 rental assistance. We were not provided with an income audit; however, we have assumed that all of the Subject's tenants will continue to income-qualify post-renovation, absent subsidy. These units are presumed leasable, and only the vacant units have been accounted for in our capture rate analysis, per DCA guidance, which totals 32 units. In the scenario without subsidy, we have assumed that none of the Subject's tenants will continue to income-qualify, and have accounted for all 192 units.**

CAPTURE RATE ANALYSIS CHART - ABSENT SUBSIDY

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR @60%	\$28,697	\$33,480	172	589	131	458	37.5%	Nine months	\$911	\$633	\$1,407	\$837
2BR Overall	\$28,697	\$33,480	172	589	131	458	37.5%	Nine months	-	-	-	-
3BR @60%	\$33,154	\$40,200	20	261	55	206	9.7%	Nine months	\$993	\$672	\$1,539	\$967
3BR Overall	\$33,154	\$40,200	20	261	55	206	9.7%	Nine months	-	-	-	-
@60% Overall	\$28,697	\$40,200	192	850	186	664	28.9%	Nine months	-	-	-	-
Overall	\$28,697	\$40,200	192	850	186	664	28.9%	Nine months	-	-	-	-

CAPTURE RATE ANALYSIS CHART - WITH SUBSIDY

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR @60%	\$0	\$33,480	12	2,977	131	2,846	0.4%	Nine months	\$911	\$633	\$1,407	\$837
2BR Overall	\$0	\$33,480	12	2,977	131	2,846	0.4%	Nine months	-	-	-	-
3BR @60%	\$0	\$40,200	20	1,316	55	1,261	1.6%	Nine months	993	672	1539	\$967
3BR Overall	\$0	\$40,200	20	1,316	55	1,261	1.6%	Nine months	-	-	-	-
@60% Overall	\$0	\$40,200	32	4,294	186	4,108	0.8%	Nine months	-	-	-	-
Overall	\$0	\$40,200	32	4,294	186	4,108	0.8%	Nine months	-	-	-	-

As the analysis illustrates, the Subject’s 60 percent AMI capture rates, absent subsidy, range from 9.7 to 37.5 percent, with an overall capture rate of 28.9 percent. With subsidy, the Subject’s 60 percent AMI capture rates range from 0.4 to 1.6 percent, with an overall capture rate of 0.8 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates at the Subject, as proposed, fall below the 2018 DCA Market Study capture rate threshold of 30 percent. We believe these calculated capture rates are reasonable, particularly as these calculations do not considered demand from outside the PMA or standard rental household turnover.

### Absorption

We were able to obtain information from the following developments regarding absorption information.

#### ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Walton Oaks I and II	LIHTC/Section 8	Family	2012-2016	287	19
Walker Estates Apartments	Market	Family	2016	252	21
Benson Estates Apartments	Market	Family	2015	<u>252</u>	<u>16</u>
<b>Average</b>				<b>264</b>	<b>19</b>

We were able to obtain absorption information from three properties in Augusta. As demonstrated above, absorption rates for the properties in Augusta range from 16 to 21 units per month and average 19 units per month. We expect that the Subject would experience an absorption pace of 20 units per month, indicating an absorption period of approximately nine months. It should be noted that the Subject will be renovated with tenants in place. Therefore, the analysis is largely hypothetical. Additionally, we expect that the Subject’s 32 vacant units would experience an absorption period of approximately one to two months.

### Vacancy Trends

The following table illustrates the vacancy rates in the market. It should be noted that Cedarwood Apartments currently has 13 units down due to ongoing renovations. These units have been excluded from the total LIHTC and overall vacancy calculations in the table below.

#### OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Cedarwood Apartments*	LIHTC	184	13	7.1%
East Augusta Commons	LIHTC	148	0	0.0%
Olde Towne Properties	LIHTC	116	3	2.6%
The Crest At Edinburgh	LIHTC	40	0	0.0%
Broadway Apartments	Market	40	1	2.5%
Forest Brook	Market	161	4	2.5%
High Point Crossing	Market	168	4	2.4%
River Ridge	Market	104	5	4.8%
TEN35 Alexander	Market	200	4	2.0%
The Glen At Alexander	Market	216	0	0.0%
<b>Total LIHTC**</b>		<b>475</b>	<b>3</b>	<b>0.6%</b>
<b>Total Market Rate</b>		<b>889</b>	<b>18</b>	<b>2.0%</b>
<b>Overall Total**</b>		<b>1,364</b>	<b>21</b>	<b>1.5%</b>

\*Undergoing renovations

\*\*Excludes 13 units at Cedarwood Apartments that are down due to renovations

As illustrated in the previous table, the vacancy rates at the affordable comparables range from zero to 7.1 percent. However, as previously noted, Cedarwood Apartments currently has 13 units down due to ongoing renovations, all of which are pre-leased. When excluding the units down due to renovations, the LIHTC comparables reported vacancy rates ranging from zero to 2.6 percent, with an average vacancy rate of 0.6 percent. The market rate comparables reported vacancy rates ranging from zero to 4.8 percent, with an overall average vacancy rate of 2.0 percent.

