



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

A MARKET STUDY OF:

# **WELLINGTON RIDGE**

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# WELLINGTON RIDGE

9145 Wellington Drive  
Covington, Newton County, Georgia 30014

Effective Date: June 6, 2018  
Report Date: June 19, 2018

Assignment Code: DOM600V-128

Prepared for:  
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CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2018

Mr. Eric Omdahl  
Dominium  
2905 Northwest Blvd. Suite 150  
Plymouth, MN 55441

Re: Market Study - Application for Wellington Ridge, located in Covington, Newton County, Georgia

Dear Mr. Omdahl:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Covington, Newton County, Georgia area relative to the above-referenced proposed acquisition/rehabilitation Low Income Housing Tax Credit (LIHTC) project. The purpose of this market study is to assess the viability of the rehabilitation of Wellington Ridge (Subject), an existing 220-unit LIHTC community. The Subject offers one, two, and three-bedroom units. Following renovation, the property will be restricted to households earning 60 percent of the Area Median Income (AMI). 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 the 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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## **B. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### 1. Project Description

Wellington Ridge (Subject) will be a renovated family property located in Covington, Newton County, Georgia, which consists of eight three-story, garden style buildings. The Subject was originally constructed in 2003 with LIHTCs.

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@60%								
1BR / 1BA	784	70	\$724	\$118	\$842	\$842	\$898	
2BR / 2BA	1,182	122	\$868	\$143	\$1,011	\$1,011	\$1,031	
3BR / 2BA	1,394	28	\$991	\$176	\$1,167	\$1,167	\$1,344	
		<b>220</b>						

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject currently offers units restricted at 60 percent of the AMI. Post-renovation, the Subject will continue to offer units restricted at 60 percent of the AMI. The Subject will offer similar to slightly inferior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly superior property amenities. The Subject does not offer a ceiling fan or vaulted ceilings, which several of the comparables include. However, the Subject will offer a business center, community room, tennis courts, or basketball courts, which several of the comparables do not include. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Renovations will reportedly have hard costs of renovations will reportedly be \$45,000 per unit, or \$9,900,000 for the entire property. The scope of renovation will include, but not be limited to the following: extensive upgrades to the property’s site, amenities and units. The clubhouse will be reconfigured to allow for an enlarged fitness center and open floor plan in the clubroom. The pool area will be cleaned, refinished and receive new furnishings as well as new pergola shade structures. A new playground will be installed to the east of the clubhouse as well as all new playground equipment to replace the existing at the southeast corner of the site. A new bus stop will be constructed at the entry with accessible access from the street and the site. Upgraded landscaping will be provided throughout the site and the parking lot will receive a full seal and strip. All buildings will receive new roofing.

### 2. Site Description/Evaluation

The Subject site is located at 9145 Wellington Drive. The Subject site has good access, but average visibility from neighborhood thoroughfares. Surrounding uses consist of single-family, commercial uses, as well as undeveloped land. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 32 out of 100. Crime risk indices in the Subject’s area are considered lower than average. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are generally within 1.6 miles of the Subject site.

### 3. Market Area Definition

The PMA generally includes Covington, as well as portions of Conyers and Social Circle. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	9.1 miles
East:	9.1 miles
South:	10.8 miles
West:	3.9 miles

The PMA was defined based on interviews with the local housing authority, 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 10.8 miles. The Metropolitan Statistical Area (MSA) for the Subject is the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which is comprised of 30 counties.

### 4. Community Demographic Data

Between 2000 and 2010 total population in the PMA increased by 5.1 annually, while the MSA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2022 at a pace generally in line with that of the MSA. The current population of the PMA is 122,388 and is expected to increase slightly to 130,219 by 2022. Renter households are concentrated in the lowest income cohorts, with 75.6 percent of renter households in the PMA are earning incomes that are less than \$50,000. The Subject will target households earning between \$28,869 and \$48,480 for its units. Overall, population growth and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 2,058 housing units nationwide was in some stage of foreclosure as of June 2018. The Subject's zip code (30014) is experiencing a foreclosure rate of one in every 4,678 homes. The city of Covington is experiencing a foreclosure rate of one in every 1,226 homes, while the state of Georgia is experiencing foreclosure rate of one in every 2,370 homes. Overall, the Subject's zip code is experiencing a higher foreclosure rate compared to the city, state, and the nation. The Subject's neighborhood does not appear to have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

### 5. Economic Data

The largest industries in the PMA are healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 37.9 percent of local employment. The five largest employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. The manufacturing sector is historically volatile during periods of economic downturn, while healthcare/social assistance and educational services are typically more stable. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from February 2017 to February 2018, total employment in the MSA increased 2.6 percent, compared to a 1.6 percent increase in the nation as a whole. The unemployment rate has continued to decrease annually since 2011 to current rate 4.1 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate remains in line with that of the nation, it does appear that the economy in the MSA has fully recovered from the most recent national recession. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

## 6. Project-Specific Affordability and Demand Analysis

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

**CAPTURE RATE ANALYSIS CHART**

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption*	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR @60%	70	347	0	347	20.2%	9 months	\$817	\$648	\$1,055	\$724
2BR @60%	122	579	0	579	21.1%	9 months	\$919	\$718	\$1,337	\$868
3BR @60%	28	441	0	441	6.3%	9 months	\$1,088	\$848	\$1,437	\$991
Overall	220	1,366	0	1,366	16.1%	9 months	-	-	-	-

\*Assuming 100% vacancy

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

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 12 “true” comparable properties containing 2,146 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 limited; we have included six comparable properties which offer LIHTC units, two of which are located within the PMA. Four of the comparables, Alexander Crossing Apartments, Ashley Woods Apartments, Orchard Grove Apartments, and Skyline Trace are located outside of the PMA, within 23.7 miles of the Subject. Due to the lack of “true” LIHTC comparables in the PMA and surrounding areas, it was necessary to utilize these comparable properties. 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 and employment opportunities.

The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included six market rate properties in the rental analysis, and five are located in the PMA, within 10.6 miles of the Subject. These comparable market rate properties were built between 1980 and 2001.

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 COMPARABLE RENTS**

Unit Type	Subject Proposed Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
1BR @ 60%	\$724	\$635	\$1,055	\$801	9.7%
2BR @ 60%	\$868	\$718	\$1,337	\$911	4.8%
3BR @ 60%	\$991	\$873	\$1,437	\$1,069	7.3%

As illustrated the Subject’s proposed 60 percent rents are below the surveyed average of the comparable properties. The Subject’s proposed LIHTC rents for one, two, and three-bedroom units are within the surveyed range of comparable LIHTC and market rents.

**8. Absorption/Stabilization Estimate**

None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties in the PMA that have been completed since 2009. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC properties and four market rate properties that were built since 2012 and were able to provide absorption information.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Columbia Mill	LIHTC	Family	2014	100	20
Mills Creek Crossing	LIHTC	Family	2015	200	17
Henry Gardens	LIHTC	Family	2017	60	20
1760 Apartment Homes	Market	Family	2016	239	17
The Point On Scott	Market	Family	2016	250	13
The Reserve At Decatur	Market	Family	2016	298	14
Springs At McDonough	Market	Family	2017	268	17
<b>Average</b>				<b>201</b>	<b>22</b>

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 23 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 99.5 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that all of the tenants will income-qualify; however, for the purpose of the this report we have assumed only vacant units will be need to reabsorbed; as such, we have assumed one vacant unit will be need to be reabsorbed, which should take less than one month.

## 9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 1.8 percent, market rate vacancy is at 1.7 percent, and overall vacancy is at 1.7 percent. Three of the five affordable properties and two of the market rate properties maintain waiting lists. These factors illustrate demand for affordable housing. The Subject will offer generally similar to slightly inferior in-unit and community amenities in comparison to the LIHTC and market-rate comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		<b>Wellington Ridge</b>						Total # Units:		220
Location:		9145 Wellington Drive Covington, GA 30014						# LIHTC Units:		220
PMA Boundary:		North: Newton County/Walton County Line; South: Highway 212; East: Newton County/Morgan County Line; West: McDonough Highway								
								Farthest Boundary Distance to Subject:		10.8 miles
Rental Housing Stock (found on page 48)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	17	2,520	82	96.7%						
Market-Rate Housing	9	1,489	45	97.0%						
Assisted/Subsidized Housing not to include LIHTC	1	113	1	99.1%						
LIHTC	8	1,138	29	97.5%						
Stabilized Comps	17	2,520	82	96.7%						
Properties in Construction & Lease Up	0	0	0	N/Ap						
*Only includes properties in PMA										
Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
70	1BR at 60% AMI	1	784	\$724	\$817	\$1.04	13%	\$1,055	\$1.51	
122	2BR at 60% AMI	2	1,182	\$868	\$919	\$0.78	6%	\$1,337	\$1.41	
28	3BR at 60% AMI	2	1,394	\$991	\$1,088	\$0.78	10%	\$1,437	\$1.31	
Demographic Data (found on page 36)										
	2010		2017		June 2019					
Renter Households	10,667	27.21%	13,053	25.34%	13,298	24.82%				
Income-Qualified Renter HHS (LIHTC)	2,505	23.48%	3,065	23.48%	3,122	23.48%				
Targeted Income-Qualified Renter Household Demand (found on pages 46 to 54)										
Type of Demand	@60%	0%	0%	Market-rate	Other:___	Overall*				
Renter Household Growth	34	0	0	0	-	34				
Existing Households (Overburdened + Substandard)	1,332	0	0	0	-	1,332				
Homeowner conversion (Seniors)	0	N/A	N/A	N/A	-	0				
<b>Total Primary Market Demand</b>	<b>1,366</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,366</b>				
Less Comparable/Competitive Supply	0	0	0	0	-	0				
<b>Adjusted Income-qualified Renter HHS**</b>	<b>1,366</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>1,366</b>				
Capture Rates (found on page 59)										
Targeted Population	@60%	0%	0%	Market-rate	Other:___	Overall				
Capture Rate:	16.1%	-	-	-	-	16.10%				

\*Includes LIHTC and unrestricted (when applicable)

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

## **C. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject is located at 9145 Wellington Drive, Covington, Newton County, Georgia 30014.
- 2. Construction Type:** The Subject consists of eight three-story, garden style buildings. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs. The Subject was originally constructed in 2003.
- 3. Occupancy Type:** Families.
- 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.
- 8. Existing or Proposed Project-Based Rental Assistance:** None.
- 9. Proposed Development Amenities:** See following property profile.

Wellington Ridge - Covington, Georgia-- Market Study

PROPERTY PROFILE - POST-REHAB											
Wellington Ridge											
<b>Comp #</b>	Subject										
<b>Effective Rent Date</b>	6/18/2018										
<b>Location</b>	9145 Wellington Drive Covington, GA 30014 Newton County										
<b>Units</b>	220										
<b>Vacant Units</b>	1										
<b>Vacancy Rate</b>	0.5%										
<b>Type</b>	Garden (3 stories)										
<b>Year Built / Renovated</b>	2003 /										
<b>Major Competitors</b>	Magnolia										
<b>Tenant Characteristics</b>	Families										
<b>Contact Name</b>	Caroline										
<b>Phone</b>	(678) 625-										
Market											
<b>Program</b>	@60%		<b>Leasing Pace</b>			Pre-leased					
<b>Annual Turnover Rate</b>	15%		<b>Change in Rent (Past</b>			Increased 3-4%					
<b>Units/Month Absorbed</b>	14		<b>Concession</b>			None					
<b>Section 8 Tenants</b>	20%										
Utilities											
<b>A/C</b>	not included – central		<b>Other Electric</b>			not included					
<b>Cooking</b>	not included – electric		<b>Water</b>			not included					
<b>Water Heat</b>	not included – electric		<b>Sewer</b>			not included					
<b>Heat</b>	not included – electric		<b>Trash Collection</b>			not included					
Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (3 stories)	70	784	\$724	\$0	@60%	Yes	0	0.0%	yes
2	2	Garden (3 stories)	122	1,182	\$868	\$0	@60%	Yes	1	0.8%	yes
3	2	Garden (3 stories)	28	1,394	\$991	\$0	@60%	Yes	0	0.0%	yes
Amenities											
<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup		<b>Security</b>			In-Unit Alarm Limited Access					
<b>Property</b>	Business Center/Computer Lab Car Wash Clubhouse/Meeting Room/Community Room Exercise Facility Garage (fee: \$30.00) Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Sport Court Swimming Pool		<b>Premium</b>			none					
<b>Services</b>	none		<b>Other</b>			Library					
Comments											
This is a LIHTC property proposed for renovation.											

**10. Scope of Renovations:**

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Renovations will reportedly have hard costs of renovations will reportedly be \$45,000 per unit, or \$9,900,000 for the entire property. The scope of renovation will include, but not be limited to the following: extensive upgrades to the property’s site, amenities and units. The clubhouse will be reconfigured to allow for an enlarged fitness center and open floor plan in the clubroom. The pool area will be cleaned, refinished and receive new furnishings as well as new pergola shade structures. A new playground will be installed to the east of the clubhouse as well as all new playground equipment to replace the existing at the southeast corner of the site. A new bus stop will be constructed at the entry with accessible access from the street and the site. Upgraded landscaping will be provided throughout the site and the parking lot will receive a full seal and strip. All buildings will receive new roofing.

**11. Current Rents:**

Based on a rent roll dated May 22, 2018, the Subject is 99.5 percent occupied. The following table details the current asking rents according to the rent roll. In addition, there are 19 tenants utilizing housing choice vouchers, which have been excluded from the table below. It should be noted the rent roll did not provide a breakdown of tenant paid rents.

<b>RENT ROLL ANALYSIS*</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Occupied Units</b>	<b>Occupancy Rate</b>	<b>Current Asking Rent</b>
<b>60% AMI</b>				
1BR/1BA	70	69	98.6%	\$700
2BR/2BA	121	121	100.0%	\$837
3BR/2BA	28	28	100.0%	\$945
<b>Employee Unit</b>				
2BR/2BA	1	1	100.0%	N/A
<b>Total</b>	<b>220</b>	<b>219</b>	<b>99.5%</b>	

\*Effective 5/22/18

**12. Current Occupancy:**

The Subject is currently 99.5 percent occupied with a short waiting list. According to the Subject’s developer, the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over the past three years.

**13. Current Tenant Income:**

A tenant income audit was not available as of the date of this report. The Subject’s income limits will range from \$28,869 and \$48,480 annually. According to the developer, all existing LIHTC tenants are expected to income-qualify to reside at the Subject post-renovation.

**14. Placed in Service Date:**

The Subject was originally constructed in the 2003. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to be completed in June 2019.

**Conclusion:**

The Subject will be a good-quality brick and vinyl siding two-story walk-up, low-rise apartment complex, 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.

## **D. SITE EVALUATION**

## PROJECT DESCRIPTION

1. **Date of Site Visit and Name of Inspector:** Travis Jorgenson inspected the site on June 6, 2018.
2. **Physical Features of the Site:** The following illustrates the physical features of the site.  
**Frontage:** The Subject site has minimal frontage along the east side of John R Williams Highway and the south side of Lochridge Boulevard. An aerial photograph of the Subject site is below.

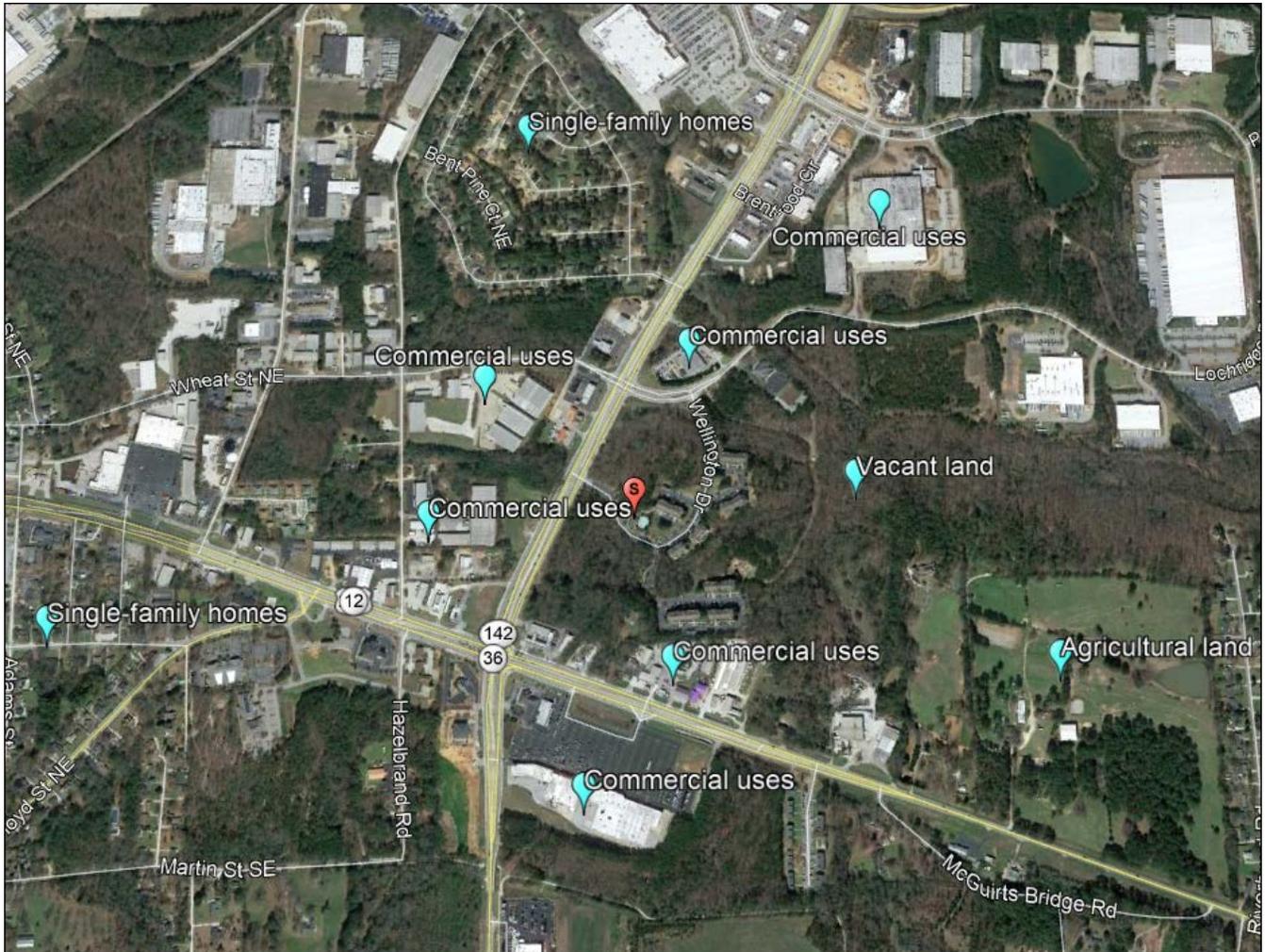


- Visibility/Views:** The Subject has average visibility from John R Williams Highway and Lochridge Boulevard. Views to the north consist of commercial and retail uses, and undeveloped land. Views to the east consist of undeveloped land. Views to the south and east consist of

commercial and retail uses. Views are considered average.

**Surrounding Uses:**

The following map illustrates the surrounding land uses.



Source: Google Earth, June, 2018

The Subject site is located at 9145 Wellington Drive. Land use adjacent to the north of the site consists of undeveloped land and commercial uses. The land adjacent to the east of the site consists of undeveloped land. Adjacent to the south and west of the site are commercial uses. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 32 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, the majority of which are within 1.6 miles of the Subject.

**Positive/Negative Attributes of Site:**

The Subject is located within 1.6 miles from a variety of retail and commercial uses. The Subject is 0.8 miles away from Interstate 20, which provides the Subject with access to Atlanta to the west as well as many employment centers.

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

The Subject is located within 1.6 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



View of the Subject



View of the Subject



View of the Subject signage



View of Subject mailboxes



View of the Subject parking lot



View of management office



View of the Subject parking lot



View of central laundry



View of the library/learning center



View of clubhouse



View of management office



View of common area



View of common area



View of fitness center



View of computer area



View of community kitchen



Living room



Bedroom



Bedroom closet



Bathroom



Kitchen



Kitchen



Bedroom



Coat closet



Bedroom



Bathroom



Bedroom



Kitchen



Bathroom



Dining room



Living Room



Bedroom



View of swimming pool



View of playground



View of sports court



View of car care center



View of adjacent single-family homes



View of retail in Subject's neighborhood



View of commercial to the southeast



View of gas station to the southwest



View of retail to the south



View of retail to the south



View of John R Williams Hwy to the south



View of John R Williams Hwy to the north

5. Proximity to Locational Amenities: The following table details the Subject's distance from key locational amenities.



Source: Google Earth, June, 2018

**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject
1	United Bank	0.3
2	Ingles Market	0.4
3	Walmart Pharmacy	0.6
4	Sharp Middle School	1.4
5	Covington Fire Department	1.4
6	E L Ficquett Elementary School	1.5
7	General Mills	1.5
8	Eastside High School	1.6
9	Covington Police Department	1.6
10	US Post Office	2.5

**6. Description of Land Uses** The Subject site is located at 9145 Wellington Drive. Land use adjacent to the north of the site consists of undeveloped land and commercial uses while further north across John R Williams Highway are single-family homes in average to good condition and commercial uses. The land adjacent to the east of the site consists undeveloped land, while further east is land used for agricultural purposes. Adjacent to the south of the site are commercial uses, while further south across State Route 278 are commercial uses and undeveloped land. The land adjacent to the west of the site across John R Williams Highway consists of commercial uses, while further west are single-family homes in average to good condition and undeveloped land. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 32 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, the majority of which are within 1.6 miles of the Subject.