The low vacancy rates at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Given that the Subject is an existing property that is already stabilized, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

### **Strengths of the Subject**

The Subject is also located in close proximity to locational amenities, public transit, and employment centers. As the *Demand Analysis* indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units. Further, the Subject is 83.3 percent occupied. According to the Subject's historical financial statements, vacancy loss at the Subject ranged from 3.9 to 4.8 percent in 2014 and 2015. In 2016, vacancy loss increased to 23.8 percent, as management began holding units vacant in preparation for renovations. Additionally, all of the Subject's 192 units currently benefit from a Housing Assistance Program (HAP) contract, which will continue post-renovation. As such, tenants residing at the Subject will pay only 30 percent of their household income on rent, not to exceed the LIHTC maximum allowable levels. A tenant income audit was unavailable as of the date of this report; however, we have assumed that the majority of current tenants are anticipated to income-qualify for the Subject post-renovation.

### **Conclusion**

The Subject is located in close proximity to locational amenities. As the *Demand Analysis* indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units, absent subsidy. Additionally, all of the Subject's 192 units currently benefit from a Housing Assistance Program (HAP) contract, which will continue post-renovation. As such, tenants residing at the Subject will pay only 30 percent of their household income on rent. A tenant income audit was unavailable as of the date of this report; however, we have assumed that the majority of current tenants are anticipated to income-qualify for the Subject post-renovation.

Based upon our market research, demographic calculations and analysis, we believe there is continued demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.6 percent, when excluding the 13 units at Cedarwood Apartments that are down due to renovations. Further, three of the four affordable properties maintain waiting lists. These factors illustrate demand for affordable housing. The Subject will offer generally inferior amenities in comparison to the LIHTC and market rate comparable properties. However, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the low vacancy levels, waiting lists, and subsidies in place that will remain post-renovation. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar in terms of condition to the majority of the comparable properties. The Subject's unit sizes are inferior to the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated good condition, subsidy in place on all units, and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed, despite some slightly inferior attributes. We believe that the Subject will continue to perform well and will not negatively impact the existing or proposed affordable rental units in the market.

**Recommendations**

We recommend the Subject as proposed.

# **L. SIGNED STATEMENT REQUIREMENTS**

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the Subject property and that information has been used in the full study of the need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



Rebecca S. Arthur, MAI  
Partner  
Novogradac & Company LLP

March 28, 2018  
Date



Lawson Short  
Manager  
Novogradac & Company LLP

March 28, 2018  
Date



Ryan Browder  
Analyst  
Novogradac & Company LLP

March 28, 2018  
Date



Brian Neukam  
Manager  
Novogradac & Company LLP

March 28, 2018  
Date

# **M. MARKET STUDY REPRESENTATION**

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



Rebecca S. Arthur, MAI  
Partner  
Novogradac & Company LLP

March 28, 2018  
Date



Lawson Short  
Manager  
Novogradac & Company LLP

March 28, 2018  
Date



Ryan Browder  
Analyst  
Novogradac & Company LLP

March 28, 2018  
Date



Brian Neukam  
Manager  
Novogradac & Company LLP

March 28, 2018  
Date

**ADDENDUM A**  
**Assumptions and Limiting Conditions**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. 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.
5. The report was made assuming responsible ownership and capable management of the property.
6. 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. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. 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. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. 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 market analyst. Nor shall the market analyst,

firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. 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.
14. 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.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

**ADDENDUM B**  
**SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS**

## Photographs of Subject Site and Surrounding Uses



Subject exterior



Subject exterior



Perimeter fencing



Parking and grounds



Community room



Laundry facility



Laundry facility



Mail room



Mailboxes



Typical unit signage



Typical kitchen



Typical bathroom



Typical living room



Typical bedroom



Typical bedroom closet



Typical unit thermostat



Typical commercial use in Subject neighborhood



Typical commercial use in Subject neighborhood



Typical commercial use in Subject neighborhood



Typical commercial use in Subject neighborhood



Typical commercial use in Subject neighborhood



Typical commercial use in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



View north on East Boundary



View south on East Boundary



View east on East Telfair Street



View west on East Telfair Street

**ADDENDUM C**  
**Qualifications**

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**REBECCA S. ARTHUR, MAI**

**I. Education**

University of Nebraska, Lincoln, Nebraska  
Bachelor of Science in Business Administration – Finance

Appraisal Institute  
Designated Member (MAI)

**II. Licensing and Professional Affiliation**

Member of Kansas Housing Association  
Board of Directors 2017 - Present  
Designated Member of the Appraisal Institute (MAI)  
Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014  
Member of National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network

State of Arkansas Certified General Real Estate Appraisal No. CG2682  
State of Arizona Certified General Real Estate Appraisal No. 31992  
State of California Certified General Real Estate Appraiser No. AG041010  
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047  
State of Iowa Certified General Real Estate Appraiser No. CG03200  
State of Indiana Certified General Real Estate Appraiser No. CG41300037  
State of Kansas Certified General Real Estate Appraiser No. G-2153  
State of Minnesota Certified General Real Estate Appraiser No. 40219655  
State of Missouri Certified General Real Estate Appraiser No. 2004035401  
State of Louisiana Certified General Real Estate Appraiser No. 4018  
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

**III. Professional Experience**

Partner, Novogradac & Company LLP  
Principal, Novogradac & Company LLP  
Manager, Novogradac & Company LLP  
Real Estate Analyst, Novogradac & Company LLP  
Corporate Financial Analyst, Deloitte & Touche LLP

**IV. Professional Training**

Various Continuing Education Classes as required by licensing, 2016 & 2017  
USPAP Update, January 2016  
Forecasting Revenue, June 2015  
Discounted Cash Flow Model, June 2015  
Business Practices and Ethics, April 2015  
HUD MAP Training – June 2013  
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013  
How to Analyze and Value Income Properties, May 2011  
Appraising Apartments – The Basics, May 2011  
HUD MAP Third Party Tune-Up Workshop, September 2010

HUD MAP Third Party Valuation Training, June 2010  
HUD LEAN Third Party Training, January 2010  
National Uniform Standards of Professional Appraisal Practice, April 2010  
MAI Comprehensive Four Part Exam, July 2008  
Report Writing & Valuation Analysis, December 2006  
Advanced Applications, October 2006  
Highest and Best Use and Market Analysis, July 2005  
HUD MAP – Valuation Advance MAP Training, April 2005  
Advanced Sales Comparison and Cost Approaches, April 2005  
Advanced Income Capitalization, October 2004  
Basic Income Capitalization, September 2003  
Appraisal Procedures, October 2002  
Appraisal Principals, September 2001

## **V. Real Estate Assignments**

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. 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 market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- 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 and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with

HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

## **VI. Speaking Engagements**

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## LAWSON SHORT

### I. EDUCATION

**St. Edward's University, Austin, Texas**

Bachelor of Arts, English Writing and Rhetoric, 2010

### II. PROFESSIONAL EXPERIENCE

Real Estate Analyst – Novogradac & Company LLP, *March 2012 to Present*

Researcher – Novogradac & Company LLP, *March 2011 to March 2012*

### III. PROFESSIONAL TRAINING

Basic Appraisal Principles *June 2013 to January 2014*

Basic Appraisal Procedures *June 2013 to January*

*2014* National USPAP Course *June 2013 to January*

2014 Texas Appraiser Trainee License *February 2014*

### IV. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- 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, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have

included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.

- Conducted over 150 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## RYAN BROWDER

### I. EDUCATION

**Baylor University, Waco, Texas**

Bachelor of Business Administration, Finance, 2014

### II. PROFESSIONAL EXPERIENCE

Junior Analyst – Novogradac & Company LLP, *December 2016 to Present*

Real Estate Consultant – Jackson & Cooksey, *August 2014 to December 2016*

### III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

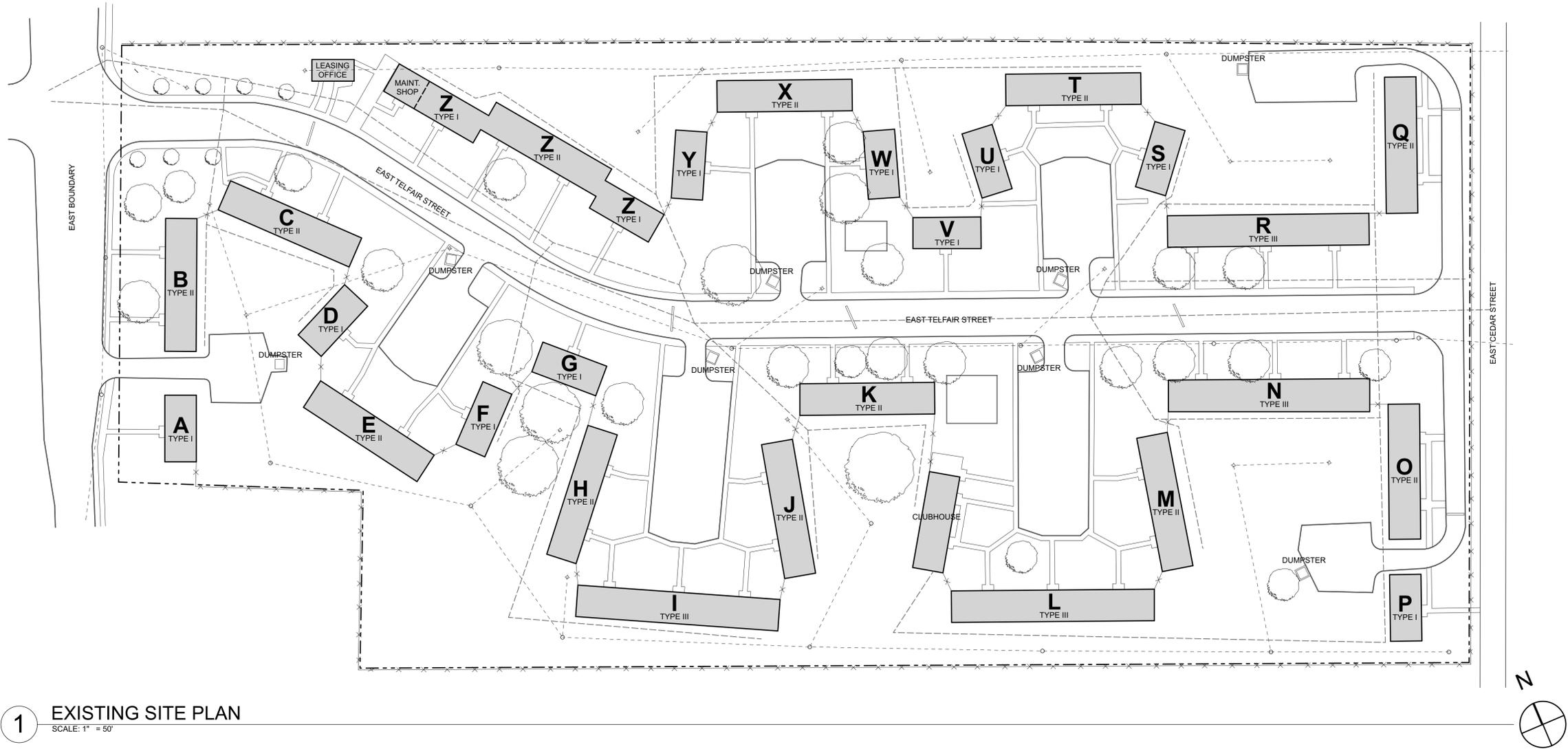
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, and supply analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