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

**2017 CRIME INDICES**

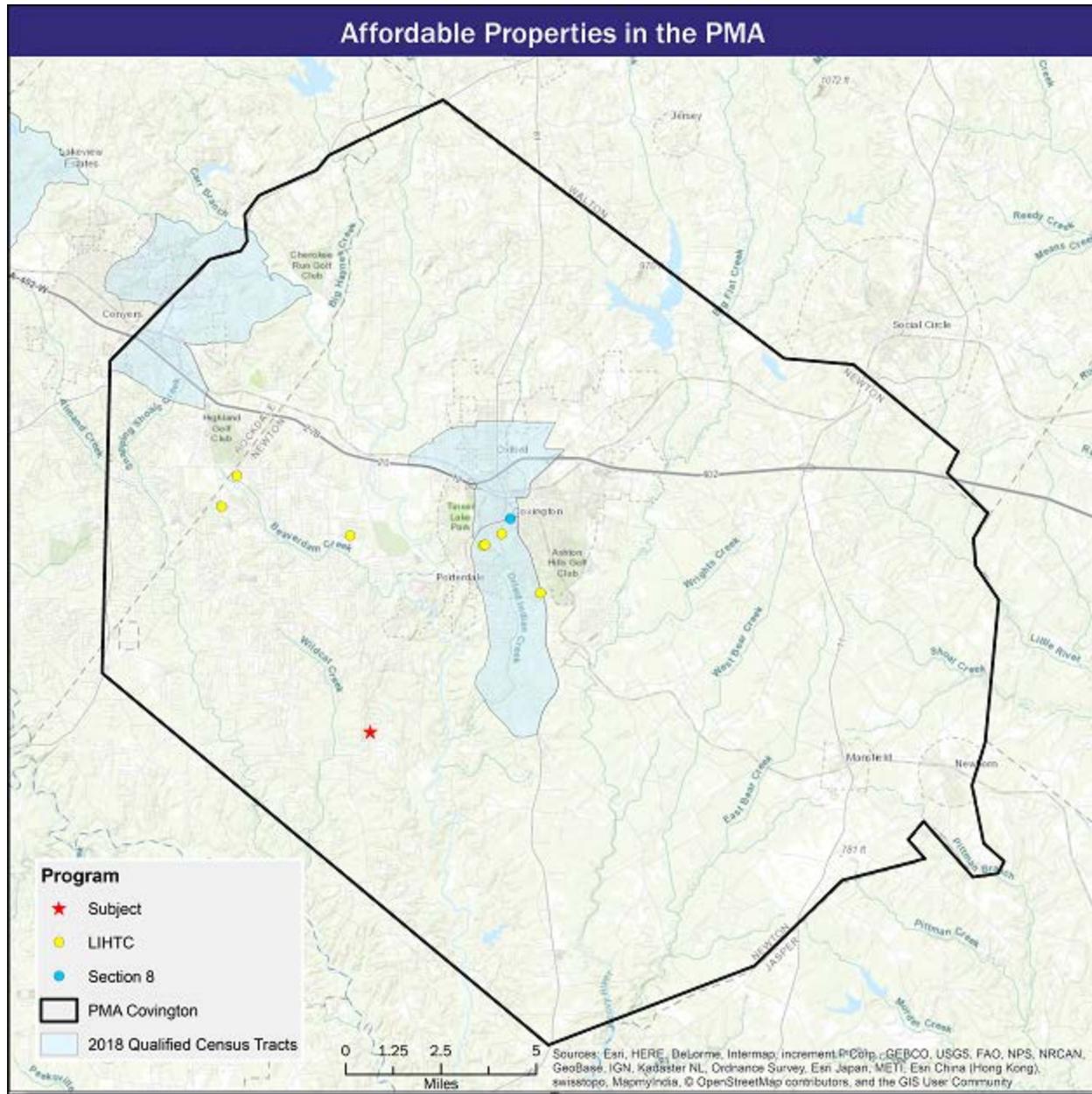
	PMA	Atlanta-Sandy Springs-Roswell, GA MSA
<b>Total Crime*</b>	<b>100</b>	<b>139</b>
<b>Personal Crime*</b>	<b>71</b>	<b>130</b>
Murder	107	155
Rape	76	88
Robbery	68	163
Assault	71	118
<b>Property Crime*</b>	<b>104</b>	<b>140</b>
Burglary	120	147
Larceny	100	134
Motor Vehicle Theft	92	178

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

\*Unweighted aggregations

The crime risk indices shown above are based on the national average, which would be indicated as the number 100 in the table above. Any numbers shown deviating from the number 100 would thus be considered to be either above or below the national average. That is, an index of 125 would be 25 percent higher than the national average and an index of 75 would be 25 percent lower than the national average. As illustrated in the previous table, the most recent data indicates total crime within the PMA is below that of the MSA and in line with the national average. None of these crime indices are considered cause for concern. The Subject offers limited access and in-unit alarms as security features. Most of the comparables also offer security features. Overall, the Subject’s security features will be market oriented.

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



**AFFORDABLE PROPERTIES IN THE PMA**

Property Name	Tenancy	Program	# of Units	Distance from Subject	Map Color
Wellington Ridge	Family	LIHTC	220	-	Star
Covington Square	Senior	Section 8	113	1.9 miles	Blue
The Overlook At Walkers Bend	Senior	LIHTC/Market	60	2.6 miles	Yellow
Arbor Lake Apartments	Family	LIHTC	250	5.5 miles	Yellow
Harristown Park	Senior	LIHTC	60	2.0 miles	Yellow
Magnolia Heights	Family	LIHTC	200	2.5 miles	Yellow
Village at Walkers Bend	Family	LIHTC	32	2.8 miles	Yellow

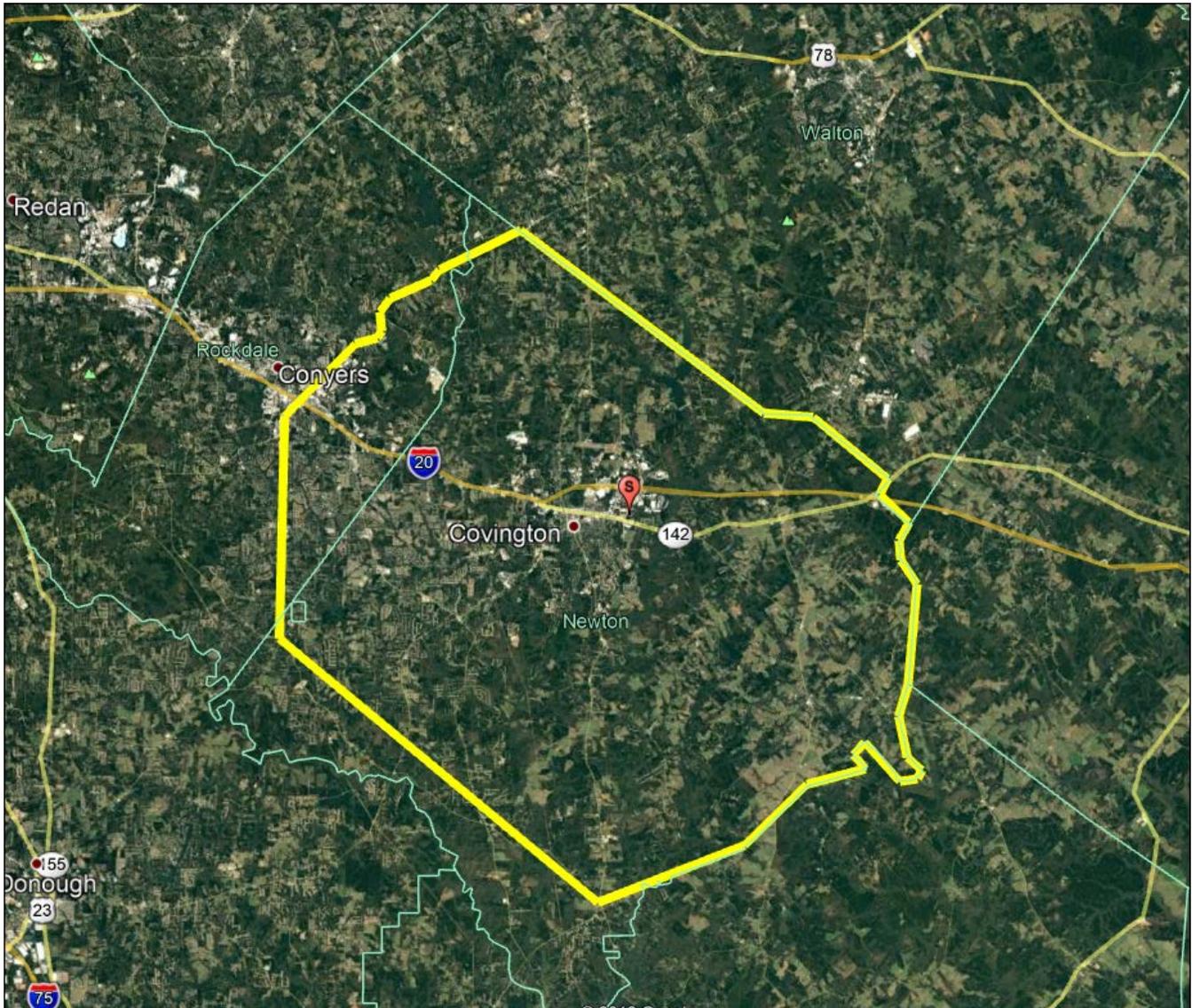
- 9. Road, Infrastructure or Proposed Improvements:** We did not witness any road, infrastructure or proposed improvements during our fieldwork.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject site can be accessed via John R Williams Highway and Lochridge Boulevard. John R Williams Highway provides access to Interstate 20 which is 0.8 miles to the north. Interstate 20 is a major thoroughfare in the region that runs east to August and west to Atlanta. Lochridge Boulevard is a lightly traveled, two-lane, connector street that provides access to John R Williams Highway and major employers in the area. Overall, access to the site is considered good, while visibility is considered average.
- 11. Conclusion:** The Subject site is located at 9145 Wellington Drive. The Subject site has good access but average visibility from neighborhood thoroughfares. Surrounding uses consist of single-family, commercial uses, as well as undeveloped land. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 32 out of 100. Crime risk indices in the Subject’s area are considered lower than average. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are generally within 1.6 miles of the Subject site.

## **E. 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 below market rents.

### Primary Market Area Map



Source: Google Earth, June, 2018

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 Metropolitan Statistical Area (MSA) are areas of growth or contraction.

The PMA generally includes Covington, as well as portions of Conyers and Social Circle. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	9.1 miles
East:	9.1 miles
South:	10.8 miles
West:	3.9 miles

The PMA was defined based on interviews with the local housing authority, 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 10.8 miles. The Metropolitan Statistical Area (MSA) for the Subject is the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which is comprised of 30 counties.

# **F. 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 Metropolitan Statistical Area (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, and (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2022.

#### 1a. Total Population

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

Year	PMA		POPULATION Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual	Number	Annual Change	Number	Annual Change
2000	74,833	-	4,261,895	-	281,038,168	-
2010	113,264	5.1%	5,286,728	2.4%	308,745,538	1.0%
2017	122,388	1.1%	5,806,085	1.4%	327,514,334	0.8%
Projected Mkt Entry June 2019	125,390	1.3%	5,966,992	1.4%	332,807,884	0.8%
2022	130,219	1.3%	6,225,843	1.4%	341,323,594	0.8%

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

Between 2000 and 2010 total population in the PMA increased by 5.1 annually while the MSA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2022 at a pace generally in line with that of the MSA. The population in the PMA and MSA is anticipated to grow through 2022 at a faster pace than the nation. Overall, sustained population growth in the PMA and MSA is a positive indication of continued demand for the Subject.

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

The following table illustrates the total population within the PMA and MSA and nation from 2000 to 2022.

<b>POPULATION BY AGE GROUP</b>					
<b>PMA</b>					
<b>Age Cohort</b>	<b>2000</b>	<b>2010</b>	<b>2017</b>	<b>Projected Mkt Entry June 2019</b>	<b>2022</b>
0-4	5,665	8,377	8,455	8,599	8,831
5-9	5,879	9,000	8,632	8,797	9,062
10-14	5,952	9,294	8,916	9,108	9,416
15-19	5,465	9,318	8,815	8,943	9,150
20-24	4,468	6,611	8,391	8,139	7,733
25-29	5,438	6,550	8,731	9,006	9,448
30-34	6,036	7,470	7,709	8,542	9,883
35-39	6,316	8,674	7,758	8,027	8,459
40-44	5,884	8,865	8,232	8,154	8,028
45-49	5,165	8,501	8,653	8,415	8,033
50-54	4,887	7,417	8,420	8,422	8,426
55-59	3,701	6,364	7,671	7,802	8,014
60-64	2,829	5,722	6,670	6,948	7,395
65-69	2,324	3,959	5,800	5,966	6,233
70-74	1,842	2,826	4,063	4,461	5,100
75-79	1,391	1,960	2,601	2,946	3,501
80-84	877	1,303	1,549	1,717	1,988
85+	710	1,053	1,324	1,398	1,518
<b>Total</b>	<b>74,829</b>	<b>113,264</b>	<b>122,390</b>	<b>125,391</b>	<b>130,218</b>

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

<b>POPULATION BY AGE GROUP</b>					
<b>Atlanta-Sandy Springs-Roswell, GA MSA</b>					
<b>Age Cohort</b>	<b>2000</b>	<b>2010</b>	<b>2017</b>	<b>Projected Mkt Entry June 2019</b>	<b>2022</b>
0-4	318,718	380,735	382,417	391,187	405,294
5-9	325,853	394,306	398,154	402,116	408,489
10-14	314,167	390,992	407,204	413,948	424,797
15-19	290,064	378,372	387,034	396,130	410,762
20-24	289,487	341,650	393,916	392,382	389,915
25-29	363,934	377,057	430,213	437,916	450,307
30-34	382,069	386,120	415,433	439,971	479,446
35-39	396,706	417,987	412,829	426,800	449,275
40-44	359,953	415,233	407,422	414,092	424,821
45-49	307,240	411,635	410,074	405,838	399,024
50-54	267,442	364,330	402,418	403,216	404,499
55-59	186,716	301,331	372,815	378,023	386,402
60-64	131,017	252,453	313,388	330,233	357,331
65-69	101,827	170,690	258,144	272,439	295,435
70-74	82,788	114,130	176,190	197,232	231,083
75-79	65,285	81,144	108,020	125,064	152,482
80-84	42,347	57,082	66,278	73,289	84,568
85+	36,257	51,481	64,136	67,117	71,913
<b>Total</b>	<b>4,261,870</b>	<b>5,286,728</b>	<b>5,806,085</b>	<b>5,966,992</b>	<b>6,225,843</b>

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

The largest age cohorts in the PMA, in 2017, are between the ages of 10 through 14, 15 through 19, and 45 through 49, which indicate the presence of families.

## 2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size within the population in the MSA, the PMA 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	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual	Number	Annual Change	Number	Annual Change
2000	26,553	-	1,559,137	-	105,403,008	-
2010	39,201	4.8%	1,943,881	2.5%	116,716,293	1.1%
2017	42,091	1.0%	2,130,151	1.3%	123,158,898	0.8%
Projected Mkt Entry June 2019	42,975	1.1%	2,183,770	1.3%	124,815,818	0.7%
2022	44,396	1.1%	2,270,026	1.3%	127,481,298	0.7%

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

The total number of households in the PMA, from 2000 through 2010 increased at a rate of 4.8 percent per annum, compared to an increase of 2.5 percent annually in the total number of households in the MSA. Over the next five years, growth in the PMA is expected to lag behind growth in the MSA but exceed the nation.

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual	Number	Annual Change	Number	Annual Change
2000	2.78	-	2.68	-	2.59	-
2010	2.85	0.3%	2.67	0.0%	2.58	-0.1%
2017	2.87	0.1%	2.69	0.1%	2.59	0.1%
Projected Mkt Entry June 2019	2.88	0.2%	2.69	0.1%	2.60	0.2%
2022	2.90	0.2%	2.71	0.1%	2.61	0.2%

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

The average household size in the PMA is larger than that of the MSA and the nation. Over the next five years, the average household size in the PMA is projected to remain stable.

## 2b. Households by Tenure

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,815	74.6%	6,738	25.4%
2017	29,038	69.0%	13,053	31.0%
Projected Mkt Entry June 2019	29,677	69.1%	13,298	30.9%
2022	30,705	69.2%	13,691	30.8%

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

TENURE PATTERNS SMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	1,041,616	66.8%	517,521	100.0%
2017	1,323,447	62.1%	806,704	100.0%
Projected Mkt Entry June 2019	1,358,766	62.2%	825,004	100.0%
2022	1,415,584	62.4%	854,442	100.0%

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

As the table illustrates, households within the PMA and SMA reside in predominately owner-occupied residences. In 2017, 69.0 percent of households in the PMA are renter occupied, compared to 62.1 percent of households being renter occupied in the MSA. Over the next five years, the number of renter-occupied residences in the PMA and MSA are expected to increase slightly.

## 2c. Household Income

The following table depicts renter household income in the PMA and MSA in 2017 and 2022.

Income Cohort	RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA					
	2017		Projected Mkt Entry June 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,805	13.8%	1,802	13.6%	1,797	13.1%
\$10,000-19,999	3,357	25.7%	3,340	25.1%	3,312	24.2%
\$20,000-29,999	1,620	12.4%	1,662	12.5%	1,730	12.6%
\$30,000-39,999	1,659	12.7%	1,662	12.5%	1,668	12.2%
\$40,000-49,999	1,442	11.0%	1,473	11.1%	1,522	11.1%
\$50,000-59,999	801	6.1%	829	6.2%	875	6.4%
\$60,000-74,999	689	5.3%	719	5.4%	766	5.6%
\$75,000-99,999	791	6.1%	817	6.1%	860	6.3%
\$100,000-	415	3.2%	451	3.4%	509	3.7%
\$125,000-	140	1.1%	150	1.1%	165	1.2%
\$150,000-	184	1.4%	201	1.5%	228	1.7%
\$200,000+	150	1.1%	192	1.4%	259	1.9%
<b>Total</b>	<b>13,053</b>	<b>100.0%</b>	<b>13,298</b>	<b>100.0%</b>	<b>13,691</b>	<b>100.0%</b>

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

**RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA MSA**

Income Cohort	2017		Projected Mkt Entry June 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	97,505	12.1%	97,255	11.8%	96,852	11.3%
\$10,000-19,999	115,106	14.3%	113,601	13.8%	111,180	13.0%
\$20,000-29,999	112,654	14.0%	112,300	13.6%	111,730	13.1%
\$30,000-39,999	102,539	12.7%	102,935	12.5%	103,573	12.1%
\$40,000-49,999	84,261	10.4%	85,358	10.3%	87,123	10.2%
\$50,000-59,999	65,290	8.1%	67,207	8.1%	70,291	8.2%
\$60,000-74,999	71,879	8.9%	74,674	9.1%	79,170	9.3%
\$75,000-99,999	66,381	8.2%	70,374	8.5%	76,798	9.0%
\$100,000-	36,195	4.5%	39,137	4.7%	43,870	5.1%
\$125,000-	19,305	2.4%	21,487	2.6%	24,998	2.9%
\$150,000-	18,386	2.3%	20,555	2.5%	24,045	2.8%
\$200,000+	17,203	2.1%	20,120	2.4%	24,812	2.9%
<b>Total</b>	<b>806,704</b>	<b>100.0%</b>	<b>825,004</b>	<b>100.0%</b>	<b>854,442</b>	<b>100.0%</b>

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

The Subject will target tenants earning between \$28,869 and \$48,480. As the table above depicts, approximately 75.6 percent of renter households in the PMA are earning incomes that are less than \$50,000. Similarly, 63.5 percent of renter households in the MSA are also earning less than \$50,000. For the projected market entry date of May 2019, these percentages are projected to decrease slightly to 74.8 percent in the PMA, and decrease slightly in the MSA to 62.0 percent.

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

The following table illustrates household size for all households in 2017, market entry date of June 2019, 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 June 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	3,690	28.3%	3,711	27.9%	3,746	27.4%
2 Persons	2,936	22.5%	2,948	22.2%	2,967	21.7%
3 Persons	2,315	17.7%	2,399	18.0%	2,533	18.5%
4 Persons	1,761	13.5%	1,817	13.7%	1,907	13.9%
5+ Persons	2,351	18.0%	2,423	18.2%	2,538	18.5%
<b>Total Households</b>	<b>13,053</b>	<b>100%</b>	<b>13,298</b>	<b>100%</b>	<b>13,691</b>	<b>100%</b>

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

The majority of renter households in the PMA are one and two-person households.