**ADDENDUM D**  
Summary Matrix

**SUMMARY MATRIX**

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	River Glen As Renovated 201 East Telfair Street Augusta, GA 30901 Richmond County		Garden (2 stories) 1962 / 2019 Family	@60% (Section 8)	2BR / 1BA	12	6.3%	665	@60% (Section 8)	\$837	Yes		N/A	N/A
					2BR / 1BA	160	83.3%	665	@60% (Section 8)	\$837	Yes		N/A	N/A
					3BR / 2BA	2	1.0%	960	@60% (Section 8)	\$967	Yes		N/A	N/A
					3BR / 2BA	18	9.4%	960	@60% (Section 8)	\$967	Yes		N/A	N/A
						192	100.0%							N/A
1	Cedarwood Apartments 527 Richmond Hill Rd W Augusta, GA 30906 Richmond County	5.5 miles	Various (2 stories) 1970s / 2007 Family	@30%, @50%, @60%	1BR / 1BA	8	4.3%	850	@30%	\$274	Yes	Yes	N/A	N/A
					1BR / 1BA	37	20.1%	850	@50%	\$507	Yes	Yes	N/A	N/A
					1BR / 1BA	11	6.0%	850	@60%	\$544	Yes	Yes	N/A	N/A
					2BR / 1.5BA	12	6.5%	950	@30%	\$318	Yes	Yes	N/A	N/A
					2BR / 1.5BA	4	2.2%	1,150	@30%	\$318	Yes	Yes	N/A	N/A
					2BR / 1.5BA	52	28.3%	950	@50%	\$597	Yes	Yes	N/A	N/A
					2BR / 1.5BA	16	8.7%	1,150	@50%	\$597	Yes	Yes	N/A	N/A
					2BR / 1.5BA	16	8.7%	950	@60%	\$645	Yes	Yes	N/A	N/A
					2BR / 1.5BA	4	2.2%	1,150	@60%	\$645	Yes	Yes	N/A	N/A
					3BR / 2BA	4	2.2%	1,200	@30%	\$349	Yes	Yes	N/A	N/A
					3BR / 2BA	15	8.2%	1,200	@50%	\$672	Yes	Yes	N/A	N/A
					3BR / 2BA	5	2.7%	1,200	@60%	\$833	Yes	Yes	N/A	N/A
						184	100.0%							
2	East Augusta Commons 420 East Boundary Augusta, GA 30901 Richmond County	0.1 miles	Townhouse (2 stories) 1970s / 2001 Family	@60%	2BR / 1.5BA	148	100.0%	948	@60%	\$555	No	Yes	0	0.0%
						148	100.0%							
3	Olde Towne Properties 602 3rd Street Augusta, GA 30901 Richmond County	0.5 miles	Conversion (3 stories) 1910 / 2002 Family	@50%, @60%	OBR / 1BA	2	1.7%	325	@50%	\$433	Yes	No	N/A	N/A
					OBR / 1BA	2	1.7%	325	@60%	\$450	Yes	No	N/A	N/A
					1BR / 1BA	27	23.3%	540	@50%	\$485	Yes	No	N/A	N/A
					1BR / 1BA	36	31.0%	540	@60%	\$595	Yes	No	N/A	N/A
					2BR / 1BA	14	12.1%	820	@50%	\$583	Yes	No	N/A	N/A
					2BR / 1BA	27	23.3%	820	@60%	\$716	Yes	No	N/A	N/A
					3BR / 2BA	4	3.4%	1,050	@50%	\$705	Yes	No	N/A	N/A
					3BR / 2BA	4	3.4%	1,050	@60%	\$866	Yes	No	N/A	N/A
	116	100.0%									3	2.6%		
4	The Crest At Edinburgh 3227 Milledgeville Road Augusta, GA 30909 Richmond County	6.3 miles	Single Family (2 stories) 2011 / n/a Family	@50%, @60%	3BR / 2.5BA	6	15.0%	1,325	@50%	\$496	Yes	Yes	0	0.0%
					3BR / 2.5BA	24	60.0%	1,325	@60%	\$652	Yes	Yes	0	0.0%
					4BR / 2.5BA	2	5.0%	1,516	@50%	\$506	Yes	Yes	0	0.0%
					4BR / 2.5BA	8	20.0%	1,516	@60%	\$683	Yes	Yes	0	0.0%
						40	100.0%							
5	Broadway Apartments 335 Broad Street Augusta, GA 30901 Richmond County	0.6 miles	Garden (3 stories) 1920 / 2016 Family	Market	1BR / 1BA	8	20.0%	612	Market	\$719	N/A	No	1	12.5%
					2BR / 2BA	8	20.0%	1,060	Market	\$899	N/A	No	0	0.0%
					2BR / 2BA	11	27.5%	1,125	Market	\$899	N/A	No	0	0.0%
					2BR / 2BA	13	32.5%	1,225	Market	\$899	N/A	No	0	0.0%
						40	100.0%							
6	Forest Brook 3122 Damascus Road Augusta, GA 30909 Richmond County	5.9 miles	Garden (2 stories) 1984 / 1998 Family	Market	1BR / 1BA	56	34.8%	580	Market	\$580	N/A	No	1	1.8%
					2BR / 1BA	48	29.8%	840	Market	\$670	N/A	No	2	4.2%
					2BR / 2BA	48	29.8%	916	Market	\$695	N/A	No	0	0.0%
					3BR / 2BA	9	5.6%	1,250	Market	\$820	N/A	No	1	11.1%
						161	100.0%							
7	High Point Crossing 524 Richmond Hill Road W Augusta, GA 30906 Richmond County	5.5 miles	Garden (2 stories) 1972 / 2001 Family	Market	1BR / 1BA	32	19.0%	850	Market	\$620	N/A	No	0	0.0%
					2BR / 1BA	120	71.4%	950	Market	\$695	N/A	No	3	2.5%
					3BR / 2BA	16	9.5%	1,050	Market	\$800	N/A	No	1	6.3%
						168	100.0%							
8	River Ridge 505 13th Street Augusta, GA 30901 Richmond County	1.0 miles	Garden (3 stories) 1984 / 2012 Family	Market	2BR / 2BA	52	50.0%	850	Market	\$615	N/A	No	0	0.0%
					2BR / 2BA	52	50.0%	900	Market	\$615	N/A	No	5	9.6%
						104	100.0%							
9	TEN35 Alexander 1035 Alexander Drive Augusta, GA 30909 Richmond County	5.7 miles	Various (2 stories) 2003 / n/a Family	Market	1BR / 1BA	14	7.0%	824	Market	\$991	N/A	No	0	0.0%
					1BR / 1BA	48	24.0%	909	Market	\$1,043	N/A	No	0	0.0%
					1.5BR / 1BA	24	12.0%	1,094	Market	\$1,095	N/A	No	0	0.0%
					2BR / 2BA	43	21.5%	1,166	Market	\$1,087	N/A	No	2	4.7%
					2BR / 2BA	43	21.5%	1,261	Market	\$1,079	N/A	No	2	4.7%
					3BR / 2BA	28	14.0%	1,403	Market	\$1,299	N/A	No	0	0.0%
	200	100.0%									4	2.0%		
10	The Glen At Alexander 1040 Alexander Drive Augusta, GA 30909 Richmond County	5.7 miles	Garden (3 stories) 2003 / n/a Family	Market	1BR / 1BA	26	12.0%	975	Market	\$1,110	N/A	Yes	0	0.0%
					2BR / 2BA	130	60.2%	1,175	Market	\$1,240	N/A	Yes	0	0.0%
					3BR / 2BA	60	27.8%	1,350	Market	\$1,340	N/A	Yes	0	0.0%
	216	100.0%									0	0.0%		