**Conclusion**

Between 2000 and 2010 total population in the PMA increased by 5.1 annually, while the MSA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2022 at a pace generally in line with that of the MSA. The current population of the PMA is 122,388 and is expected to increase slightly to 130,219 by 2022. Renter households are concentrated in the lowest income cohorts, with 75.6 percent of renter households in the PMA are earning incomes that are less than \$50,000. The Subject will target households earning between \$28,869 and \$48,480 for its units. Overall, population

growth and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

## **G. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The PMA is economically reliant on the manufacturing sector. Employment levels decreased during the national recession. Total employment in Newton County has increased at a moderate average rate of 2.3 percent a year since 2010. Total employment surpassed pre-recession highs in 2014 and has shown consistent year-over-year growth.

### 1. Total Jobs

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

Year	Total Employment	% Change
2007	43,991	-
2008	43,889	-0.23%
2009	41,386	-6.05%
2010	41,903	1.23%
2011	42,641	1.73%
2012	43,208	1.31%
2013	43,659	1.04%
2014	44,689	2.30%
2015	46,362	3.61%
2016	48,393	4.20%
2017	49,684	2.60%
2018 YTD Average	49,869	2.96%
Mar-17	48,505	-
Mar-18	50,218	3.41%

Source: U.S. Bureau of Labor Statistics

YTD as of Feb 2018

Newton County has experienced strong total job growth in the past decade. During the national recession, Newton County experienced only two years of employment decline, which indicates that the economy was less impacted than the nation overall during this time. Total jobs in Newton County are currently 14.2 percent above the pre-recession high level of 2007, which is indicative of a strong economy that has successfully recovered from the national recession.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Newton County as of the second quarter of 2017, the most recent information available.

**Q2 2017 Covered Employment  
Newton County, Georgia**

	Number	Percent
<b>Total, all industries</b>	20,035	-
<b>Goods-producing</b>	6,532	-
Natural resources and mining	45	0.22%
Construction	1,463	7.30%
Manufacturing	5,024	25.08%
<b>Service-providing</b>	13,503	-
Trade, transportation, and utilities	4,350	21.71%
Information	404	2.02%
Financial activities	574	2.86%
Professional and business services	2,871	14.33%
Education and health services	2,253	11.25%
Leisure and hospitality	2,554	12.75%
Other services	433	2.16%
Unclassified	64	0.32%

Source: Bureau of Labor Statistics, 2017

Employment in Newton County is largely concentrated in the manufacturing, and trade, transportation, and utilities sectors, which account for 46.8 percent of total employment in the county. Manufacturing is a relatively volatile industry during times of economic downturn while the trade, transportation, and utilities sector is considered a stable sector during times of economic uncertainty. The following table illustrates employment by industry for the PMA as of 2017 (most recent year available).

## 2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	7,615	13.7%	21,941,435	14.2%
Manufacturing	7,133	12.8%	15,589,157	10.1%
Educational Services	6,346	11.4%	14,390,707	9.3%
Retail Trade	5,777	10.4%	17,038,977	11.0%
Construction	4,059	7.3%	9,872,629	6.4%
Accommodation/Food Services	3,564	6.4%	12,036,513	7.8%
Admin/Support/Waste Mgmt Svcs	3,354	6.0%	6,968,170	4.5%
Transportation/Warehousing	3,335	6.0%	6,498,777	4.2%
Public Administration	3,116	5.6%	6,982,075	4.5%
Prof/Scientific/Tech Services	3,066	5.5%	11,068,132	7.1%
Other Services	2,422	4.3%	7,493,272	4.8%
Finance/Insurance	1,555	2.8%	7,200,593	4.6%
Information	1,238	2.2%	2,741,630	1.8%
Wholesale Trade	1,198	2.1%	4,064,621	2.6%
Real Estate/Rental/Leasing	682	1.2%	3,130,712	2.0%
Utilities	634	1.1%	1,401,281	0.9%
Arts/Entertainment/Recreation	436	0.8%	3,448,696	2.2%
Agric/Forestry/Fishing/Hunting	225	0.4%	2,288,795	1.5%
Mgmt of Companies/Enterprises	10	0.0%	86,740	0.1%
Mining	7	0.0%	609,828	0.4%
<b>Total Employment</b>	<b>55,772</b>	<b>100.0%</b>	<b>154,852,740</b>	<b>100.0%</b>

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

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 37.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the healthcare and educational services industries, which are historically known to offer greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, educational services, and transportation/warehousing industries. Conversely, the PMA is under-represented in the finance/insurance, arts/entertainment/recreation, and agricultural/forestry/fishing/hunting industries.

### 3. Major Employers

The chart below shows the largest employers in Covington, GA.

**MAJOR EMPLOYERS - COVINGTON, GA**

	Employer Name	Industry	# Of Employees
1	C.R. Bard, Inc.	Manufacturing	500-1,000
2	Pactiv Corp	Manufacturing	250-500
3	General Mills, Inc.	Manufacturing	250-500
4	Guardian Automotive Corp	Manufacturing	250-500
5	Clarion Metals	Manufacturing	250-500

Source: Covington Newton County Chamber of Commerce, June, 2018

All of the top employers in Covington are concentrated within the manufacturing industry. This indicates that Covington is a favorable area for manufacturing industries.

#### Expansions/Contractions

An important factor underlying the depth of demand for rental units in an area is the rate of employment expansions and contractions. According to the Georgia Department of Economic Development's Worker Adjustment and Retraining Notification (WARN) Act notices, there have been no major layoffs or closures in Newton County from 2015 to year-to-date 2018.

According to Serra Hall, Director of Commercial Development at the Newton County Economic Development, Baxter Pharmaceutical began construction on a manufacturing plant in 2014 and production at the plant will begin in 2018. The manufacturing plant represents a \$1 billion investment and is expected to create 1,500 new full-time jobs to the area and an additional 500 more in support roles.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell, GA MSA from 2002 to 2018 year-to-date.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)								
Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,330,391	-	5.0%	-	136,485,000	-	5.8%	-
2003	2,347,173	0.7%	4.9%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,363,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	2,440,037	-0.5%	10.3%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,486,895	1.9%	9.9%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	2,545,474	2.4%	8.8%	-1.1%	142,469,000	1.9%	8.1%	-0.9%
2013	2,572,589	1.1%	7.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	2,619,531	1.8%	6.8%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015	2,684,742	2.5%	5.7%	-1.1%	148,833,000	1.7%	5.3%	-0.9%
2016	2,794,326	4.1%	5.1%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017	2,896,736	3.7%	4.6%	-0.6%	153,308,000	1.2%	4.4%	-0.5%
2018 YTD Average*	2,950,274	1.8%	4.3%	-0.3%	154,430,000	0.7%	4.1%	-0.3%
Feb-2017	2,857,064	-	5.0%	-	151,594,000	-	4.9%	-
Feb-2018	2,931,140	2.6%	4.1%	-0.9%	154,021,000	1.6%	4.1%	-0.8%

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

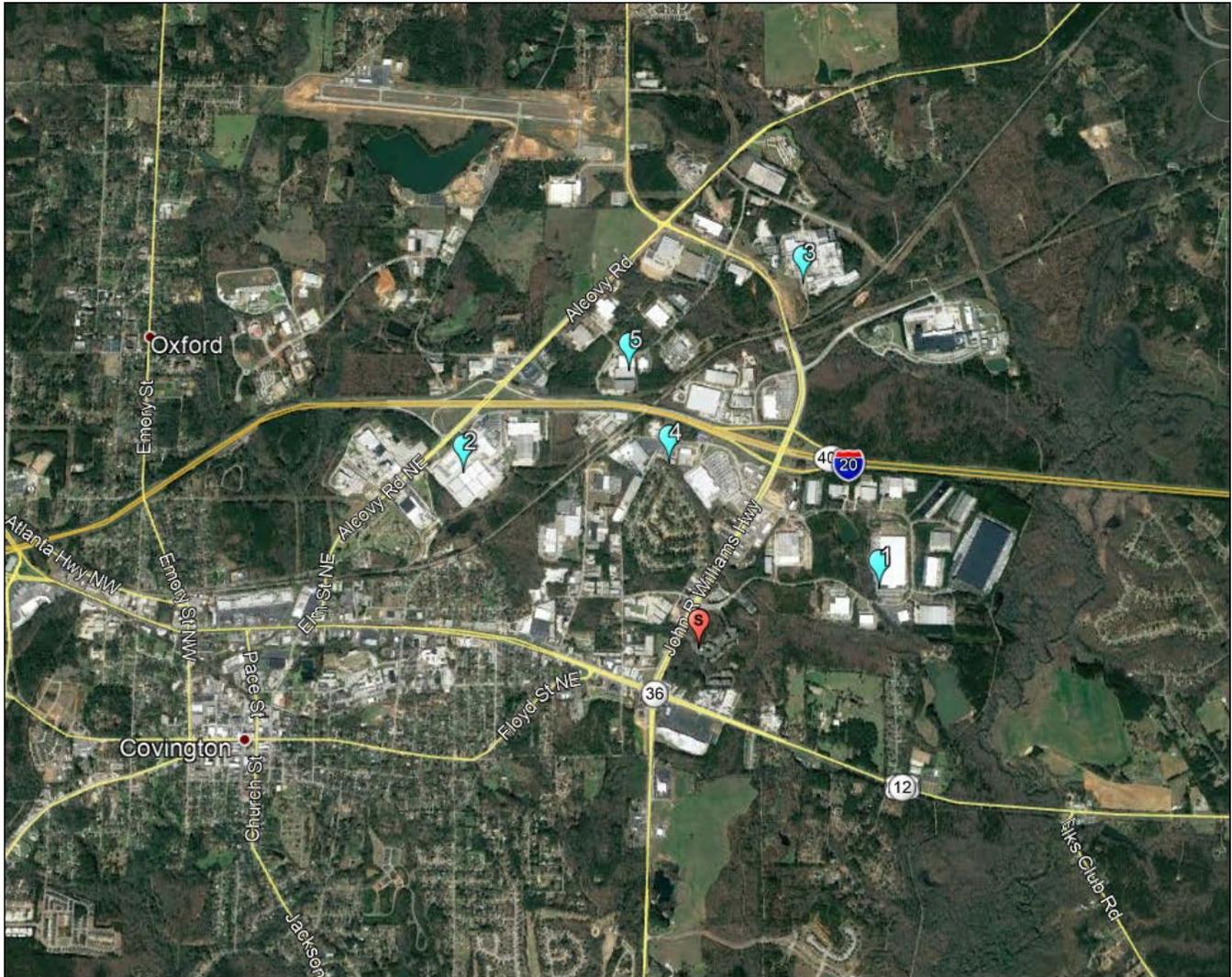
\*2018 data is through Jan

The MSA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn from 2008 to 2010. The most significant loss occurred in 2009. However, the MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from February 2017 to February 2018, total employment in the MSA increased 2.6 percent, compared to a 1.6 percent increase in the nation as a whole.

Historically, the unemployment rate in the MSA has been lower than the national unemployment rate. During the recession, the MSA's unemployment rate increased at a slightly faster pace than national unemployment rate. The MSA's unemployment rate peaked in 2010 at 10.3 percent, which was higher than the national unemployment rate during this same year at 9.6 percent. The unemployment rate has continued to decrease annually since 2011 to current rate 4.1 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate remains in line with that of the nation, it does appear that the economy in the MSA has fully recovered from the most recent national recession. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

## 5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, June, 2018

### MAJOR EMPLOYERS - COVINGTON, GA

	Employer Name	Industry	# Of Employees
1	C.R. Bard, Inc.	Manufacturing	500-1,000
2	Pactiv Corp	Manufacturing	250-500
3	General Mills, Inc.	Manufacturing	250-500
4	Guardian Automotive Corp	Manufacturing	250-500
5	Clarion Metals	Manufacturing	250-500

Source: Covington Newton County Chamber of Commerce, June, 2018

## 6. Conclusion

The largest industries in the PMA are healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 37.9 percent of local employment. The five largest employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation,

and Clarion Metals, which are located within close proximity of the Subject site. The manufacturing sector is historically volatile during periods of economic downturn, while healthcare/social assistance and educational services are typically more stable. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from February 2017 to February 2018, total employment in the MSA increased 2.6 percent, compared to a 1.6 percent increase in the nation as a whole. The unemployment rate has continued to decrease annually since 2011 to current rate 4.1 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate remains in line with that of the nation, it does appear that the economy in the MSA has fully recovered from the most recent national recession. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

# **H. 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 35 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.

FAMILY INCOME LIMITS - AS PROPOSED		
Unit Type	Minimum Allowable Income	Maximum Allowable Income
		@60%
1BR	\$28,869	\$35,940
2BR	\$34,663	\$40,440
3BR	\$40,011	\$48,480

### 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 inflated to 2019 by interpolation of the difference between 2017 estimates and 2019 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. Other**

Per the 2018 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. We have incorporated household size adjustments in our capture rates for all of the Subject's units.

## **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 2014 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 2014 through the present.
- Vacancies in projects placed in service prior to 2014 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 2014 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 unable to identify any competitive units in the PMA which have been allocated, placed in service, or stabilizing between 2014 and present.

**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	Location	Tenancy	# of Units	Occupancy	
Wellington Ridge	LIHTC	Covington	Family	220	98.6%	
Arbor Lake Apartments	LIHTC	Covington	Family	250	94.4%	
Harristown Park	LIHTC	Covington	Senior	60	100.0%	
Magnolia Heights	LIHTC	Covington	Family	200	97.5%	
Orchard Grove	LIHTC	Covington	Family	60	100.0%	
Salem Glen I, II, III	LIHTC	Conyers	Family	256	98.0%	
Village at Walkers Bend	LIHTC	Covington	Family	32	93.0%	
The Overlook At Walkers Bend	LIHTC/Market	Covington	Senior	60	N/A	
Leaf Stone Apartments	Market	Covington	Family	232	97.8%	
Park View Apartments	Market	Covington	Family	100	96.0%	
Porterdale Mill Lofts	Market	Covington	Family	154	100.0%	
Clover Bridge	Market	Covington	Family	28	95.0%	
Salem Glen I, II, III	Market	Conyers	Family	256	98.0%	
Orchard Cove	Market	Covington	Family	188	98.4%	
Summerset Apartments	Market	Covington	Family	240	97.1%	
Willow Creek Apartments	Market	Covington	Family	41	94.9%	
Field Crest Walk	Market	Covington	Family	250	91.9%	
Covington Square	Section 8	Covington	Senior	113	99.0%	
<b>Average</b>					<b>97.0%</b>	

The average occupancy rate of competitive developments in the PMA is 97.0 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.

**According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments 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 provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject is an existing LIHTC development and we have provided one capture rate assuming all units will be need to be reabsorbed. At the time of this report an income audit was not available and it is likely that the majority of the tenants will income-qualify; however, for the purpose of the this report we have assumed all LIHTC units will be need to reabsorbed. The Subject currently has one vacant unit.**

## 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 June 2019 were illustrated in the previous section of this report.

**RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA**

Income Cohort	2017		Projected Mkt Entry June 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,805	13.8%	1,802	13.6%	1,797	13.1%
\$10,000-	3,357	25.7%	3,340	25.1%	3,312	24.2%
\$20,000-	1,620	12.4%	1,662	12.5%	1,730	12.6%
\$30,000-	1,659	12.7%	1,662	12.5%	1,668	12.2%
\$40,000-	1,442	11.0%	1,473	11.1%	1,522	11.1%
\$50,000-	801	6.1%	829	6.2%	875	6.4%
\$60,000-	689	5.3%	719	5.4%	766	5.6%
\$75,000-	791	6.1%	817	6.1%	860	6.3%
\$100,000-	415	3.2%	451	3.4%	509	3.7%
\$125,000-	140	1.1%	150	1.1%	165	1.2%
\$150,000-	184	1.4%	201	1.5%	228	1.7%
\$200,000+	150	1.1%	192	1.4%	259	1.9%
<b>Total</b>	<b>13,053</b>	<b>100.0%</b>	<b>13,298</b>	<b>100.0%</b>	<b>13,691</b>	<b>100.0%</b>

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

**60% AMI**

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

Minimum Income Limit		\$28,869		Maximum Income Limit		\$48,480	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-3	-1.3%					
\$10,000-19,999	-17	-7.1%					
\$20,000-29,999	42	17.2%	\$1,130	11.3%	5		
\$30,000-39,999	3	1.4%	\$9,999	100.0%	3		
\$40,000-49,999	31	12.5%	\$8,480	84.8%	26		
\$50,000-59,999	28	11.6%					
\$60,000-74,999	30	12.1%					
\$75,000-99,999	26	10.8%					
\$100,000-124,999	36	14.7%					
\$125,000-149,999	10	3.9%					
\$150,000-199,999	17	6.9%					
\$200,000+	42	17.1%					
<b>Total</b>	<b>245</b>	<b>100.0%</b>		<b>14.0%</b>	<b>34</b>		

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

Minimum Income Limit		\$28,869		Maximum Income Limit		\$48,480	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,805	13.8%					
\$10,000-19,999	3,357	25.7%					
\$20,000-29,999	1,620	12.4%	\$1,130	11.3%	183		
\$30,000-39,999	1,659	12.7%	\$9,999	100.0%	1,659		
\$40,000-49,999	1,442	11.0%	\$8,480	84.8%	1,223		
\$50,000-59,999	801	6.1%					
\$60,000-74,999	689	5.3%					
\$75,000-99,999	791	6.1%					
\$100,000-124,999	415	3.2%					
\$125,000-149,999	140	1.1%					
\$150,000-199,999	184	1.4%					
\$200,000+	150	1.1%					
<b>Total</b>	<b>13,053</b>	<b>100.0%</b>		<b>23.5%</b>	<b>3,065</b>		

**ASSUMPTIONS - 60% AMI**

ASSUMPTIONS - 60% AMI			
Tenancy	Family	% of Income Towards Housing	
Urban/Rural	Urban	Maximum # of Occupants	
Persons In Household	1BR	2BR	3BR
1	75%	25%	0%
2	20%	80%	0%
3	0%	75%	25%
4	0%	30%	70%
5+	0%	0%	100%

<b>Demand from New Renter Households 2017 to June 2019</b>		
Income Target Population		@60%
New Renter Households PMA		245
Percent Income Qualified		14.0%
<b>New Renter Income Qualified Households</b>		<b>34</b>
<b>Demand from Existing Households 2017</b>		
<b>Demand from Rent Overburdened Households</b>		
Income Target Population		@60%
Total Existing Demand		13,053
Income Qualified		23.5%
Income Qualified Renter Households		3,065
Percent Rent Overburdened Prj Mrkt Entry June 2019		42.4%
<b>Rent Overburdened Households</b>		<b>1,301</b>
<b>Demand from Living in Substandard Housing</b>		
Income Qualified Renter Households		3,065
Percent Living in Substandard Housing		1.0%
<b>Households Living in Substandard Housing</b>		<b>31</b>
<b>Senior Households Converting from Homeownership</b>		
Income Target Population		@60%
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
<b>Senior Demand Converting from Homeownership</b>		<b>0</b>
<b>Total Demand</b>		
Total Demand from Existing Households		1,332
Total New Demand		34
<b>Total Demand (New Plus Existing Households)</b>		<b>1,366</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
<b>By Bedroom Demand</b>		
One Person	27.9%	381
Two Persons	22.2%	303
Three Persons	18.0%	246
Four Persons	13.7%	187
Five Persons	18.2%	249
<b>Total</b>	<b>100.0%</b>	<b>1,366</b>

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

Of one-person households in 1BR units	75%	286
Of two-person households in 1BR units	20%	61
Of one-person households in 2BR units	25%	95
Of two-person households in 2BR units	80%	242
Of three-person households in 2BR units	75%	185
Of four-person households in 2BR units	30%	56
Of three-person households in 3BR units	25%	62
Of four-person households in 3BR units	70%	131
Of five-person households in 3BR units	100%	249
<b>Total Demand</b>		<b>1,366</b>

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
1 BR	347	-	0	=	347
2 BR	579	-	0	=	579
3 BR	441	-	0	=	441
<b>Total</b>	<b>1,366</b>		<b>0</b>		<b>1,366</b>

	Developer's Unit Mix		Net Demand		Capture Rate
1 BR	70	/	347	=	20.2%
2 BR	122	/	579	=	21.1%
3 BR	28	/	441	=	6.3%
<b>Total</b>	<b>220</b>		<b>1,366</b>		<b>16.1%</b>

## Conclusions

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

- The number of renter households in the PMA is expected to increase by 4.7 percent between 2017 and 2022. This represents an increase of 638 households.
- The Subject is able to attract a wide range of household sizes in offering one, two, and three-bedroom units.
- 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.