**ADDENDUM E**  
**Subject Floor Plans**



**1** EXISTING SITE PLAN  
SCALE: 1" = 50'

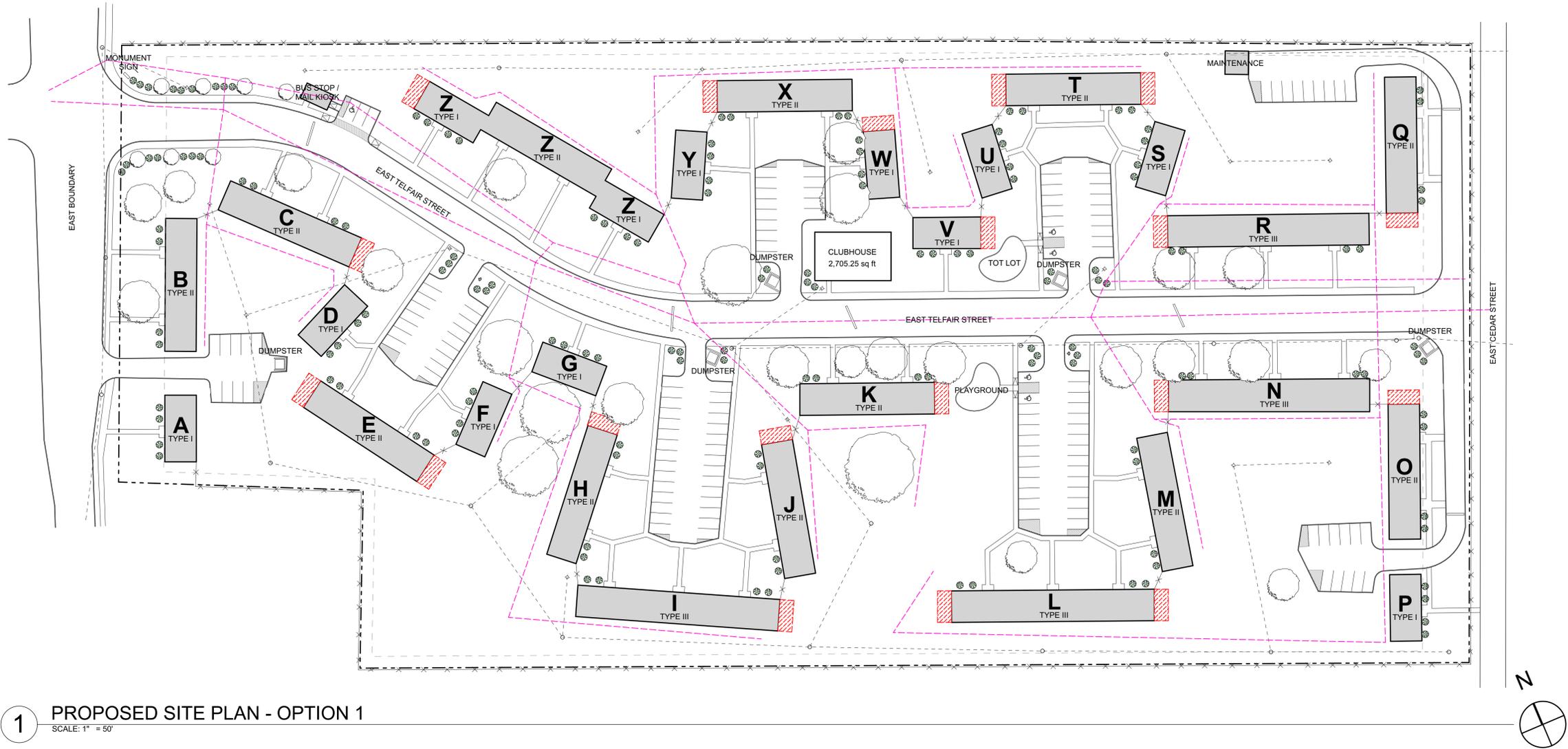
DEVELOPER 10/13/17

DOMINIUM

2905 NORTHWEST BLVD SUITE 150  
PLYMOUTH, MN 55441  
P 763-354-5500  