<b>DEMAND AND NET DEMAND</b>	
DCA Conclusion Tables (Family)	HH at @60% AMI (\$28,869 to \$48,480)
Demand from New Households (age and income appropriate)	34
<b>PLUS</b>	+
Demand from Existing Renter Households - Substandard Housing	31
<b>PLUS</b>	+
Demand from Existing Renter Households - Rent Overburdened Households	1,301
Sub Total	1,366
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0
<b>Equals Total Demand</b>	1,366
<b>Less</b>	-
Competitive New Supply	0
<b>Equals Net Demand</b>	1,366

**CAPTURE RATE ANALYSIS CHART**

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption*	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR @60%	70	347	0	347	20.2%	9 months	\$817	\$648	\$1,055	\$724
2BR @60%	122	579	0	579	21.1%	9 months	\$919	\$718	\$1,337	\$868
3BR @60%	28	441	0	441	6.3%	9 months	\$1,088	\$848	\$1,437	\$991
Overall	220	1,366	0	1,366	16.1%	9 months	-	-	-	-

\*Assuming 100% vacancy

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level will range from 6.3 to 21.1 percent, with an overall capture rate of 16.1 percent. Therefore, we believe there is adequate demand for the Subject.

# **I. 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 12 “true” comparable properties containing 2,146 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 limited; we have included six comparable properties which offer LIHTC units, two of which are located within the PMA. Four of the comparables, Alexander Crossing Apartments, Ashley Woods Apartments, Orchard Grove Apartments, and Skyline Trace are located outside of the PMA, within 23.7 miles of the Subject. Due to the lack of “true” LIHTC comparables in the PMA and surrounding areas, it was necessary to utilize these comparable properties. 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 and employment opportunities.

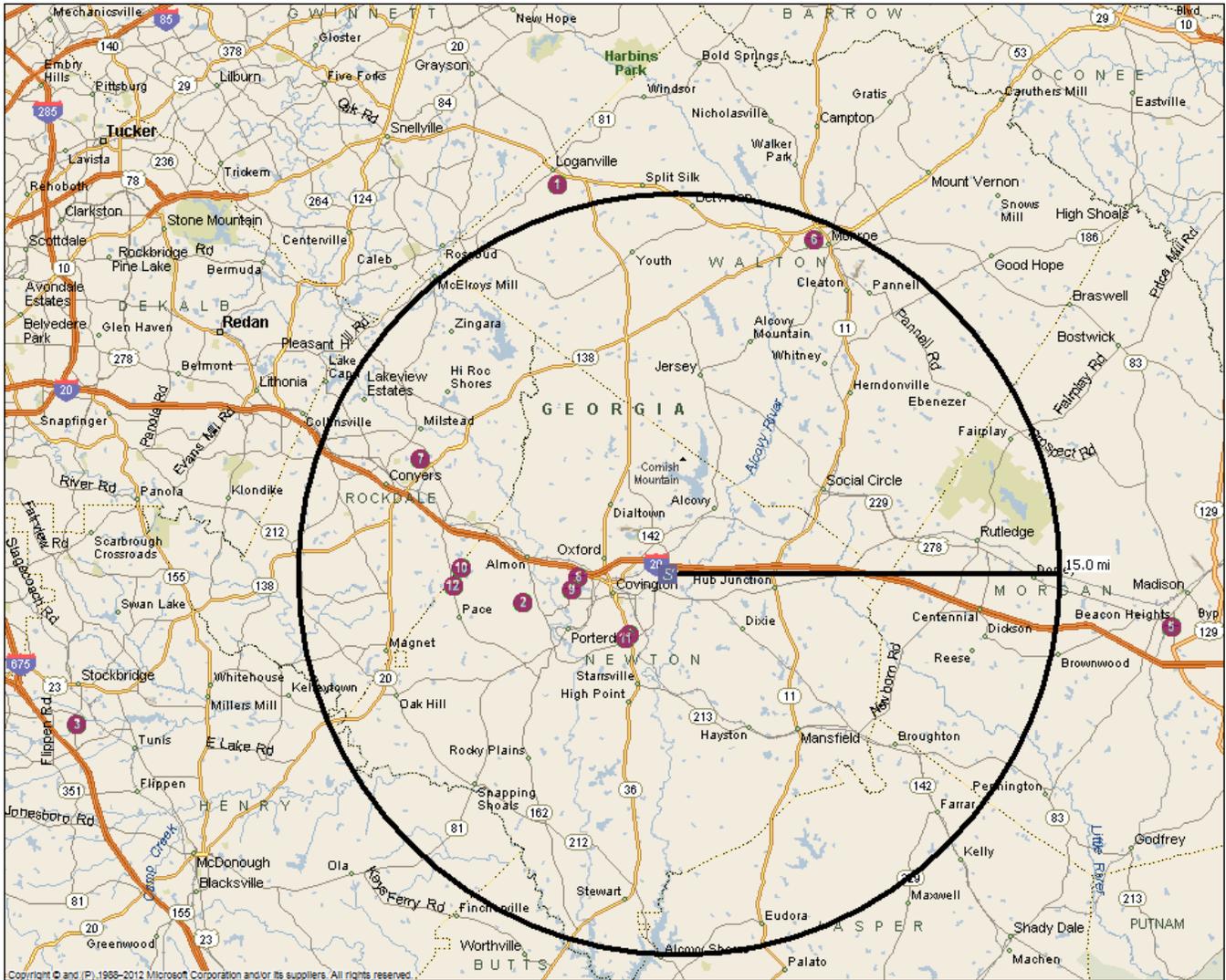
The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included six market rate properties in the rental analysis, and five are located in the PMA, within 10.6 miles of the Subject. These comparable market rate properties were built between 1980 and 2001.

## Excluded Properties

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

<b>EXCLUDED LIST</b>			
<b>Property Name</b>	<b>Rent Structure</b>	<b>Tenancy</b>	<b>Reason for Exclusion</b>
Harristown Park	LIHTC	Senior	Dissimilar tenancy
The Overlook At Walkers Bend	LIHTC/ Market	Senior	Dissimilar tenancy
Village At Walkers Bend	LIHTC	Family	Only 3 & 4BR units
Century Lakeside	Market	Family	More comparable properties
Clover Bridge	Market	Family	More comparable properties
Covington Square.	Section 8	Family	Subsidized
Keswick Village	Market	Family	More comparable properties
Porterdale Mill Lofts	Market	Family	More comparable properties
Summerset Apartments	Market	Family	More comparable properties
Terraces At Fieldstone	Market	Family	More comparable properties

**Comparable Rental Property Map**



**COMPARABLE PROPERTIES**

#	Property Name	City	Program	Distance to Subject
1	Alexander Crossing Apartments	Loganville	@60%, Market	16.2 miles
2	Arbor Lake Apartments	Covington	@60%, Market	5.4 miles
3	Ashley Woods Apartments	Stockbridge	@50% (HOME), @60%, @60% (HOME)	23.7 miles
4	Magnolia Heights	Covington	@60%, Market	2.3 miles
5	Orchard Grove Apartments	Madison	@50%, @60%	20.3 miles
6	Skyline Trace	Monroe	@50%, @60%, Market, Non-Rental	14.8 miles
7	Brandon Glen Apartments	Conyers	Market	10.6 miles
8	Fieldcrest Walk	Covington	Market	3.2 miles
9	Leaf Stone Apartments	Covington	Market	3.5 miles
10	Park At Arlington	Covington	Market	7.8 miles
11	Park View Apartments	Covington	Market	2.6 miles
12	Salem Glen Apts Phase I, II, And III	Conyers	Market	8.1 miles

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

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	n/a	Garden (3 stories) 2003 / Proposed	@60%	1BR / 1BA	70	31.8%	@60%	\$724	784	yes	Yes	0	0.0%
					2BR / 2BA	122	55.5%	@60%	\$868	1,182	yes	Yes	1	0.8%
					3BR / 2BA	28	12.7%	@60%	\$991	1,394	yes	Yes	0	0.0%
					220	100%						1	0.5%	
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	16.2 miles	Townhouse (2 stories) 2003 / 2017	@60%, Market	2BR / 2.5BA	120	50.0%	@60%	\$867	1,256	yes	No	2	1.7%
					2BR / 2.5BA	48	20.0%	Market	\$1,337	1,256	n/a	No	1	2.1%
					3BR / 2BA	48	20.0%	@60%	\$987	1,506	yes	No	1	2.1%
					3BR / 2BA	24	10.0%	Market	\$1,437	1,506	n/a	No	0	0.0%
					240	100%						4	1.7%	
2	Arbor Lake Apartments 431 Kirkland Road Covington, GA 30016 Newton County	5.4 miles	Garden (3 stories) 2001 / n/a	@60%, Market	1BR / 1BA	36	14.4%	@60%	\$746	975	yes	No	2	5.6%
					1BR / 1BA	N/A	N/A	Market	\$868	975	n/a	No	1	N/A
					2BR / 2BA	166	66.4%	@60%	\$907	1,150	yes	No	0	0.0%
					2BR / 2BA	N/A	N/A	Market	\$1,098	1,150	n/a	No	1	N/A
					3BR / 2BA	48	19.2%	@60%	\$1,057	1,350	yes	No	1	2.1%
					3BR / 2BA	N/A	N/A	Market	\$1,040	1,350	n/a	No	2	N/A
					250	100%						7	2.8%	
3	Ashley Woods Apartments 1050 Rock Quarry Road Stockbridge, GA 30281 Henry County	23.7 miles	Garden (3 stories) 1991 / 2008	@50% (HOME), @60%, @60% (HOME)	1BR / 1BA	1	0.8%	@50% (HOME)	\$551	748	yes	Yes	0	0.0%
					1BR / 1BA	13	10.2%	@60%	\$756	748	yes	Yes	0	0.0%
					1BR / 1BA	2	1.6%	@60% (HOME)	\$717	748	yes	Yes	0	0.0%
					2BR / 2BA	1	0.8%	@50% (HOME)	\$663	1,010	yes	Yes	0	0.0%
					2BR / 2BA	60	46.9%	@60%	\$868	1,010	yes	Yes	0	0.0%
					2BR / 2BA	3	2.3%	@60% (HOME)	\$713	1,010	yes	Yes	0	0.0%
					3BR / 2BA	45	35.2%	@60%	\$1,053	1,134	yes	Yes	0	0.0%
					3BR / 2BA	3	2.3%	@60% (HOME)	\$832	1,039	yes	Yes	0	0.0%
					128	100%						0	0.0%	
4	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	2.3 miles	Garden (2 stories) 2001 / n/a	@60%, Market	1BR / 1BA	10	5.0%	Market	\$592	975	n/a	Yes	1	10.0%
					1BR / 1BA	22	11.0%	@60%	\$532	975	no	Yes	0	0.0%
					2BR / 2BA	41	20.5%	Market	\$709	1,150	n/a	Yes	2	4.9%
					2BR / 2BA	103	51.5%	@60%	\$559	1,150	no	Yes	1	1.0%
					3BR / 2BA	8	4.0%	Market	\$810	1,350	n/a	Yes	0	0.0%
					3BR / 2BA	16	8.0%	@60%	\$722	1,350	no	Yes	1	6.2%
					200	100%						5	2.5%	
5	Orchard Grove Apartments 1070 Micha Way Madison, GA 30650 Morgan County	20.3 miles	Garden (2 stories) 2002 / n/a	@50%, @60%	2BR / 2BA	16	26.7%	@50%	\$411	1,000	no	Yes	0	0.0%
					2BR / 2BA	16	26.7%	@60%	\$411	1,000	no	Yes	0	0.0%
					3BR / 2BA	14	23.3%	@50%	\$491	1,100	no	Yes	0	0.0%
					3BR / 2BA	14	23.3%	@60%	\$491	1,100	no	Yes	0	0.0%
					60	100%						0	0.0%	
6	Skyline Trace 600 Ridge Road Monroe, GA 30655 Walton County	14.8 miles	Garden (2 stories) 2010 / n/a	@50%, @60%, Market, Non- Rental	1BR / 1BA	3	4.7%	@50%	\$570	808	no	Yes	0	0.0%
					1BR / 1BA	3	4.7%	@60%	\$645	808	no	Yes	0	0.0%
					1BR / 1BA	2	3.1%	Market	\$655	808	n/a	Yes	0	0.0%
					2BR / 2BA	10	15.6%	@50%	\$660	1,056	no	Yes	0	0.0%
					2BR / 2BA	19	29.7%	@60%	\$720	1,056	no	Yes	0	0.0%
					2BR / 2BA	2	3.1%	Market	\$730	1,056	n/a	Yes	1	50.0%
					2BR / 2BA	1	1.6%	Non-Rental	\$0	1,056	n/a	Yes	0	0.0%
					3BR / 2BA	8	12.5%	@50%	\$725	1,211	no	Yes	0	0.0%
					3BR / 2BA	16	25.0%	@60%	\$770	1,211	no	Yes	0	0.0%
					64	100%						1	1.6%	

Wellington Ridge - Covington, Georgia-- Market Study

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
7	Brandon Glen Apartments 1500 East View Road Conyers, GA 30012 Rockdale County	10.6 miles	Garden (2 stories) 1997 / n/a	Market	1BR / 1BA	32	17.8%	Market	\$850	792	n/a	No	3	9.4%
					2BR / 2BA	96	53.3%	Market	\$823	1,032	n/a	No	4	4.2%
					3BR / 2BA	52	28.9%	Market	\$1,018	1,234	n/a	No	3	5.8%
						180	100%						10	5.6%
8	Fieldcrest Walk 10238 Fieldcrest Walk Covington, GA 30014 Newton County	3.2 miles	Garden (2 stories) 1980s / n/a	Market	1BR / 1BA	104	40.3%	Market	\$812	864	n/a	Yes	0	0.0%
					2BR / 1BA	20	7.8%	Market	\$862	930	n/a	Yes	0	0.0%
					2BR / 2BA	67	26.0%	Market	\$912	980	n/a	Yes	1	1.5%
					2BR / 2BA	67	26.0%	Market	\$987	1,200	n/a	Yes	1	1.5%
	258	100%						2	0.8%					
9	Leaf Stone Apartments 10100 Brown Bridge Road Covington, GA 30014 Newton County	3.5 miles	Garden (3 stories) 2000 / n/a	Market	1BR / 1BA	63	27.2%	Market	\$1,055	816	n/a	No	0	0.0%
					2BR / 2BA	136	58.6%	Market	\$1,175	1,072	n/a	No	1	0.7%
					3BR / 2BA	33	14.2%	Market	\$1,390	1,292	n/a	No	0	0.0%
						232	100%						1	0.4%
10	Park At Arlington 30 Grosslake Pkwy Covington, GA 30016 Newton County	7.8 miles	Garden (3 stories) 2001 / n/a	Market	1BR / 1BA	22	11.7%	Market	\$812	795	n/a	No	0	0.0%
					1BR / 1BA	22	11.7%	Market	\$837	850	n/a	No	1	4.5%
					2BR / 2BA	54	28.7%	Market	\$932	1,119	n/a	No	1	1.9%
					2BR / 2BA	54	28.7%	Market	\$962	1,176	n/a	No	0	0.0%
					3BR / 2BA	18	9.6%	Market	\$1,012	1,320	n/a	No	0	0.0%
					3BR / 2BA	18	9.6%	Market	\$1,062	1,365	n/a	No	1	5.6%
	188	100%						3	1.6%					
11	Park View Apartments 10920 Covington Bypass Road Covington, GA 30014 Newton County	2.6 miles	Garden (3 stories) 1993 / 2011	Market	1BR / 1BA	10	10.0%	Market	\$688	735	n/a	No	0	0.0%
					2BR / 1BA	9	9.0%	Market	\$718	880	n/a	No	0	0.0%
					2BR / 2BA	46	46.0%	Market	\$788	880	n/a	No	0	0.0%
					3BR / 2BA	35	35.0%	Market	\$888	1,152	n/a	No	0	0.0%
	100	100%						0	0.0%					
12	Salem Glen Apts Phase I, II, And III 201 Salem Glen Way Conyers, GA 30013 Newton County	8.1 miles	Garden (2 stories) 1990-1993 / n/a	Market	2BR / 2BA	100	40.7%	Market	\$767	1,019	n/a	Yes	2	2.0%
					2BR / 2.5BA	116	47.2%	Market	\$820	1,050	n/a	Yes	2	1.7%
					3BR / 2BA	30	12.2%	Market	\$900	1,150	no	Yes	0	0.0%
						246	100%						4	1.6%

Wellington Ridge - Covington, Georgia-- Market Study

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Jun-18	Units Surveyed:	2,146	Weighted Occupancy:	98.3%
			Market Rate	1,204	Market Rate	98.3%
			Tax Credit	942	Tax Credit	98.2%
One Bedroom One Bath		Two Bedrooms Two Bath		Three Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average
	Leaf Stone Apartments	\$1,055	Alexander Crossing Apartments * (2.5BA M)	\$1,337	Alexander Crossing Apartments * (M)	\$1,437
	Arbor Lake Apartments * (M)	\$868	Leaf Stone Apartments	\$1,175	Leaf Stone Apartments	\$1,390
	Brandon Glen Apartments	\$850	Arbor Lake Apartments * (M)	\$1,098	Park At Arlington	\$1,062
	Park At Arlington	\$837	Fieldcrest Walk	\$987	Arbor Lake Apartments * (60%)	\$1,057
	Fieldcrest Walk	\$812	Park At Arlington	\$962	Ashley Woods Apartments * (60%)	\$1,053
	Park At Arlington	\$812	Park At Arlington	\$932	Arbor Lake Apartments * (M)	\$1,040
	Ashley Woods Apartments * (60%)	\$756	Fieldcrest Walk	\$912	Brandon Glen Apartments	\$1,018
	Arbor Lake Apartments * (60%)	\$746	Arbor Lake Apartments * (60%)	\$907	Park At Arlington	\$1,012
	<b>Wellington Ridge * (60%)</b>	<b>\$724</b>	Ashley Woods Apartments * (60%)	\$868	<b>Wellington Ridge * (60%)</b>	<b>\$991</b>
	Ashley Woods Apartments * (60%)	\$717	<b>Wellington Ridge * (60%)</b>	<b>\$868</b>	Alexander Crossing Apartments * (60%)	\$987
	Park View Apartments	\$688	Alexander Crossing Apartments * (2.5BA 60%)	\$867	Salem Glen Apts Phase I, II, And III	\$900
	Skyline Trace * (M)	\$655	Brandon Glen Apartments	\$823	Park View Apartments	\$888
	Skyline Trace * (60%)	\$645	Park View Apartments	\$788	Ashley Woods Apartments * (60%)	\$832
	Magnolia Heights * (M)	\$592	Salem Glen Apts Phase I, II, And III	\$767	Magnolia Heights * (M)	\$810
	Skyline Trace * (50%)	\$570	Skyline Trace * (M)	\$730	Skyline Trace * (60%)	\$770
	Ashley Woods Apartments * (50%)	\$551	Skyline Trace * (60%)	\$720	Skyline Trace * (50%)	\$725
	Magnolia Heights * (60%)	\$532	Ashley Woods Apartments * (60%)	\$713	Magnolia Heights * (60%)	\$722
			Magnolia Heights * (M)	\$709	Orchard Grove Apartments * (50%)	\$491
			Ashley Woods Apartments * (50%)	\$663	Orchard Grove Apartments * (60%)	\$491
			Skyline Trace * (50%)	\$660		
			Magnolia Heights * (60%)	\$559		
			Orchard Grove Apartments * (50%)	\$411		
			Orchard Grove Apartments * (60%)	\$411		
SQUARE FOOTAGE	Arbor Lake Apartments * (60%)	975	Alexander Crossing Apartments * (2.5BA 60%)	1,256	Alexander Crossing Apartments * (60%)	1,506
	Arbor Lake Apartments * (M)	975	Alexander Crossing Apartments * (2.5BA M)	1,256	Alexander Crossing Apartments * (M)	1,506
	Magnolia Heights * (M)	975	Fieldcrest Walk	1,200	<b>Wellington Ridge * (60%)</b>	<b>1,394</b>
	Magnolia Heights * (60%)	975	<b>Wellington Ridge * (60%)</b>	<b>1,182</b>	Park At Arlington	1,365
	Fieldcrest Walk	864	Park At Arlington	1,176	Arbor Lake Apartments * (60%)	1,350
	Park At Arlington	850	Arbor Lake Apartments * (60%)	1,150	Arbor Lake Apartments * (M)	1,350
	Leaf Stone Apartments	816	Arbor Lake Apartments * (M)	1,150	Magnolia Heights * (M)	1,350
	Skyline Trace * (50%)	808	Magnolia Heights * (M)	1,150	Magnolia Heights * (60%)	1,350
	Skyline Trace * (60%)	808	Magnolia Heights * (60%)	1,150	Park At Arlington	1,320
	Skyline Trace * (M)	808	Park At Arlington	1,119	Leaf Stone Apartments	1,292
	Park At Arlington	795	Leaf Stone Apartments	1,072	Brandon Glen Apartments	1,234
	Brandon Glen Apartments	792	Skyline Trace * (50%)	1,056	Skyline Trace * (50%)	1,211
	<b>Wellington Ridge * (60%)</b>	<b>784</b>	Skyline Trace * (60%)	1,056	Skyline Trace * (60%)	1,211
	Ashley Woods Apartments * (50%)	748	Skyline Trace * (M)	1,056	Park View Apartments	1,152
	Ashley Woods Apartments * (60%)	748	Brandon Glen Apartments	1,032	Salem Glen Apts Phase I, II, And III	1,150
	Ashley Woods Apartments * (60%)	748	Salem Glen Apts Phase I, II, And III	1,019	Ashley Woods Apartments * (60%)	1,134
	Park View Apartments	735	Ashley Woods Apartments * (50%)	1,010	Orchard Grove Apartments * (50%)	1,100
			Ashley Woods Apartments * (60%)	1,010	Orchard Grove Apartments * (60%)	1,100
			Ashley Woods Apartments * (60%)	1,010	Ashley Woods Apartments * (60%)	1,039
			Orchard Grove Apartments * (50%)	1,000		
			Orchard Grove Apartments * (60%)	1,000		
			Fieldcrest Walk	980		
			Park View Apartments	880		
RENT PER SQUARE FOOT	Leaf Stone Apartments	\$1.29	Leaf Stone Apartments	\$1.10	Leaf Stone Apartments	\$1.08
	Brandon Glen Apartments	\$1.07	Alexander Crossing Apartments * (2.5BA M)	\$1.06	Alexander Crossing Apartments * (M)	\$0.95
	Park At Arlington	\$1.02	Arbor Lake Apartments * (M)	\$0.95	Ashley Woods Apartments * (60%)	\$0.93
	Ashley Woods Apartments * (60%)	\$1.01	Fieldcrest Walk	\$0.93	Brandon Glen Apartments	\$0.82
	Park At Arlington	\$0.98	Park View Apartments	\$0.90	Ashley Woods Apartments * (60%)	\$0.80
	Ashley Woods Apartments * (60%)	\$0.96	Ashley Woods Apartments * (60%)	\$0.86	Arbor Lake Apartments * (60%)	\$0.78
	Fieldcrest Walk	\$0.94	Park At Arlington	\$0.83	Salem Glen Apts Phase I, II, And III	\$0.78
	Park View Apartments	\$0.94	Fieldcrest Walk	\$0.82	Park At Arlington	\$0.78
	<b>Wellington Ridge * (60%)</b>	<b>\$0.92</b>	Park At Arlington	\$0.82	Park View Apartments	\$0.77
	Arbor Lake Apartments * (M)	\$0.89	Brandon Glen Apartments	\$0.80	Arbor Lake Apartments * (M)	\$0.77
	Skyline Trace * (M)	\$0.81	Arbor Lake Apartments * (60%)	\$0.79	Park At Arlington	\$0.77
	Skyline Trace * (60%)	\$0.80	Salem Glen Apts Phase I, II, And III	\$0.75	<b>Wellington Ridge * (60%)</b>	<b>\$0.71</b>
	Arbor Lake Apartments * (60%)	\$0.77	<b>Wellington Ridge * (60%)</b>	<b>\$0.73</b>	Alexander Crossing Apartments * (60%)	\$0.66
	Ashley Woods Apartments * (50%)	\$0.74	Ashley Woods Apartments * (60%)	\$0.71	Skyline Trace * (60%)	\$0.64
	Skyline Trace * (50%)	\$0.71	Skyline Trace * (M)	\$0.69	Magnolia Heights * (M)	\$0.60
	Magnolia Heights * (M)	\$0.61	Alexander Crossing Apartments * (2.5BA 60%)	\$0.69	Skyline Trace * (50%)	\$0.60
	Magnolia Heights * (60%)	\$0.55	Skyline Trace * (60%)	\$0.68	Magnolia Heights * (60%)	\$0.53
			Ashley Woods Apartments * (50%)	\$0.66	Orchard Grove Apartments * (50%)	\$0.45
			Skyline Trace * (50%)	\$0.62	Orchard Grove Apartments * (60%)	\$0.45
			Magnolia Heights * (M)	\$0.62		
			Magnolia Heights * (60%)	\$0.49		
			Orchard Grove Apartments * (50%)	\$0.41		
			Orchard Grove Apartments * (60%)	\$0.41		