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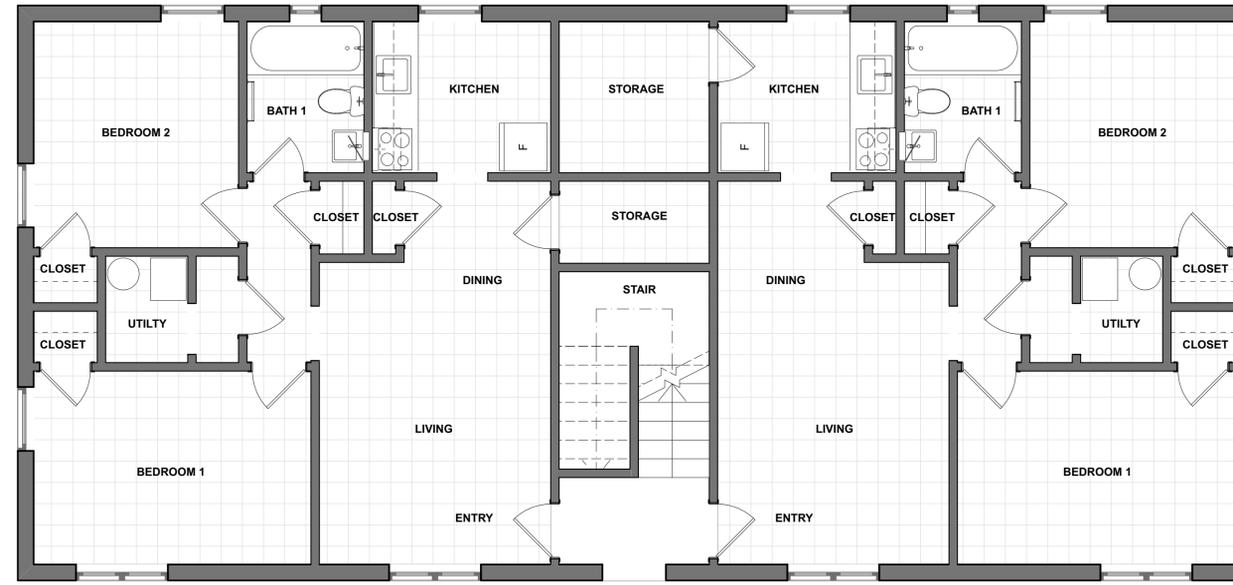
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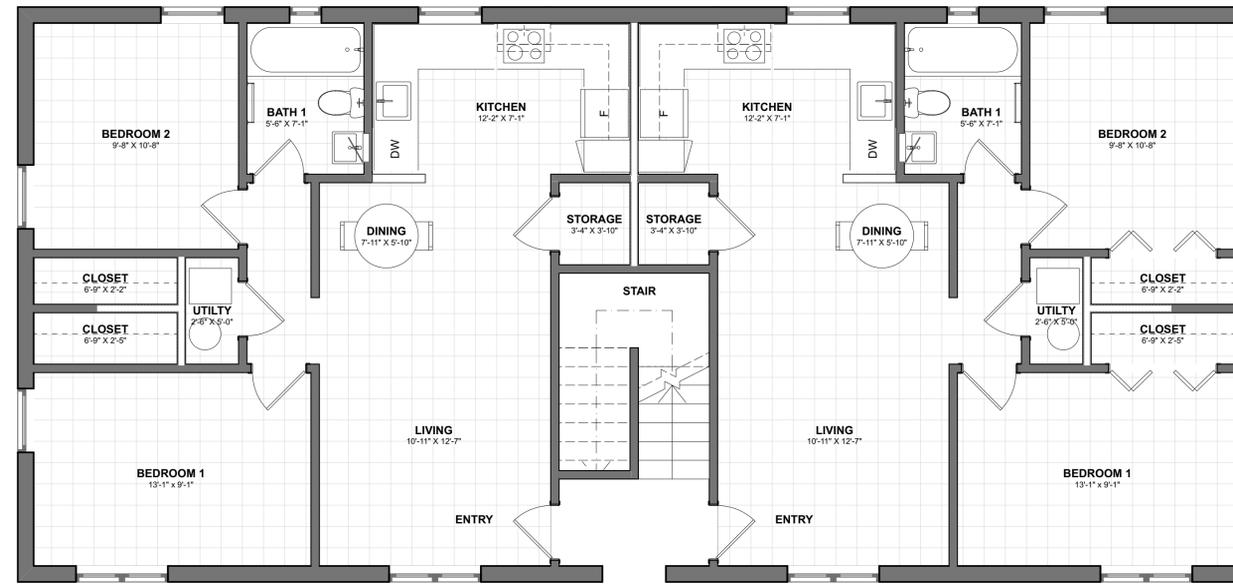
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**2** EXISTING UNIT FLOOR PLAN  
SCALE: 1/4" = 1'-0"