# PROPERTY PROFILE REPORT

## Alexander Crossing Apartments

Effective Rent Date	4/13/2018
Location	100 Alexander Crossing Loganville, GA 30052 Walton County
Distance	16.2 miles
Units	240
Vacant Units	4
Vacancy Rate	1.7%
Type	Townhouse (2 stories)
Year Built/Renovated	2003 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cambridge, The Muses
Tenant Characteristics	Mixed tenancy, families
Contact Name	Milli
Phone	770-466-2281



### Market Information

Program	@60%, Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 3.5%-11%
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	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	120	1,256	\$880	\$0	@60%	No	2	1.7%	yes	None
2	2.5	Townhouse (2 stories)	48	1,256	\$1,350	\$0	Market	No	1	2.1%	N/A	None
3	2	Townhouse (2 stories)	48	1,506	\$1,000	\$0	@60%	No	1	2.1%	yes	None
3	2	Townhouse (2 stories)	24	1,506	\$1,450	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$880	\$0	\$880	-\$13	\$867	2BR / 2.5BA	\$1,350	\$0	\$1,350	-\$13	\$1,337
3BR / 2BA	\$1,000	\$0	\$1,000	-\$13	\$987	3BR / 2BA	\$1,450	\$0	\$1,450	-\$13	\$1,437

## Alexander Crossing Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Wi-Fi		

### Comments

The contact reported that all units are leased on a first-come, first-service basis. The market rate units have been renovated consisting of new stainless steel appliances, hardwood floors, granite countertops, updated light fixtures, and new window blinds. Non-renovated market rate two and three-bedroom units rents are priced \$100 to \$150 less than upgraded units. Rents for the renovated market rate units are reflected in the property profile.

# Alexander Crossing Apartments, continued

## Trend Report

### Vacancy Rates

3Q16	4Q16	1Q17	2Q18
0.0%	0.0%	0.0%	1.7%

### Trend: @60%

#### 2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$790	\$0	\$790	\$777
2016	4	0.0%	\$790	\$0	\$790	\$777
2017	1	0.0%	\$790	\$0	\$790	\$777
2018	2	1.7%	\$880	\$0	\$880	\$867

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$895	\$0	\$895	\$882
2016	4	0.0%	\$895	\$0	\$895	\$882
2017	1	0.0%	\$895	\$0	\$895	\$882
2018	2	2.1%	\$1,000	\$0	\$1,000	\$987

### Trend: Market

#### 2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,000	\$0	\$1,000	\$987
2016	4	0.0%	\$1,300	\$0	\$1,300	\$1,287
2017	1	0.0%	\$1,300	\$0	\$1,300	\$1,287
2018	2	2.1%	\$1,350	\$0	\$1,350	\$1,337

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,175	\$0	\$1,175	\$1,162
2016	4	0.0%	\$1,400	\$0	\$1,400	\$1,387
2017	1	0.0%	\$1,400	\$0	\$1,400	\$1,387
2018	2	0.0%	\$1,450	\$0	\$1,450	\$1,437

## Trend: Comments

3Q16	The contact reported that the property typically remains fully occupied. A waiting list of ten households is currently maintained for the LIHTC units. The market rate units are currently undergoing upgrades that included new stainless steel appliances, hardwood floors, counter tops, light fixtures, and blinds. The two-bedroom units range from \$1,000 to \$1,300 and the three-bedroom units range from \$1,175 to \$1,400 based on the aforementioned upgrades.
4Q16	The property maintains a waiting list for LIHTC units consisting of 10 households. The market rate units are currently undergoing renovations consisting of new stainless steel appliances, hardwood floors, countertops, light fixtures, and blinds. Non-renovated two and three-bedroom units rents are \$1,000 and \$1,175, respectively. Renovated rents are reflected in the property profile.
1Q17	The contact reported that all units are leased on a first-come, first-service basis. The market rate units are currently undergoing renovations consisting of new stainless steel appliances, hardwood floors, granite countertops, updated light fixtures, and new window blinds. Non-renovated market rate two and three-bedroom units rents are \$1,050 and \$1,175, respectively. Renovated rents for market rate units are reflected in the property profile.
2Q18	The contact reported that all units are leased on a first-come, first-service basis. The market rate units have been renovated consisting of new stainless steel appliances, hardwood floors, granite countertops, updated light fixtures, and new window blinds. Non-renovated market rate two and three-bedroom units rents are priced \$100 to \$150 less than upgraded units. Rents for the renovated market rate units are reflected in the property profile.

Photos



# PROPERTY PROFILE REPORT

## Arbor Lake Apartments

Effective Rent Date	6/06/2018
Location	431 Kirkland Road Covington, GA 30016 Newton County
Distance	5.4 miles
Units	250
Vacant Units	7
Vacancy Rate	2.8%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wellington Ridge, Magnolia Heights
Tenant Characteristics	Majority families from Newton County
Contact Name	Laquita
Phone	(770) 385-6166



### Market Information

Program	@60%, Market
Annual Turnover Rate	19%
Units/Month Absorbed	21
HCV Tenants	30%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	Increased 5-10%
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)	36	975	\$746	\$0	@60%	No	2	5.6%	yes	None
1	1	Garden (3 stories)	N/A	975	\$868	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	166	1,150	\$907	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	N/A	1,150	\$1,098	\$0	Market	No	1	N/A	N/A	None
3	2	Garden (3 stories)	48	1,350	\$1,057	\$0	@60%	No	1	2.1%	yes	None
3	2	Garden (3 stories)	N/A	1,350	\$1,040	\$0	Market	No	2	N/A	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$746	\$0	\$746	\$0	\$746	1BR / 1BA	\$868	\$0	\$868	\$0	\$868
2BR / 2BA	\$907	\$0	\$907	\$0	\$907	2BR / 2BA	\$1,098	\$0	\$1,098	\$0	\$1,098
3BR / 2BA	\$1,057	\$0	\$1,057	\$0	\$1,057	3BR / 2BA	\$1,040	\$0	\$1,040	\$0	\$1,040

## Arbor Lake Apartments, continued

### Amenities

#### In-Unit

Balcony/Patio  
Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Walk-In Closet

Blinds  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access

#### Services

Afterschool Program

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting Room/Community  
Central Laundry  
On-Site Management  
Playground  
Tennis Court

Car Wash  
Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

This property does not maintain a waiting list. According to the contact, there is high demand for tax credit properties in the area.

# Arbor Lake Apartments, continued

## Trend Report

### Vacancy Rates

2Q16	1Q17	2Q17	2Q18
5.2%	5.2%	5.6%	2.8%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$714	\$0	\$714	\$714
2017	1	N/A	\$714	\$0	\$714	\$714
2017	2	N/A	\$714	\$0	\$714	\$714
2018	2	5.6%	\$746	\$0	\$746	\$746

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$826	\$0	\$826	\$826
2017	1	N/A	\$826	\$0	\$826	\$826
2017	2	N/A	\$872	\$0	\$872	\$872
2018	2	0.0%	\$907	\$0	\$907	\$907

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$808	\$0	\$808	\$808
2017	1	N/A	\$808	\$0	\$808	\$808
2017	2	N/A	\$1,012	\$0	\$1,012	\$1,012
2018	2	2.1%	\$1,057	\$0	\$1,057	\$1,057

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$771	\$0	\$771	\$771
2017	1	N/A	\$771	\$0	\$771	\$771
2017	2	N/A	\$838	\$0	\$838	\$838
2018	2	N/A	\$868	\$0	\$868	\$868

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$846	\$0	\$846	\$846
2017	1	N/A	\$846	\$0	\$846	\$846
2017	2	N/A	\$1,024	\$0	\$1,024	\$1,024
2018	2	N/A	\$1,098	\$0	\$1,098	\$1,098

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$947	\$0	\$947	\$947
2017	1	N/A	\$947	\$0	\$947	\$947
2017	2	N/A	\$1,073	\$0	\$1,073	\$1,073
2018	2	N/A	\$1,040	\$0	\$1,040	\$1,040

## Trend: Comments

2Q16	This property does not maintain a waiting list. The contact could not report the unit breakdown of the vacancies. Parking at this property is free and unassigned, and the contact indicated that there was adequate parking for all the tenants.
1Q17	N/A
2Q17	This property does not maintain a waiting list. The contact could not report the unit breakdown of the vacancies. Of the 14 vacant units, 10 are pre-leased and will be occupied by residents soon. There is no additional charge for parking.
2Q18	This property does not maintain a waiting list. According to the contact, there is high demand for tax credit properties in the area.

Photos



# PROPERTY PROFILE REPORT

## Ashley Woods Apartments

Effective Rent Date	6/07/2018
Location	1050 Rock Quarry Road Stockbridge, GA 30281 Henry County
Distance	23.7 miles
Units	128
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1991 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	North Park, Hyde Park
Tenant Characteristics	30% from out of state; work at airport, fast food restaurants or in healthcare; mostly families
Contact Name	Ronyelle
Phone	770.474.8444



### Market Information

Program	@50% (HOME), @60%, @60% (HOME)
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Pre-leased- 1 week
Annual Chg. in Rent	Increased 10-15%
Concession	None
Waiting List	60 households

### 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
1	1	Garden (3 stories)	1	748	\$607	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	13	748	\$812	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	2	748	\$773	\$0	@60% (HOME)	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	1	1,010	\$727	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	60	1,010	\$932	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	1,010	\$777	\$0	@60% (HOME)	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	45	1,134	\$1,129	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	3	1,039	\$908	\$0	@60% (HOME)	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
1BR / 1BA	\$607	\$0	\$607	-\$56	\$551	1BR / 1BA	\$773 - \$812	\$0	\$773 - \$812	-\$56	\$717 - \$756
2BR / 2BA	\$727	\$0	\$727	-\$64	\$663	2BR / 2BA	\$777 - \$932	\$0	\$777 - \$932	-\$64	\$713 - \$868
						3BR / 2BA	\$908 - \$1,129	\$0	\$908 - \$1,129	-\$76	\$832 - \$1,053

## Ashley Woods Apartments, continued

### Amenities

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

### Comments

The contact reported the property has increased it's rents to the maximum allowable level this year once the maximum allowable levels were increased, thus the 10-15% increase in rent levels. According to the contact, there is high demand for tax credit properties in the area.

# Ashley Woods Apartments, continued

## Trend Report

### Vacancy Rates

2Q16	4Q16	3Q17	2Q18
0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$551	\$0	\$551	\$495
2016	4	0.0%	\$551	\$0	\$551	\$495
2017	3	0.0%	\$551	\$0	\$551	\$495
2018	2	0.0%	\$607	\$0	\$607	\$551

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$587	\$0	\$587	\$523
2016	4	0.0%	\$587	\$0	\$587	\$523
2017	3	0.0%	\$587	\$0	\$587	\$523
2018	2	0.0%	\$727	\$0	\$727	\$663

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$662 - \$701	\$0	\$662 - \$701	\$606 - \$645
2016	4	0.0%	\$662 - \$701	\$0	\$662 - \$701	\$606 - \$645
2017	3	0.0%	\$662 - \$701	\$0	\$662 - \$701	\$606 - \$645
2018	2	0.0%	\$773 - \$812	\$0	\$773 - \$812	\$717 - \$756

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$657 - \$812	\$0	\$657 - \$812	\$593 - \$748
2016	4	0.0%	\$657 - \$812	\$0	\$657 - \$812	\$593 - \$748
2017	3	0.0%	\$657 - \$812	\$0	\$657 - \$812	\$593 - \$748
2018	2	0.0%	\$777 - \$932	\$0	\$777 - \$932	\$713 - \$868

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2016	2	0.0%	\$908 - \$980	\$0	\$908 - \$980	\$832 - \$904
2016	4	0.0%	\$908 - \$980	\$0	\$908 - \$980	\$832 - \$904
2017	3	0.0%	\$908 - \$980	\$0	\$908 - \$980	\$832 - \$904
2018	2	0.0%	\$908 - \$1,129	\$0	\$908 - \$1,129	\$832 - \$1,053

## Trend: Comments

2Q16	The contact reported the property has LIHTC and HOME units and pricing is set with LRO software. She noted rents fluctuate often as long as they do not go over the maximum allowable rents.
4Q16	The contact reported the property has LIHTC and HOME units and pricing is set with LRO software. She noted rents fluctuate often as long as they do not go over the maximum allowable rents but typically stay just under the max rents.
3Q17	N/A
2Q18	The contact reported the property has increased it's rents to the maximum allowable level this year once the maximum allowable levels were increased, thus the 10-15% increase in rent levels. According to the contact, there is high demand for tax credit properties in the area.

Photos



# PROPERTY PROFILE REPORT

## Magnolia Heights

**Effective Rent Date** 6/07/2018  
**Location** 10156 Magnolia Heights Circle  
 Covington, GA 30014  
 Newton County  
**Distance** 2.3 miles  
**Units** 200  
**Vacant Units** 5  
**Vacancy Rate** 2.5%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2001 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Wellington Ridge; Parkview  
**Tenant Characteristics** None identified  
**Contact Name** Clare  
**Phone** (770) 786-0458



### Market Information

**Program** @60%, Market  
**Annual Turnover Rate** 30%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 10%  
**Leasing Pace** Pre-leased  
**Annual Chg. in Rent** No change to increased two percent  
**Concession** None  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- gas  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** 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 (2 stories)	10	975	\$635	\$0	Market	Yes	1	10.0%	N/A	None
1	1	Garden (2 stories)	22	975	\$575	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	41	1,150	\$760	\$0	Market	Yes	2	4.9%	N/A	None
2	2	Garden (2 stories)	103	1,150	\$610	\$0	@60%	Yes	1	1.0%	no	None
3	2	Garden (2 stories)	8	1,350	\$873	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,350	\$785	\$0	@60%	Yes	1	6.2%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	-\$43	\$532	1BR / 1BA	\$635	\$0	\$635	-\$43	\$592
2BR / 2BA	\$610	\$0	\$610	-\$51	\$559	2BR / 2BA	\$760	\$0	\$760	-\$51	\$709
3BR / 2BA	\$785	\$0	\$785	-\$63	\$722	3BR / 2BA	\$873	\$0	\$873	-\$63	\$810

## Magnolia Heights, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	Ice-maker in units
Courtyard	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

### Comments

The contact stated that all of the vacant units are pre-leased and will be occupied by tenants soon. There is a \$15 premium for affordable units that have been remodeled and a \$25 premium for market rate units that have been remodeled. The property maintains a waiting list that is approximately 20 to 30 households in length. The property has unassigned surface parking spaces and there is no additional charge for parking. The contact noted that rents are maintained below the maximum allowable level in an effort to remain affordable and there is strong demand for affordable housing in the area.

# Magnolia Heights, continued

## Trend Report

### Vacancy Rates

2Q16	1Q17	2Q17	3Q18
0.5%	1.0%	2.5%	2.5%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$575	\$0	\$575	\$532
2017	1	0.0%	\$575	\$0	\$575	\$532
2017	2	0.0%	\$575	\$0	\$575	\$532
2018	3	0.0%	\$575	\$0	\$575	\$532

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	1.0%	\$600	\$0	\$600	\$549
2017	1	1.0%	\$610	\$0	\$610	\$559
2017	2	1.0%	\$610	\$0	\$610	\$559
2018	3	1.0%	\$610	\$0	\$610	\$559

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$785	\$0	\$785	\$722
2017	1	6.2%	\$785	\$0	\$785	\$722
2017	2	6.2%	\$785	\$0	\$785	\$722
2018	3	6.2%	\$785	\$0	\$785	\$722

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$630	\$0	\$630	\$587
2017	1	0.0%	\$640	\$0	\$640	\$597
2017	2	10.0%	\$640	\$0	\$640	\$597
2018	3	10.0%	\$635	\$0	\$635	\$592

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$685	\$0	\$685	\$634
2017	1	0.0%	\$695	\$0	\$695	\$644
2017	2	4.9%	\$695	\$0	\$695	\$644
2018	3	4.9%	\$760	\$0	\$760	\$709

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$845	\$0	\$845	\$782
2017	1	0.0%	\$855	\$0	\$855	\$792
2017	2	0.0%	\$855	\$0	\$855	\$792
2018	3	0.0%	\$873	\$0	\$873	\$810

## Trend: Comments

2Q16	This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list. The contact reported that the one vacant unit has already been preleased. Parking at this property is free and unassigned, and the contact estimated the there are two parking spaces for each unit. The contact indicated that there is high demand for affordable housing.
1Q17	The contact stated that the two vacant units are pre-leased and will be occupied by tenants soon. The current utility allowance at the property is \$58 for the one-bedroom units, \$72 for the two-bedroom units, and \$88 for the three-bedroom units. The property offers unassigned surface parking spaces included in the rent. The contact noted that rents are maintained below the maximum allowable level in an effort to remain affordable and there is strong demand for affordable housing in the area.
2Q17	The contact stated that all of the vacant units are pre-leased and will be occupied by tenants soon. There is a \$15 premium for affordable units that have been remodeled and a \$25 premium for market rate units that have been remodeled. The property maintains a waiting list that is approximately 20 to 30 households in length. The property has unassigned surface parking spaces and there is no additional charge for parking. The contact noted that rents are maintained below the maximum allowable level in an effort to remain affordable and there is strong demand for affordable housing in the area.
3Q18	N/A

Photos



# PROPERTY PROFILE REPORT

## Orchard Grove Apartments

Effective Rent Date 7/07/2018

Location 1070 Micha Way  
Madison, GA 30650  
Morgan County  
Intersection: Eatonton Road

Distance 20.3 miles

Units 60

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 2002 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Madison Villas

Tenant Characteristics Majority families, most of the tenants are from Madison.