**1** UNIT RENOVATION FLOOR PLAN - SECOND FLOOR UNITS  
SCALE: 1/4" = 1'-0"

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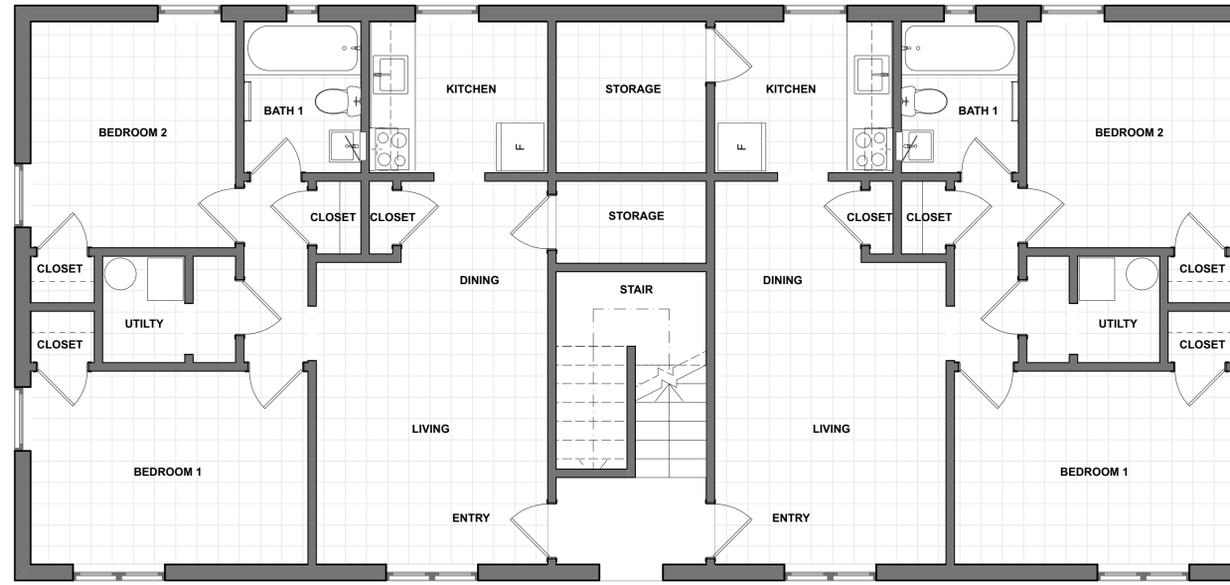
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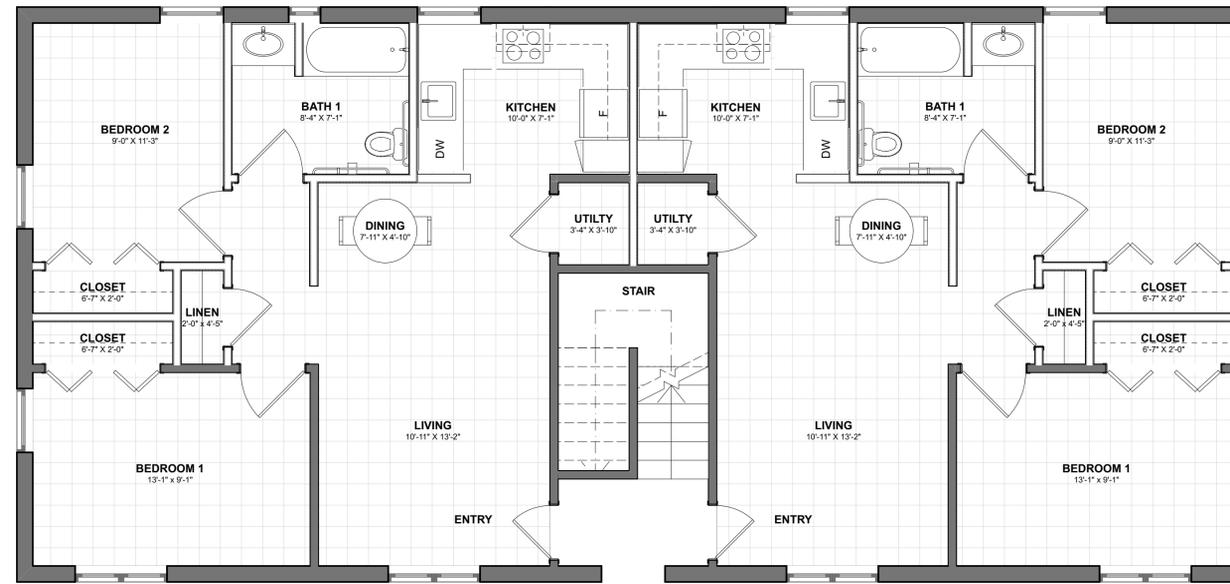
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**2** EXISTING UNIT FLOOR PLAN  
SCALE: 1/4" = 1'-0"