Contact Name Laury

Phone (706) 752-1707



### Market Information

Program @50%, @60%

Annual Turnover Rate 10%

Units/Month Absorbed N/A

HCV Tenants 18%

Leasing Pace Pre-leased

Annual Chg. in Rent Remained the same

Concession None

Waiting List 48 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	2	Garden (2 stories)	16	1,000	\$475	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	16	1,000	\$475	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	14	1,100	\$567	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	14	1,100	\$567	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$475	\$0	\$475	-\$64	\$411	2BR / 2BA	\$475	\$0	\$475	-\$64	\$411
3BR / 2BA	\$567	\$0	\$567	-\$76	\$491	3BR / 2BA	\$567	\$0	\$567	-\$76	\$491

## Orchard Grove Apartments, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		

### Comments

The property maintains a waiting list of approximately 48 households. According to the contact, there is strong demand for tax credit properties in the area. The contact confirmed there has not been a rent increase since the last survey.

# Orchard Grove Apartments, continued

## Trend Report

### Vacancy Rates

2Q15	3Q15	2Q17	2Q18
0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$475	\$0	\$475	\$411
2015	3	N/A	\$475	\$0	\$475	\$411
2017	2	N/A	\$475	\$0	\$475	\$411
2018	2	0.0%	\$475	\$0	\$475	\$411

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$567	\$0	\$567	\$491
2015	3	N/A	\$567	\$0	\$567	\$491
2017	2	N/A	\$567	\$0	\$567	\$491
2018	2	0.0%	\$567	\$0	\$567	\$491

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$475	\$0	\$475	\$411
2015	3	N/A	\$475	\$0	\$475	\$411
2017	2	N/A	\$475	\$0	\$475	\$411
2018	2	0.0%	\$475	\$0	\$475	\$411

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$567	\$0	\$567	\$491
2015	3	N/A	\$567	\$0	\$567	\$491
2017	2	N/A	\$567	\$0	\$567	\$491
2018	2	0.0%	\$567	\$0	\$567	\$491

## Trend: Comments

2Q15	Management reported that the property is not currently running concessions, as it is fully occupied. The property maintains a waiting list that is approximately seven households for the two-bedroom units and three households for the three-bedroom units. The contact reported that the property offers approximately two parking spaces per unit.
3Q15	The property maintains a waiting list that is approximately seven households for the two-bedroom units and three households for the three-bedroom units. The contact reported that the property offers approximately two parking spaces per unit. The contact was unable to provide a detailed unit mix per AMI level for the property. The contact indicated that three-bedroom rents have increased less than one percent the last 12 months. Management at the property did not provide any further details.
2Q17	The property maintains a waiting list of approximately 10 households for all unit types. The contact was unable to provide a detailed unit mix per AMI level for the property.
2Q18	The property maintains a waiting list of approximately 48 households. According to the contact, there is strong demand for tax credit properties in the area. The contact confirmed there has not been a rent increase since the last survey.

Photos



# PROPERTY PROFILE REPORT

## Skyline Trace

Effective Rent Date	5/25/2018
Location	600 Ridge Road Monroe, GA 30655 Walton County
Distance	14.8 miles
Units	64
Vacant Units	1
Vacancy Rate	1.6%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Johnathon
Phone	678-635-8808



### Market Information

Program	@50%, @60%, Market, Non-Rental
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within 2 weeks
Annual Chg. in Rent	Inc. 3-5% percent
Concession	None
Waiting List	Yes - unknown length

### 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 (2 stories)	3	808	\$570	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	3	808	\$645	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	2	808	\$655	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	10	1,056	\$660	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	19	1,056	\$720	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	2	1,056	\$730	\$0	Market	Yes	1	50.0%	N/A	None
2	2	Garden (2 stories)	1	1,056	\$0	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Garden (2 stories)	8	1,211	\$725	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	16	1,211	\$770	\$0	@60%	Yes	0	0.0%	no	None



# Skyline Trace, continued

## Trend Report

### Vacancy Rates

2Q15	1Q17	2Q18
0.0%	3.1%	1.6%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$548	\$0	\$548	\$548
2017	1	0.0%	\$551	\$0	\$551	\$551
2018	2	0.0%	\$570	\$0	\$570	\$570

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$614	\$0	\$614	\$614
2017	1	0.0%	\$637	\$0	\$637	\$637
2018	2	0.0%	\$660	\$0	\$660	\$660

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$685	\$0	\$685	\$685
2017	1	0.0%	\$705	\$0	\$705	\$705
2018	2	0.0%	\$725	\$0	\$725	\$725

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$615	\$0	\$615	\$615
2017	1	50.0%	\$635	\$0	\$635	\$635
2018	2	0.0%	\$655	\$0	\$655	\$655

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$690	\$0	\$690	\$690
2017	1	50.0%	\$740	\$0	\$740	\$740
2018	2	50.0%	\$730	\$0	\$730	\$730

### Trend: Comments

2Q15	Contact stated that rents have increased approximately five percent over the last year. The LIHTC units have a small waiting list of approximately five households. Currently, seven units use Housing Choice Vouchers.
1Q17	The contact reported a short waiting list of approximately five to 10 households for all unit types.
2Q18	The contact stated there is a waiting list but could not comment on the amount of households on it. The contact also could not comment on the amount of tenants using Housing Choice Vouchers. According to the contact, one tenant moved out last month. The turnover percentage is high due to the total number of units at the property.

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$605	\$0	\$605	\$605
2017	1	0.0%	\$625	\$0	\$625	\$625
2018	2	0.0%	\$645	\$0	\$645	\$645

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$681	\$0	\$681	\$681
2017	1	0.0%	\$701	\$0	\$701	\$701
2018	2	0.0%	\$720	\$0	\$720	\$720

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$728	\$0	\$728	\$728
2017	1	0.0%	\$748	\$0	\$748	\$748
2018	2	0.0%	\$770	\$0	\$770	\$770

### Trend: Non-Rental

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	N/A	\$0	N/A	N/A
2017	1	0.0%	N/A	\$0	N/A	N/A
2018	2	0.0%	N/A	\$0	N/A	N/A

Photos



# PROPERTY PROFILE REPORT

## Brandon Glen Apartments

Effective Rent Date	6/06/2018
Location	1500 East View Road Conyers, GA 30012 Rockdale County
Distance	10.6 miles
Units	180
Vacant Units	10
Vacancy Rate	5.6%
Type	Garden (2 stories)
Year Built/Renovated	1997 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Mainstreet
Tenant Characteristics	Mostly blue collar workers from Conyers, Lithonia, and the immediate area
Contact Name	Jackie
Phone	770-922-1834



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 week
Annual Chg. in Rent	Increased 30-40%
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	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	792	\$863	\$0	Market	No	3	9.4%	N/A	None
2	2	Garden (2 stories)	96	1,032	\$836	\$0	Market	No	4	4.2%	N/A	None
3	2	Garden (2 stories)	52	1,234	\$1,031	\$0	Market	No	3	5.8%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$863	\$0	\$863	-\$13	\$850
2BR / 2BA	\$836	\$0	\$836	-\$13	\$823
3BR / 2BA	\$1,031	\$0	\$1,031	-\$13	\$1,018

## Brandon Glen Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

### Comments

The contact reported that the property converted from LIHTC to conventional in January 2018. Following the conversion the rents increased 30-40%. The contact could not comment on turnover rates.

Trend Report

Vacancy Rates

4Q07	1Q15	2Q16	2Q18
3.3%	11.1%	5.0%	5.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	\$585	\$50	\$535	\$522
2018	2	9.4%	\$863	\$0	\$863	\$850

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	\$695	\$0	\$695	\$682
2018	2	4.2%	\$836	\$0	\$836	\$823

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	\$830	\$0	\$830	\$817
2018	2	5.8%	\$1,031	\$0	\$1,031	\$1,018

Trend: Comments

4Q07	The property had a 15 dollar decrease in the one bedroom and a 40 dollar decrease in the 3 bedroom. The two bedroom remained the same.
1Q15	Management stated that the property is slightly below typical occupancy due to a recent ownership change and a pending management change. The property is reportedly typically 90 to 95 percent occupied.
2Q16	The contact reported current occupancy has been typical during the past year. The property operates on a first come, first served basis and does not maintain a waiting list.
2Q18	The contact reported that the property converted from LIHTC to conventional in January 2018. Following the conversion the rents increased 30-40%. The contact could not comment on turnover rates.

Photos



# PROPERTY PROFILE REPORT

## Fieldcrest Walk

Effective Rent Date	6/06/2018
Location	10238 Fieldcrest Walk Covington, GA 30014 Newton County
Distance	3.2 miles
Units	258
Vacant Units	2
Vacancy Rate	0.8%
Type	Garden (2 stories)
Year Built/Renovated	1980s / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other market rate units
Tenant Characteristics	Mostly local tenants, families
Contact Name	Gina
Phone	770.786.0445



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 week
Annual Chg. in Rent	Increased 3 percent
Concession	None
Waiting List	3 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	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)	104	864	\$825	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	20	930	\$875	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	67	980	\$925	\$0	Market	Yes	1	1.5%	N/A	None
2	2	Garden (2 stories)	67	1,200	\$1,000	\$0	Market	Yes	1	1.5%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$825	\$0	\$825	-\$13	\$812
2BR / 1BA	\$875	\$0	\$875	-\$13	\$862
2BR / 2BA	\$925 - \$1,000	\$0	\$925 - \$1,000	-\$13	\$912 - \$987

## Fieldcrest Walk, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool	Tennis Court		

### Comments

This property does not accept Housing Choice Vouchers. The contact could not comment on turnover rates.

## Fieldcrest Walk, continued

### Trend Report

#### Vacancy Rates

3Q09	2Q10	2Q14	2Q18
29.1%	31.0%	8.1%	0.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$650	\$38	\$612	\$599
2010	2	N/A	\$650	\$38	\$612	\$599
2014	2	6.7%	\$560	\$0	\$560	\$547
2018	2	0.0%	\$825	\$0	\$825	\$812

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$625	\$36	\$589	\$576
2010	2	N/A	\$625	\$36	\$589	\$576
2014	2	0.0%	\$505	\$0	\$505	\$492
2018	2	0.0%	\$875	\$0	\$875	\$862

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$675 - \$825	\$40 - \$52	\$635 - \$773	\$622 - \$760
2010	2	N/A	\$675 - \$825	\$40 - \$52	\$635 - \$773	\$622 - \$760
2014	2	10.4%	\$650 - \$750	\$0	\$650 - \$750	\$637 - \$737
2018	2	1.5%	\$925 - \$1,000	\$0	\$925 - \$1,000	\$912 - \$987

### Trend: Comments

3Q09	Management noted that vacancy has steadily decreased over the past 18 months due to the national recession. According to management, the property has historically maintained an occupancy rate of approximately 90 percent. They stated that the property was last 90 percent occupied in summer 2007. The rents for the two-bedroom one bath units are below the rents for the one-bedroom units because these units are the most difficult to rent and there are currently a significant number that are vacant.
2Q10	N/A
2Q14	The property has a high number of vacancies due to many tenants relocating and purchasing homes. The new business opening of Baxter manufacturing plant is bringing new potential tenants from in and outside the state of Georgia. The manager did not know annual turnover but did say that there were four move outs in March and eight already in April.
2Q18	This property does not accept Housing Choice Vouchers. The contact could not comment on turnover rates.

# PROPERTY PROFILE REPORT

## Leaf Stone Apartments

Effective Rent Date	6/07/2018
Location	10100 Brown Bridge Road Covington, GA 30014 Newton County
Distance	3.5 miles
Units	232
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fieldcrest Walk; Wellington Ridge; Summerset
Tenant Characteristics	None identified
Contact Name	Brittany
Phone	(770) 784-8044



### Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased- 1 week
Annual Chg. in Rent	Increased 30-40%
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)	63	816	\$1,055	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	136	1,072	\$1,175	\$0	Market	No	1	0.7%	N/A	None
3	2	Garden (3 stories)	33	1,292	\$1,390	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,055	\$0	\$1,055	\$0	\$1,055
2BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175
3BR / 2BA	\$1,390	\$0	\$1,390	\$0	\$1,390

## Leaf Stone Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
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	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

### Comments

Management rents the detached garages for \$75; the contact was unable to state the number of garages on the property or the utilization. This property does not accept Housing Choice Vouchers.

## Leaf Stone Apartments, continued

### Trend Report

#### Vacancy Rates

2Q16	1Q17	2Q17	2Q18
3.4%	2.2%	2.2%	0.4%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$760	\$0	\$760	\$760
2017	1	0.0%	\$760	\$0	\$760	\$760
2017	2	0.0%	\$760	\$0	\$760	\$760
2018	2	0.0%	\$1,055	\$0	\$1,055	\$1,055

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$845	\$0	\$845	\$845
2017	1	2.2%	\$834	\$0	\$834	\$834
2017	2	2.2%	\$834	\$0	\$834	\$834
2018	2	0.7%	\$1,175	\$0	\$1,175	\$1,175

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$995	\$0	\$995	\$995
2017	1	6.1%	\$950	\$0	\$950	\$950
2017	2	6.1%	\$950	\$0	\$950	\$950
2018	2	0.0%	\$1,390	\$0	\$1,390	\$1,390

### Trend: Comments

2Q16	This property does not accept Housing Choice Vouchers. The contact did not provide a breakdown of vacancies by unit type but did confirm that there was at least one vacant unit for each. The contact indicated that the market is stable.
1Q17	Since April 2016, rent for the one-bedroom units experienced no change, while rents for the two and three-bedroom units decreased one to five percent. None of the five vacant units are pre-leased. The property offers uncovered surface-level parking spaces, as well as garages. Management rents the detached garages for \$75; the contact was unable to state the number of garages on the property or the utilization.
2Q17	Since April 2016, rent for the one-bedroom units experienced no change, while rents for the two and three-bedroom units decreased one to five percent. None of the five vacant units are pre-leased. The property offers uncovered surface-level parking spaces, as well as garages. Management rents the detached garages for \$75; the contact was unable to state the number of garages on the property or the utilization. This property does not accept Housing Choice Vouchers.
2Q18	Management rents the detached garages for \$75; the contact was unable to state the number of garages on the property or the utilization. This property does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Park At Arlington (FKA Orchard Cove Apartments)

Effective Rent Date	5/30/2018
Location	30 Grosslake Pkwy Covington, GA 30016 Newton County
Distance	7.8 miles
Units	188
Vacant Units	3
Vacancy Rate	1.6%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Arbor Lakes, Wellington Ridge, Summerset
Tenant Characteristics	20% seniors, remaining are families, couples, singles
Contact Name	Alexandria
Phone	678-342-7144



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 5-10% since 2Q15
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	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)	22	795	\$825	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	22	850	\$850	\$0	Market	No	1	4.5%	N/A	None
2	2	Garden (3 stories)	54	1,119	\$945	\$0	Market	No	1	1.9%	N/A	None
2	2	Garden (3 stories)	54	1,176	\$975	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	18	1,320	\$1,025	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	18	1,365	\$1,075	\$0	Market	No	1	5.6%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$825 - \$850	\$0	\$825 - \$850	-\$13	\$812 - \$837
2BR / 2BA	\$945 - \$975	\$0	\$945 - \$975	-\$13	\$932 - \$962
3BR / 2BA	\$1,025 - \$1,075	\$0	\$1,025 - \$1,075	-\$13	\$1,012 - \$1,062

## Park At Arlington (FKA Orchard Cove Apartments), continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	In-Unit Alarm	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage	Patrol	
Ceiling Fan	Garbage Disposal	Perimeter Fencing	
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Garage	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Swimming Pool		
Tennis Court			

### Comments

The property has recently changed management and name during the last year. Due to this rental rates have increased. There are eight garage units that are rented for \$50 per month, and 16 storage units rented for \$25 per month. Lastly, the contact noted the property will continue to accept Housing Choice Vouchers but the contact could not report how many tenants currently use them. The contact could not comment on turnover rate.

## Park At Arlington (FKA Orchard Cove Apartments), continued

### Trend Report

#### Vacancy Rates

1Q15	2Q15	1Q17	2Q18
5.3%	0.0%	0.0%	1.6%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	12.5%	\$640	\$0	\$640	\$627
2015	2	0.0%	\$640	\$0	\$640	\$627
2017	1	0.0%	\$700 - \$725	\$0	\$700 - \$725	\$687 - \$712
2018	2	2.3%	\$825 - \$850	\$0	\$825 - \$850	\$812 - \$837

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$740	\$0	\$740	\$727
2015	2	0.0%	\$740	\$0	\$740	\$727
2017	1	0.0%	\$820 - \$850	\$0	\$820 - \$850	\$807 - \$837
2018	2	0.9%	\$945 - \$975	\$0	\$945 - \$975	\$932 - \$962

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	8.3%	\$875	\$0	\$875	\$862
2015	2	0.0%	\$875	\$0	\$875	\$862
2017	1	0.0%	\$925 - \$965	\$0	\$925 - \$965	\$912 - \$952
2018	2	2.8%	\$1,025 - \$1,075	\$0	\$1,025 - \$1,075	\$1,012 - \$1,062

### Trend: Comments

1Q15	This property offers eight garage units that are rented for \$75 per month, as well as 16 storage units that are rented for \$25 per month. Current utilization for the storage units is 31 percent, and current utilization for the garages is 75 percent.
2Q15	Management reported that the property is currently fully occupied and does not maintain a waiting list. There are eight garage units that are rented for \$75 per month, and 16 storage units rented for \$25 per month. Management was unable to comment on the garage and storage utilization rate at the property.
1Q17	The property is currently decommissioning all LIHTC units and is converting to a fully market rate property. As such, market rents have only been reflected in the profile. The contact reported the property maintains a short waiting list estimated to be approximately three to four households in length. There are eight garage units that are rented for \$50 per month, and 16 storage units rented for \$25 per month. Lastly, the contact noted the property will continue to accept Housing Choice Vouchers.
2Q18	The property has recently changed management and name during the last year. Due to this rental rates have increased. There are eight garage units that are rented for \$50 per month, and 16 storage units rented for \$25 per month. Lastly, the contact noted the property will continue to accept Housing Choice Vouchers but the contact could not report how many tenants currently use them. The contact could not comment on turnover rate.

Photos



# PROPERTY PROFILE REPORT

## Park View Apartments

Effective Rent Date	6/06/2018
Location	10920 Covington Bypass Road Covington, GA 30014 Newton County
Distance	2.6 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1993 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge
Tenant Characteristics	Majority families from local area; mixed tenancy
Contact Name	Ritchie
Phone	(770) 786-8500



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 week
Annual Chg. in Rent	Increased 5-10%
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	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)	10	735	\$701	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	9	880	\$731	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	46	880	\$801	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	35	1,152	\$901	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$701	\$0	\$701	-\$13	\$688
2BR / 1BA	\$731	\$0	\$731	-\$13	\$718
2BR / 2BA	\$801	\$0	\$801	-\$13	\$788
3BR / 2BA	\$901	\$0	\$901	-\$13	\$888

## Park View Apartments, continued

### Amenities

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

### Comments

The contact stated The contact stated the turnover rate was abnormally high last month. According to the contact, the property is 100 percent occupied.

## Park View Apartments, continued

### Trend Report

#### Vacancy Rates

2Q16	1Q17	2Q17	2Q18
0.0%	4.0%	4.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$575	\$0	\$575	\$562
2017	1	10.0%	\$620	\$0	\$620	\$607
2017	2	10.0%	\$620	\$0	\$620	\$607
2018	2	0.0%	\$701	\$0	\$701	\$688

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$675	\$0	\$675	\$662
2017	1	11.1%	\$700	\$0	\$700	\$687
2017	2	11.1%	\$700	\$0	\$700	\$687
2018	2	0.0%	\$731	\$0	\$731	\$718

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$695	\$0	\$695	\$682
2017	1	0.0%	\$720	\$0	\$720	\$707
2017	2	0.0%	\$720	\$0	\$720	\$707
2018	2	0.0%	\$801	\$0	\$801	\$788

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	0.0%	\$795	\$0	\$795	\$782
2017	1	5.7%	\$820	\$0	\$820	\$807
2017	2	5.7%	\$820	\$0	\$820	\$807
2018	2	0.0%	\$901	\$0	\$901	\$888

### Trend: Comments

2Q16	This property does not accept Housing Choice Vouchers. The contact indicated that there is a \$20 premium for units with upgraded appliances. Parking at this property is free and unassigned, and the contact estimated there are as many as three parking spots per unit.
1Q17	The contact stated that the three of the four vacant units are pre-leased and will be occupied by tenants soon. There is a \$30 premium for units with upgraded appliances. The property offers uncovered surface-level parking spaces for no additional charge. The contact noted that parking at the property is sufficient and there are as many as three parking spaces per unit. This property does not accept Housing Choice Vouchers.
2Q17	The contact stated that the three of the four vacant units are pre-leased and will be occupied by tenants soon. There is a \$30 premium for units with upgraded appliances. The property offers uncovered surface-level parking spaces for no additional charge. The contact noted that parking at the property is sufficient and there are as many as three parking spaces per unit.
2Q18	The contact stated The contact stated the turnover rate was abnormally high last month. According to the contact, the property is 100 percent occupied.

Photos



# PROPERTY PROFILE REPORT

## Salem Glen Apts Phase I, II, And III

Effective Rent Date	6/07/2018
Location	201 Salem Glen Way Conyers, GA 30013 Newton County
Distance	8.1 miles
Units	246
Vacant Units	4
Vacancy Rate	1.6%
Type	Garden (2 stories)
Year Built/Renovated	1990-1993 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Salem Terrace, Somerset
Tenant Characteristics	family
Contact Name	Shelly
Phone	912-232-6444



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	None reported
Concession	N/A
Waiting List	8 households

### Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
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
2	2	Garden (2 stories)	100	1,019	\$800	\$33	Market	Yes	2	2.0%	N/A	None
2	2.5	Garden (2 stories)	116	1,050	\$820	\$0	Market	Yes	2	1.7%	N/A	None
3	2	Garden (2 stories)	30	1,150	\$900	\$0	Market	Yes	0	0.0%	no	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$800	\$33	\$767	\$0	\$767
2BR / 2.5BA	\$820	\$0	\$820	\$0	\$820
3BR / 2BA	\$900	\$0	\$900	\$0	\$900

### Amenities

In-Unit	Security	Services
Carpeting	None	None
Dishwasher		
Refrigerator		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		
Playground		

Comments

The contact could not comment on turnover. This property does not accept Housing Choice Vouchers.

## Salem Glen Apts Phase I, II, And III, continued

### Trend Report

#### Vacancy Rates

3Q07	2Q09	1Q18	2Q18
20.8%	17.6%	2.0%	1.6%

### Trend: Market

#### 2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$650 - \$675	\$0	\$650 - \$675	\$650 - \$675
2018	1	1.7%	\$820	\$0	\$820	\$820
2018	2	1.7%	\$820	\$0	\$820	\$820

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$625 - \$750	\$0	\$625 - \$750	\$625 - \$750
2018	1	2.0%	\$800	\$33	\$767	\$767
2018	2	2.0%	\$800	\$33	\$767	\$767

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	3.3%	\$900	\$0	\$900	\$900
2018	2	0.0%	\$900	\$0	\$900	\$900

### Trend: Comments

3Q07	This property is phase two of three. The contact stated that there is enough affordable housing to meet the demand in this area.
2Q09	This property contains three phases. Phase II is the only LIHTC phase. Phases I and III converted from LIHTC to market rate in 2006. Management noted that Phase II will convert from LIHTC to market rate in 2011. According to management, occupancy has decreased significantly over the past six months due to the national recession. Management evicted more people in the last two months than have been evicted over the last two years. Management does not believe that there is demand for additional LIHTC housing in the area at this time.
1Q18	This property converted from LIHTC to market-rate in 2011. The property is currently running a special on the two-bedroom flats, for half off the first month of rent. No additional comments.
2Q18	The contact could not comment on turnover. This property does not accept Housing Choice Vouchers.

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

### Housing Choice Vouchers

We were unable to reach a representative of the Georgia Department of Community Affairs, but in April 2017, we spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there are currently 758 Housing Choice Vouchers in Newton County. The DCA closed the waiting list a month ago, and Ms. Dove reported that there are 913 households on the waiting list. Ms. Dove also indicated that there are no plans to open the waiting list back up in the foreseeable future. The payment standards for Newton County are listed below.

PAYMENT STANDARDS	
Unit Type	Standard
One-Bedroom	\$943
Two-Bedroom	\$1,083
Three-Bedroom	\$1,412

Georgia DCA, effective June, 2018

The Subject's proposed rents are set below the current payment standards and will be suitable for voucher holding tenants.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Alexander Crossing Apartments*	LIHTC/ Market	Family	10%
Arbor Lake Apartments	LIHTC/ Market	Family	30%
Ashley Woods Apartments*	LIHTC	Family	40%
Magnolia Heights	LIHTC	Family	10%
Orchard Grove Apartments*	LIHTC	Family	18%
Skyline Trace*	LIHTC/ Market	Family	0%
Brandon Glen Apartments	Market	Family	0%
Fieldcrest Walk	Market	Family	0%
Leaf Stone Apartments	Market	Family	0%
Orchard Cove Apartments	Market	Family	0%
Park View Apartments	Market	Family	0%
Salem Glen Apts Phase I, II, And III	Market	Family	0%

\*Located outside the PMA

As illustrated in the table, four of the LIHTC properties reported having a portion of Housing Choice Voucher tenants, while none of the market rate properties reported Housing Choice Voucher usage. The average portion of voucher tenants at the LIHTC properties is 20 percent and the overall average is just nine percent. There are currently 19 tenants at the Subject utilizing housing choice vouchers. Overall, the local market does not appear to be dependent on voucher tenants, and we anticipate the Subject would maintain less than 10 percent voucher tenants following renovations.

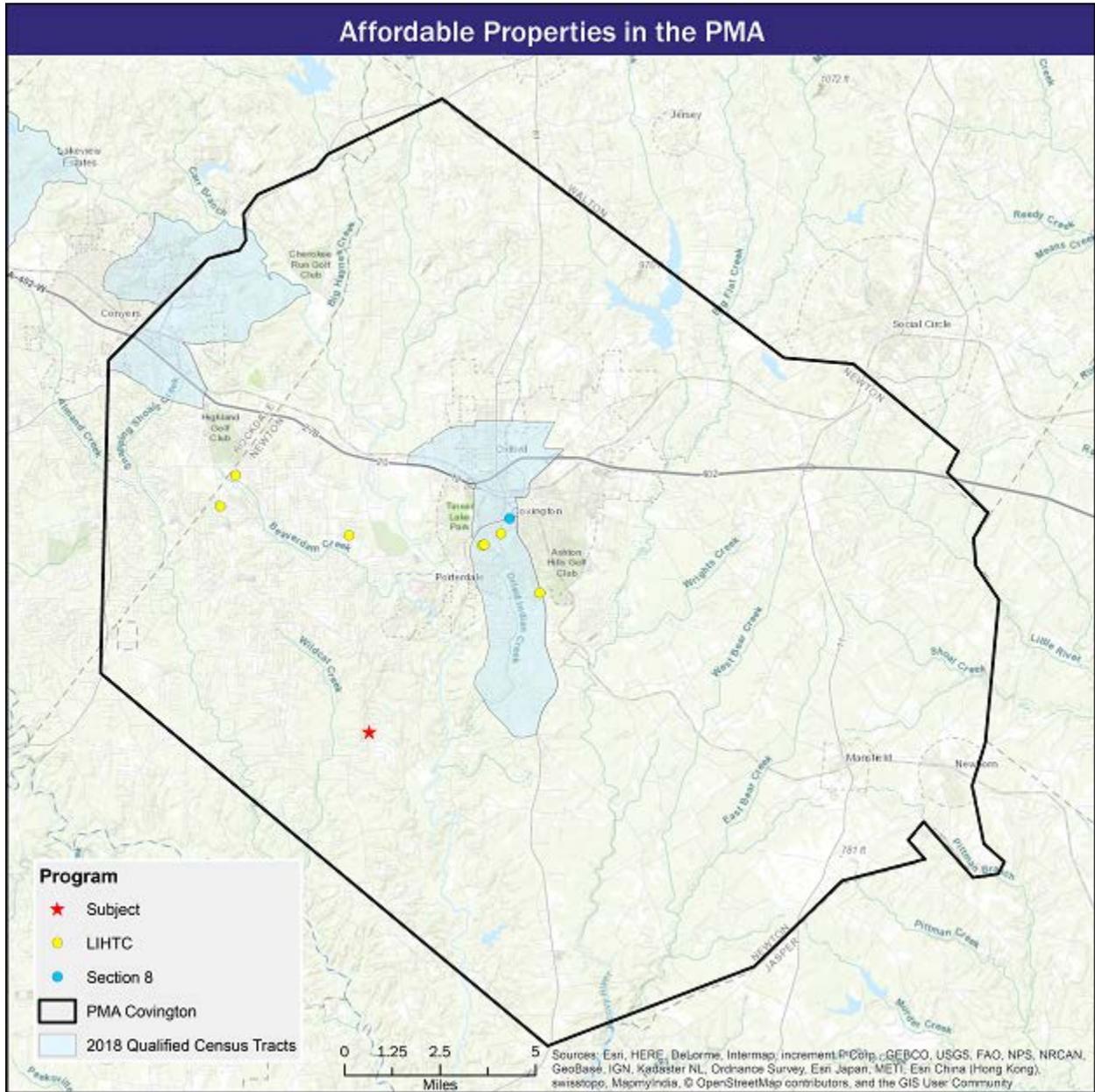
### Phased Developments

The Subject is not part of a phased development. As such, this section is not applicable.

### Rural Areas

The Subject is not located in a rural area.

### 3. Competitive Project Map



**AFFORDABLE PROPERTIES IN THE PMA**

Property Name	Tenancy	Program	# of Units	Distance from Subject	Map Color
Wellington Ridge	Family	LIHTC	220	-	Star
Covington Square	Senior	Section 8	113	1.9 miles	
The Overlook At Walkers Bend	Senior	LIHTC/Market	60	2.6 miles	
Arbor Lake Apartments	Family	LIHTC	250	5.5 miles	
Harristown Park	Senior	LIHTC	60	2.0 miles	
Magnolia Heights	Family	LIHTC	200	2.5 miles	
Village at Walkers Bend	Family	LIHTC	32	2.8 miles	

### 4. Amenities

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

UNIT MATRIX REPORT													
	Wellington Ridge	Alexander Crossing Apartments	Arbor Lake Apartments	Ashley Woods Apartments	Magnolia Heights	Orchard Grove Apartments	Skyline Trace	Brandon Glen Apartments	Fieldcrest Walk	Leaf Stone Apartments	Park At Arlington	Park View Apartments	Salem Glen Apts Phase I, II, And III
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11	12
<b>Property Information</b>													
Property Type	Garden (3 stories)	Townhouse (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)
Year Built / Renovated	2003 / Proposed	2003 / 2017	2001 / n/a	1991 / 2008	2001 / n/a	2002 / n/a	2010 / n/a	1997 / n/a	1980s / n/a	2000 / n/a	2001 / n/a	1993 / 2011	1990-1993 / n/a
Market (Conv.)/Subsidy Type	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC	LIHTC/Market	Market	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	yes	yes	no	no	no	no	no	no	no
Sewer	no	no	no	yes	yes	yes	no	no	no	no	no	no	no
Trash Collection	no	yes	no	yes	no	yes	no	yes	yes	no	yes	yes	no
<b>In-Unit Amenities</b>													
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Cable/Satellite/Internet	no	no	yes	yes	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	yes	no	yes	no	yes	yes	no	yes	yes	no	no
Ceiling Fan	no	yes	yes	yes	no	no	yes	no	no	yes	yes	yes	no
Garbage Disposal	yes	yes	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no
Microwave	yes	yes	no	no	no	no	yes	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	yes	no	no	no	no	no	yes	no	yes	no	no	no
Walk-In Closet	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no
Washer/Dryer	no	no	no	yes	no	no	no	no	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>													
Basketball Court	no	no	no	no	yes	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	yes	no	no	yes	yes	no	no	yes	no	no	no
Car Wash	yes	yes	yes	no	no	no	no	no	yes	yes	no	no	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no
Courtyard	no	no	no	no	yes	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	no
Garage	yes	no	no	no	no	no	no	no	no	yes	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	no	no	no	no	yes	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Recreation Areas	no	no	no	no	no	no	no	no	no	no	yes	no	no
Sport Court	yes	no	no	no	no	no	no	no	no	no	no	no	no
Swimming Pool	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	yes	no	no	no	no	no	yes	no	yes	no	no
Wi-Fi	no	yes	no	no	no	no	no	no	no	no	no	no	no
Garage Fee	\$30.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75.00	\$50.00	N/A	N/A
<b>Services</b>													
After-school Program	no	no	yes	no	no	no	no	no	no	no	no	no	no
Daycare	no	no	no	no	no	no	no	no	no	no	no	yes	no
<b>Security</b>													
In-Unit Alarm	yes	yes	no	no	no	no	no	no	no	no	yes	no	no
Limited Access	yes	no	yes	no	yes	no	no	no	no	no	yes	no	no
Patrol	no	yes	no	yes	yes	no	no	no	no	yes	yes	yes	no
Perimeter Fencing	no	no	no	yes	yes	no	no	no	no	no	yes	no	no
<b>Other Amenities</b>													
Other	Library	n/a	n/a	n/a	Ice-maker in units	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The Subject will offer similar to slightly inferior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly superior property amenities. The Subject does not offer a ceiling fan or vaulted ceilings, which several of the comparables include. However, the Subject will offer a business center, community room, tennis courts, or basketball courts, which several of the comparables do not include. Overall, we believe that the proposed amenities will allow the Subject to continue to effectively compete in the market.

## 5. Comparable Tenancy

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

## 6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments*	LIHTC/ Market	Family	240	4	1.7%
Arbor Lake Apartments	LIHTC/ Market	Family	250	7	2.8%
Ashley Woods Apartments*	LIHTC	Family	128	0	0.0%
Magnolia Heights	LIHTC	Family	200	5	2.5%
Orchard Grove Apartments*	LIHTC	Family	60	0	0.0%
Skyline Trace*	LIHTC/ Market	Family	64	1	1.6%
Brandon Glen Apartments	Market	Family	180	10	5.6%
Fieldcrest Walk	Market	Family	258	2	0.8%
Leaf Stone Apartments	Market	Family	232	1	0.4%
Orchard Cove Apartments	Market	Family	188	3	1.6%
Park View Apartments	Market	Family	100	0	0.0%
Salem Glen Apts Phase I, II, And III	Market	Family	246	4	1.6%
<b>Total LIHTC</b>			<b>942</b>	<b>17</b>	<b>1.8%</b>
<b>Total Market Rate</b>			<b>1,204</b>	<b>20</b>	<b>1.7%</b>
<b>Overall Total</b>			<b>2,146</b>	<b>37</b>	<b>1.7%</b>

\*Located outside the PMA

As illustrated, vacancy rates in the market range from zero to 5.6 percent, averaging 1.7 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.8 percent, with an average vacancy rate of 1.8 percent and two LIHTC properties reported no vacant units. The market rate comparables are experiencing vacancy rates ranging from zero percent to 5.6 percent with an average vacancy rate of 1.7 percent. Further, three of the LIHTC comparables report maintaining waiting lists. Two of the comparable market rate units maintain waiting lists. One comparable properties located inside of the PMA, Brandon Glen Apartments, reported a vacancy rate greater than five percent. The property manager at Brandon Glen Apartments reported that the property was formerly a LIHTC development that has recently converted to market rate, and indicated the high vacancy rate is due to tenants leaving that no longer income qualify to live at the property. Excluding this property, the market rate comparables are experiencing an average vacancy rate of 0.9 percent, and the overall average vacancy rate is 1.1 percent.

According to the rent roll dated May 22, 2018, the Subject was 99.5 percent occupied with one vacant unit. The low vacancy rate at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that maintains a short waiting list, 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 have attempted to contact the City of Covington Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. Further, we searched CoStar to identify any proposed, planned, or under construction multifamily developments within the PMA. According to CoStar, there are no proposed, planned, or under construction multifamily developments in the PMA.

### 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	Alexander Crossing Apartments	LIHTC/ Market	Family	Slightly Inferior	Slightly Superior	Slightly Superior	Similar	Superior	15
2	Arbor Lake Apartments	LIHTC/ Market	Family	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5
3	Ashley Woods Apartments	LIHTC	Family	Inferior	Slightly Superior	Similar	Slightly Inferior	Slightly Inferior	-15
4	Orchard Grove Apartments	LIHTC	Family	Inferior	Inferior	Slightly Superior	Slightly Inferior	Inferior	-30
5	Skyline Trace	LIHTC/ Market	Family	Similar	Slightly Superior	Slightly Inferior	Similar	Slightly Inferior	-5
6	Brandon Glen Apartments	Market	Family	Inferior	Similar	Inferior	Slightly Inferior	Similar	-25
7	Fieldcrest Walk	Market	Family	Inferior	Inferior	Similar	Inferior	Slightly Superior	-25
8	Leaf Stone Apartments	Market	Family	Similar	Similar	Similar	Slightly Inferior	Slightly Inferior	-10
9	Orchard Cove Apartments	Market	Family	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior	Similar	-15
10	Park View Apartments	Market	Family	Slightly Inferior	Slightly Superior	Similar	Slightly Inferior	Inferior	-15
11	Salem Glen Apts Phase I, II, And III	Market	Family	Slightly Inferior	Slightly Superior	Similar	Inferior	Superior	0

\*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 in the following table.

LIHTC RENT COMPARISON - @60%			
Property Name	1BR	2BR	3BR
Wellington Ridge (Subject) - Proposed	\$724	\$868	\$991
Wellington Ridge (Subject) - Current	\$700	\$837	\$945
<b>LIHTC Maximum (Net)</b>	<b>\$724</b>	<b>\$868</b>	<b>\$991</b>
Alexander Crossing Apartments	-	\$867	\$987
Arbor Lake Apartments	\$746	\$907	\$1,057
Ashley Woods Apartments	\$756	\$868	\$1,053
Magnolia Heights	\$532	\$559	\$722
Orchard Grove Apartments	-	\$411	\$491
Skyline Trace	\$645	\$720	\$770
<b>Average (excluding Subject)</b>	<b>\$670</b>	<b>\$722</b>	<b>\$847</b>
<b>NOVOCO's Achievable LIHTC Rent</b>	<b>\$724</b>	<b>\$868</b>	<b>\$991</b>

The Subject currently offers units restricted at 60 percent of the AMI. Post-renovation, the Subject will continue to offer units at 60 percent of the AMI.

The Subject’s proposed rents are set at the maximum allowable levels for all unit types. Three of the comparables, Alexander Crossing Apartments, Arbor Lake Apartments, and Ashley Woods Apartments, reported 60 percent AMI rents to be at the maximum allowable levels, while the remaining comparables reported rents lightly below maximum allowable levels. The Subject’s proposed 60 percent AMI rents are

within the comparable range and we believe the proposed rents are appropriately positioned at the maximum allowable levels.

Based on our similarity matrix, Alexander Crossing Apartments and Arbor Lake Apartments will be the most similar LIHTC comparables relative to the Subject. Alexander Crossing Apartments was constructed in 2003 and renovated in 2017, and exhibits similar condition relative to the Subject post-renovation. This comparable offers similar unit and common area amenities, a slightly superior location, and superior unit sizes. Arbor Lake Apartments was constructed in 2001 and exhibits slightly inferior condition relative to the Subject post-renovation. This comparable offers similar unit amenities, slightly superior common area amenities, a similar location, and slightly superior unit sizes. Overall, the Subject’s rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the relatively strong demand for affordable units in the PMA. This demand is illustrated by the 98.4 percent overall occupancy being achieved at the LIHTC comparables.

Overall, given the strong occupancy rates of the comparables and several comparables reporting achieving the maximum allowable rents at 60 percent AMI; we believe the Subject’s 60 percent rents are achievable at 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 COMPARABLE RENTS**

Unit Type	Subject Proposed Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
1BR @ 60%	\$724	\$635	\$1,055	\$801	9.7%
2BR @ 60%	\$868	\$718	\$1,337	\$911	4.8%
3BR @ 60%	\$991	\$873	\$1,437	\$1,069	7.3%

As illustrated the Subject’s proposed 60 percent rents are below the surveyed average of the comparable properties. The Subject’s proposed LIHTC rents for one, two, and three-bedroom units are within the surveyed range of comparable LIHTC and market rents.

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

Capture rates for the Subject affordable units range from 6.3 to 21.1 percent as proposed, which is considered good. If allocated, the Subject will be slightly superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is also considered excellent at 1.6 percent.

According to the DCA Program Awards Database, there have been no properties allocated tax credits in the last five years within the Subject's PMA.

## 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 PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,815	74.6%	6,738	25.4%
2017	29,038	69.0%	13,053	31.0%
Projected Mkt Entry June 2019	29,677	69.1%	13,298	30.9%
2022	30,705	69.2%	13,691	30.8%

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

As the table illustrates, renter occupied households comprise 31.0 percent of households in the PMA in 2017. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, a slightly lower percentage of renters exist in the PMA than the nation. However, the percentage of renters in the PMA is expected to experience minimal change through market entry and through 2022.