**1** UNIT RENOVATION FLOOR PLAN - FIRST FLOOR (OPTION 1)  
SCALE: 1/4" = 1'-0"

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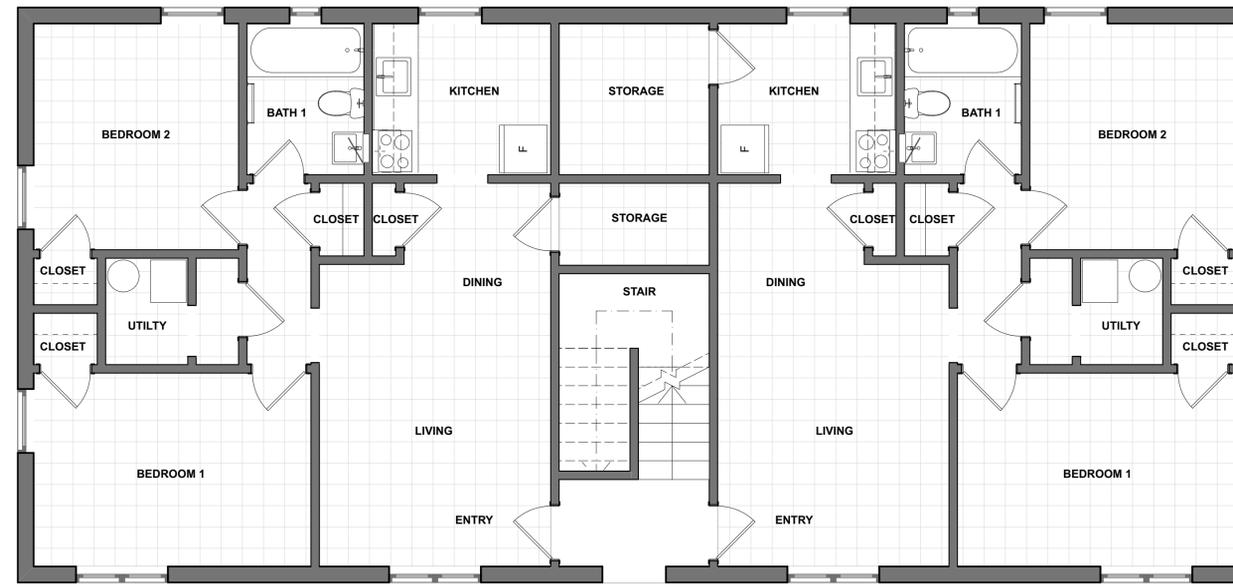
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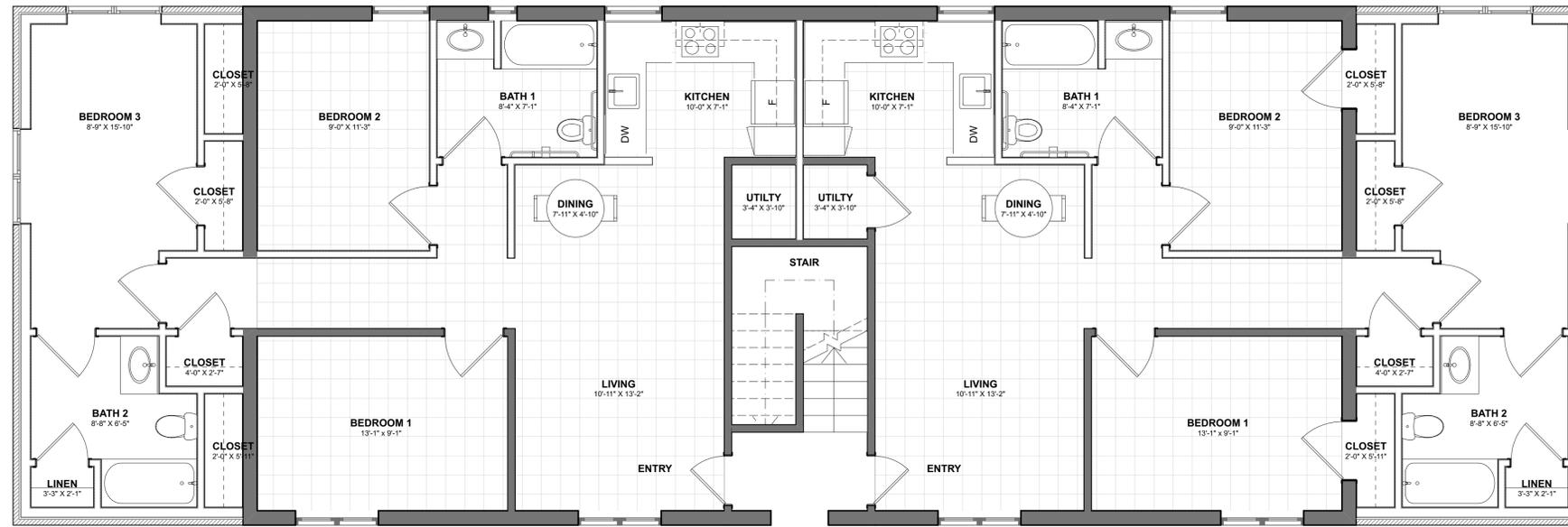
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**2** EXISTING UNIT FLOOR PLAN  
SCALE: 1/4" = 1'-0"



**1** UNIT RENOVATION FLOOR PLAN - FIRST FLOOR 3 BED (OPTION 1)  
SCALE: 1/4" = 1'-0"

DEVELOPER 10/13/17

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