### Historical Vacancy

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

CHANGE IN VACANCY RATES										
Comparable Property	Type	Total Units	2QTR	2QTR	4QTR	2QTR	2QTR	2QTR	1QTR	2QTR
			2010	2012	2013	2014	2015	2016	2017	2018
Alexander Crossing Apartments*	LIHTC/Market	240	10.0%	N/A	1.3%	N/A	0.0%	0.0%	0.0%	1.7%
Arbor Lake Apartments	LIHTC/Market	250	5.6%	10.4%	1.2%	5.2%	5.2%	5.2%	5.2%	2.8%
Ashley Woods Apartments*	LIHTC	128	N/A	3.1%	5.5%	N/A	4.7%	0.0%	N/A	0.0%
Magnolia Heights	LIHTC	200	10.0%	N/A	6.0%	4.5%	0.0%	0.5%	2.5%	2.5%
Orchard Grove Apartments*	LIHTC	60	N/A	N/A	N/A	0.0%	0.0%	N/A	0.0%	0.0%
Skyline Trace*	LIHTC/Market	64	N/A	N/A	N/A	N/A	0.0%	N/A	3.1%	1.6%
Brandon Glen Apartments	Market	180	N/A	N/A	N/A	N/A	11.1%	5.0%	N/A	5.6%
Fieldcrest Walk	Market	258	31.0%	N/A	N/A	8.1%	N/A	N/A	N/A	0.8%
Leaf Stone Apartments	Market	232	9.8%	13.9%	9.9%	0.9%	3.9%	3.4%	2.2%	0.4%
Orchard Cove Apartments	Market	188	7.0%	N/A	9.0%	N/A	0.0%	N/A	0.0%	1.6%
Park View Apartments	Market	100	40.0%	4.0%	4.0%	1.0%	6.0%	0.0%	4.0%	0.0%
Salem Glen Apts Phase I, II, And III	Market	246	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.6%
<b>Average</b>		<b>2,146</b>	<b>16.1%</b>	<b>12.1%</b>	<b>5.9%</b>	<b>3.4%</b>	<b>1.2%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>1.4%</b>

\*Located outside the PMA

As illustrated in the previous table, historical vacancy data is very limited. However, we were not able to obtain all the historical vacancy rates for each individual year. As such, we have not provided average vacancy rates for each survey period.

According to the rent roll dated May 22, 2018, the Subject was 99.5 percent occupied with one vacant unit. According to the Subject’s developer, the Subject has operated with a total vacancy rate (including collection loss) between three and six percent over the past three years. As such, we believe the Subject will continue to operate with a physical vacancy rate of 5.0 percent or less, in line with its historical performance.

### Change in Rental Rates

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

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Alexander Crossing Apartments*	LIHTC/ Market	Family	Increased 3.5%-11%
Arbor Lake Apartments	LIHTC/ Market	Family	Increased 5-10%
Ashley Woods Apartments*	LIHTC	Family	Increased 10-15%
Magnolia Heights	LIHTC	Family	Increased 0-2%
Orchard Grove Apartments*	LIHTC	Family	Remained the same
Skyline Trace*	LIHTC/ Market	Family	Inc. 3-5% percent
Brandon Glen Apartments	Market	Family	Increased 30-40%
Fieldcrest Walk	Market	Family	Increased 3 percent
Leaf Stone Apartments	Market	Family	Increased 30-40%
Orchard Cove Apartments	Market	Family	Inc. 5-10% since 2Q15
Park View Apartments	Market	Family	Increased 5-10%
Salem Glen Apts Phase I, II, And III	Market	Family	None reported

\*Located outside the PMA

Nine of the comparables reported increases in market rents ranging from one to 40 percent, two of the comparables reported no increases. Given that the Subject’s achievable LIHTC rents are at the maximum allowable levels, rent increase will be dependent upon future AMI growth.

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

According to *RealtyTrac* statistics, one in every 2,058 housing units nationwide was in some stage of foreclosure as of June 2018. The Subject’s zip code (30014) is experiencing a foreclosure rate of one in every 4,678 homes. The city of Covington is experiencing a foreclosure rate of one in every 1,226 homes, while the state of Georgia is experiencing foreclosure rate of one in every 2,370 homes. Overall, the Subject’s zip code is experiencing a higher foreclosure rate compared to the city, state, and the nation. The Subject’s neighborhood does not appear to have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

### 12. Primary Housing Void

Three of the five affordable comparable properties and two of the market rate properties maintain waiting lists that range in length from two to three months in length. Further, three of the affordable properties reported achieving the maximum allowable rent levels. The average vacancy among the affordable comparables is 1.6 percent. The presence of waiting lists and high occupancy rates at the affordable properties indicate demand for affordable housing in the market.

Additionally, of all renter households in the PMA, 62.2 percent earn less than \$40,000 annually indicating a need for affordable housing in the immediate area. This percentage of renter households is projected to increase through projected market entry.

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

As previously noted, there are no LIHTC developments currently under construction in the PMA. Further, due to the low vacancy rate among both the affordable and market rate properties, the presence of waiting lists at three of the five affordable comparables, illustrates a strong demand for the addition of affordable housing within the market. As the Subject is an existing, 99.5 percent occupied property, it is not considered an addition to the amount of affordable housing in the market. The vacancy rate among the existing affordable comparables is good, at 1.7 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, the existence of waiting lists for affordable units, and that the Subject is an existing, 99.5 occupied, affordable 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 adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 1.8 percent, market rate vacancy is at 1.7 percent, and overall vacancy is at 1.7 percent. Three of the five affordable properties and two of the market rate properties maintain waiting lists. These factors illustrate demand for affordable housing. The Subject will offer generally similar to slightly inferior in-unit and community amenities in comparison to the LIHTC and market-rate comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

# **J. ABSORPTION AND STABILIZATION RATES**

## ABSORPTION AND STABILIZATION RATES

None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties in the PMA that have been completed since 2009. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC properties and four market rate properties that were built since 2012 and were able to provide absorption information.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Columbia Mill	LIHTC	Family	2014	100	20
Mills Creek Crossing	LIHTC	Family	2015	200	17
Henry Gardens	LIHTC	Family	2017	60	20
1760 Apartment Homes	Market	Family	2016	239	17
The Point On Scott	Market	Family	2016	250	13
The Reserve At Decatur	Market	Family	2016	298	14
Springs At McDonough	Market	Family	2017	268	17
<b>Average</b>				<b>201</b>	<b>22</b>

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 23 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 99.5 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that all of the tenants will income-qualify; however, for the purpose of the this report we have assumed only vacant units will be need to reabsorbed; as such, we have assumed one vacant unit will be need to be reabsorbed, which should take less than one month.

## **K. INTERVIEWS**

## INTERVIEWS

### Georgia Department of Community Affairs

We were unable to reach a representative of the Georgia Department of Community Affairs, but in April 2017, we spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there are currently 758 Housing Choice Vouchers in Newton County. The DCA closed the waiting list a month ago, and Ms. Dove reported that there are 913 households on the waiting list. Ms. Dove also indicated that there are no plans to open the waiting list back up in the foreseeable future. The payment standards for Newton County are listed below.

PAYMENT STANDARDS	
Unit Type	Standard
One-Bedroom	\$943
Two-Bedroom	\$1,083
Three-Bedroom	\$1,412

Georgia DCA, effective June, 2018

The Subject’s proposed rents are set below the current payment standards and will be suitable for voucher holding tenants.

### Planning

We spoke with Shena Applewhaite, the county planner for Newton County Planning Department regarding recently completed, under construction, or proposed multifamily developments in the PMA. Ms. Applewhaite informed us townhomes being constructed on South Dearing Drive. There will be 55 units, but Ms. Applewhaite could not provide an exact address or timeline of construction.

We consulted a CoStar report’s new construction listing; however, there were no planned or under construction developments in the PMA.

There have been no new LIHTC allocations within the PMA in several years. The most recent allocation in the PMA was Harristown Park, which was allocated tax credits in 2009. This property is complete and is 100 percent occupied. It has not been used as a comparable in our analysis, as it is a senior property. Given the extensive waiting list at Harristown Park, we believe there is sufficient demand for the Subject and all existing properties within the PMA.

### Newton County Office of Economic Development

According to Serra Hall, Director of Commercial Development at the Newton County Economic Development, Baxter Pharmaceutical began construction on a manufacturing plant in 2014 and production at the plant will begin in 2018. The manufacturing plant represents a \$1 billion investment and is expected to create 1,500 new full-time jobs to the area and an additional 500 more in support roles.

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

## **L. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

### Demographics

Between 2000 and 2010 total population in the PMA increased by 5.1 annually, while the MSA experienced a 2.4 percent increase. Population in the PMA is anticipated to continue to grow through 2022 at a pace generally in line with that of the MSA. The current population of the PMA is 122,388 and is expected to increase slightly to 130,219 by 2022. Renter households are concentrated in the lowest income cohorts, with 75.6 percent of renter households in the PMA are earning incomes that are less than \$50,000. The Subject will target households earning between \$24,411 and \$45,180 for its units. Overall, population growth and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

### Employment Trends

The largest industries in the PMA are healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 37.9 percent of local employment. The five largest employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. The manufacturing sector is historically volatile during periods of economic downturn, while healthcare/social assistance and educational services are typically more stable. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from February 2017 to February 2018, total employment in the MSA increased 2.6 percent, compared to a 1.6 percent increase in the nation as a whole. The unemployment rate has continued to decrease annually since 2011 to current rate 4.1 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate remains in line with that of the nation, it does appear that the economy in the MSA has fully recovered from the most recent national recession. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

### Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption*	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR @60%	70	347	0	347	20.2%	9 months	\$817	\$648	\$1,055	\$724
2BR @60%	122	579	0	579	21.1%	9 months	\$919	\$718	\$1,337	\$868
3BR @60%	28	441	0	441	6.3%	9 months	\$1,088	\$848	\$1,437	\$991
Overall	220	1,366	0	1,366	16.1%	9 months	-	-	-	-

\*Assuming 100% vacancy

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

None of the comparable properties were constructed recently. Additionally, we are unaware of any LIHTC properties in the PMA that have been completed since 2009. Therefore, we have extended our search for absorption data to the greater Atlanta metropolitan area. The properties are located within a 20 mile radius of the Subject site. The following table illustrates four LIHTC properties and four market rate properties that were built since 2012 and were able to provide absorption information.

ABSORPTION					
Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Columbia Mill	LIHTC	Family	2014	100	20
Mills Creek Crossing	LIHTC	Family	2015	200	17
Henry Gardens	LIHTC	Family	2017	60	20
1760 Apartment Homes	Market	Family	2016	239	17
The Point On Scott	Market	Family	2016	250	13
The Reserve At Decatur	Market	Family	2016	298	14
Springs At McDonough	Market	Family	2017	268	17
<b>Average</b>				<b>201</b>	<b>22</b>

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines; we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 23 units per month, which equates to an absorption period of approximately nine months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 99.5 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. At the time of this report an income audit was not available and it is likely that all of the tenants will income-qualify; however, for the purpose of the this report we have assumed only vacant units will be need to reabsorbed; as such, we have assumed one vacant unit will be need to be reabsorbed, which should take less than one month.

## Vacancy Trends

The following table illustrates the vacancy rates in the market.

<b>OVERALL VACANCY</b>					
<b>Property Name</b>	<b>Rent Structure</b>	<b>Tenancy</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Alexander Crossing Apartments*	LIHTC/ Market	Family	240	4	1.7%
Arbor Lake Apartments	LIHTC/ Market	Family	250	7	2.8%
Ashley Woods Apartments*	LIHTC	Family	128	0	0.0%
Magnolia Heights	LIHTC	Family	200	5	2.5%
Orchard Grove Apartments*	LIHTC	Family	60	0	0.0%
Skyline Trace*	LIHTC/ Market	Family	64	1	1.6%
Brandon Glen Apartments	Market	Family	180	10	5.6%
Fieldcrest Walk	Market	Family	258	2	0.8%
Leaf Stone Apartments	Market	Family	232	1	0.4%
Orchard Cove Apartments	Market	Family	188	3	1.6%
Park View Apartments	Market	Family	100	0	0.0%
Salem Glen Apts Phase I, II, And III	Market	Family	246	4	1.6%
<b>Total LIHTC</b>			<b>942</b>	<b>17</b>	<b>1.8%</b>
<b>Total Market Rate</b>			<b>1,204</b>	<b>20</b>	<b>1.7%</b>
<b>Overall Total</b>			<b>2,146</b>	<b>37</b>	<b>1.7%</b>

\*Located outside the PMA

As illustrated, vacancy rates in the market range from zero to 5.6 percent, averaging 1.7 percent. The LIHTC comparable properties have vacancy rates ranging from zero to 2.8 percent, with an average vacancy rate of 1.8 percent and two LIHTC properties reported no vacant units. The market rate comparables are experiencing vacancy rates ranging from zero percent to 5.6 percent with an average vacancy rate of 1.7 percent. Further, three of the LIHTC comparables report maintaining waiting lists. Two of the comparable market rate units maintain waiting lists. One comparable properties located inside of the PMA, Brandon Glen Apartments, reported a vacancy rate greater than five percent. The property manager at Brandon Glen Apartments reported that the property was formerly a LIHTC development that has recently converted to market rate, and indicated the high vacancy rate is due to tenants leaving that no longer income qualify to live at the property. Excluding this property, the market rate comparables are experiencing an average vacancy rate of 0.9 percent, and the overall average vacancy rate is 1.1 percent.

According to the rent roll dated May 22, 2018, the Subject was 99.5 percent occupied with one vacant unit. The low vacancy rate at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that maintains a short waiting list, 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 and employment centers. Single-family homes in the general vicinity appear to have been built in the 1950s and 1960s; however, generally exhibit fair to average condition. Post renovation, the Subject will still have slightly superior to inferior common area amenities when compared to other tax credit and market rate properties in the local market. The Subject will offer similar to slightly inferior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly superior property amenities. The Subject does not offer a ceiling fan or vaulted ceilings, which several of the comparables include. However, the Subject will offer a business center,

community room, tennis courts, or basketball courts, which several of the comparables do not include. According to rent roll dated May 22, 2018, the current occupancy rate at the Subject is 99.5 percent, and the contact at the Subject reports that the property maintains a waiting list, which is typical in the local market. As the demand analysis indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation.

## **Conclusion**

The Subject is also located in close proximity to locational amenities and employment centers. Single-family homes in the general vicinity appear to have been built in the 1950s and 1960s; however, generally exhibit fair to average condition. Post renovation, the Subject will still have slightly superior to inferior common area amenities when compared to other tax credit and market rate properties in the local market. The Subject will offer similar to slightly inferior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly superior property amenities. The Subject does not offer a ceiling fan or vaulted ceilings, which several of the comparables include. However, the Subject will offer a business center, community room, tennis courts, or basketball courts, which several of the comparables do not include. According to rent roll dated May 22, 2018, the current occupancy rate at the Subject is 99.5 percent, and the contact at the Subject reports that the property maintains a waiting list, which is typical in the local market. As the demand analysis indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units. 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 adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 1.8 percent, market rate vacancy is at 1.7 percent, and overall vacancy is at 1.7 percent. Three of the five affordable properties and two of the market rate properties maintain waiting lists. These factors illustrate demand for affordable housing. The Subject will offer generally similar to slightly inferior in-unit and community amenities in comparison to the LIHTC and market-rate comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

## **Recommendations**

We recommend the Subject as proposed.

# **M. 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  
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913-312-4615



Matt Hummel  
Manager  
Matthew.Hummel@novoco.com  
913.312.4617



Andrea Strange  
Analyst  
Andrea.Strange@novoco.com  
913.312.4619



Travis Jorgenson  
Researcher

June 19, 2018  
Date

# **N. 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.



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Matt Hummel  
Manager  
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Andrea Strange  
Analyst  
Andrea.Strange@novoco.com  
913.312.4619



Travis Jorgenson  
Researcher

June 19, 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



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject signage



View of Subject mailboxes



View of the Subject parking lot



View of management office



View of the Subject parking lot



View of central laundry



View of the library/learning center



View of clubhouse



View of management office



View of common area



View of common area



View of fitness center



View of computer area



View of community kitchen



Living room



Bedroom



Bedroom closet



Bathroom



Kitchen



Kitchen



Bedroom



Coat closet



Bedroom



Bathroom



Bedroom



Kitchen



Bathroom



Dining room



Living Room



Bedroom



View of swimming pool



View of playground



View of sports court



View of car care center



View of adjacent single-family homes



View of retail in Subject's neighborhood



View of commercial to the southeast



View of gas station to the southwest



View of retail to the south



View of retail to the south



View of John R Williams Hwy to the south



View of John R Williams Hwy to the north

**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

## MATTHEW A. HUMMEL

### I. EDUCATION

#### **Rockhurst University – Kansas City, Missouri**

Master of Business Administration - Concentration in Management and International, 2008

#### **University of Missouri-Columbia**

Bachelor of Business Administration - Finance and Banking, 2006

### II. LICENSING AND PROFESSIONAL AFFILIATION

Appraisal Institute Candidate for Designation

State of Kansas Certified General Real Estate Appraiser No. G-2959  
State of Washington Certified General Real Estate Appraiser No. 1102285  
State of California Certified General Real Estate Appraiser No. 3002505  
State of Missouri Certified General Real Estate Appraiser No. 2014030618  
State of Texas Certified General Real Estate Appraiser No. TX1380146-G  
State of South Dakota Certified General Real Estate Appraiser No. 1429CG  
State of New Mexico Certified General Real Estate Appraiser No. 03446-L  
State of Michigan Certified General Real Estate Appraiser No. 201075419  
State of Minnesota Certified General Real Estate Appraiser No. 40460257  
State of Illinois Certified General Real Estate Appraiser No. 553.002534

### III. PROFESSIONAL EXPERIENCE

Manager - Novogradac & Company LLP  
Real Estate Analyst - Novogradac & Company LLP  
Researcher - Novogradac & Company LLP  
December 2010 to Present

Investor Reporting Analyst - KeyBank Real Estate Capital  
Insurance Specialist - KeyBank Real Estate Capital  
May 2009 to December 2010

### IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute

- Basic Appraisal Principles - March 2012
- Basic Appraisal Procedures - December 2012
- Statistics, Modeling, and Finance - April 2013
- General Appraiser Market Analysis Highest and Best Use - April 2013
- National Uniform Standards of Professional Appraisal Practice - May 2013
- General Appraiser Sales Comparison Approach - June 2013
- General Appraiser Site Valuation and Cost Approach - July 2013
- General Report Writing and Case Studies - August 2013
- General Appraiser Income Approach - September 2013
- Commercial Appraisal Review - September 2013
- Expert Witness for Commercial Appraisers - October 2013
- Supervisor - Trainee Course - December 2014
- The Nuts and Bolts of Green Building - March 2015
- Even Odder - More Oddball Appraisal - March 2015
- Mortgage Fraud - April 2015
- 2014-2015 National USPAP Course - April 2015
- 2016-2017 National USPAP Course - March 2017
- Advanced Highest and Best Use - November 2017

**V. REAL ESTATE ASSIGNMENTS**

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

- Prepared and managed market studies and appraisals 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.
- Prepared and managed Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments
- 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 throughout the United States.
- Performed and managed 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/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

**VI. SPEAKING ENGAGEMENTS**

- Novogradac LIHTC 101 Workshop
- Mississippi Housing Corporation Panel Speaker
- Indiana Housing Corporation Panel Speaker
- Washington Housing Conference Panel Speaker

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## ANDREA M. STRANGE

### I. EDUCATION

University of Missouri-Kansas City – Kansas City, Missouri  
*Bachelor of Arts – Communications, 2012*

### II. PROFESSIONAL EXPERIENCE

Real Estate Analyst – Novogradac & Company LLP  
*December 2015 to Present*

Researcher – Novogradac & Company LLP  
*February 2014 to December 2015*

Public Relations Coordinator – Sullivan Higdon & Sink  
*September 2012 to February 2014*

### 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, 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 site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and assisted in 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/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.
- 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 throughout the United States.
- Conducted more than 40 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Travis Jorgenson

### I. Education

Georgia Institute of Technology- Atlanta, GA  
Bachelors of Business Administration and Management, General Management

### II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2017 – Present  
Claims Analyst, Zelis Healthcare, May 2017-July 2017  
Automotive Research Intern, Hearst Autos, October 2016-May 2017

### III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

**ADDENDUM D**  
Summary Matrix

## Summary Table:

(must be completed by the analyst and included in the executive summary)

Development Name:	<b>Wellington Ridge</b>	Total # Units:	220
Location:	9145 Wellington Drive Covington, GA 30014	# LIHTC Units:	220
PMA Boundary: North: Newton County/Walton County Line; South: Highway 212; East: Newton County/Morgan County Line; West: McDonough Highway			
Farthest Boundary Distance to Subject:			10.8 miles

### Rental Housing Stock (found on page 48)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	17	2,520	82	96.7%
Market-Rate Housing	9	1,489	45	97.0%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	1	113	1	99.1%
LIHTC	8	1,138	29	97.5%
Stabilized Comps	17	2,520	82	96.7%
Properties in Construction & Lease Up	0	0	0	N/Ap

\*Only includes properties in PMA

Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
70	1BR at 60% AMI	1	784	\$724	\$817	\$1.04	13%	\$1,055	\$1.51
122	2BR at 60% AMI	2	1,182	\$868	\$919	\$0.78	6%	\$1,337	\$1.41
28	3BR at 60% AMI	2	1,394	\$991	\$1,088	\$0.78	10%	\$1,437	\$1.31

### Demographic Data (found on page 36)

	2010		2017		June 2019	
Renter Households	10,667	27.21%	13,053	25.34%	13,298	24.82%
Income-Qualified Renter HHs (LIHTC)	2,505	23.48%	3,065	23.48%	3,122	23.48%

### Targeted Income-Qualified Renter Household Demand (found on pages 46 to 54)

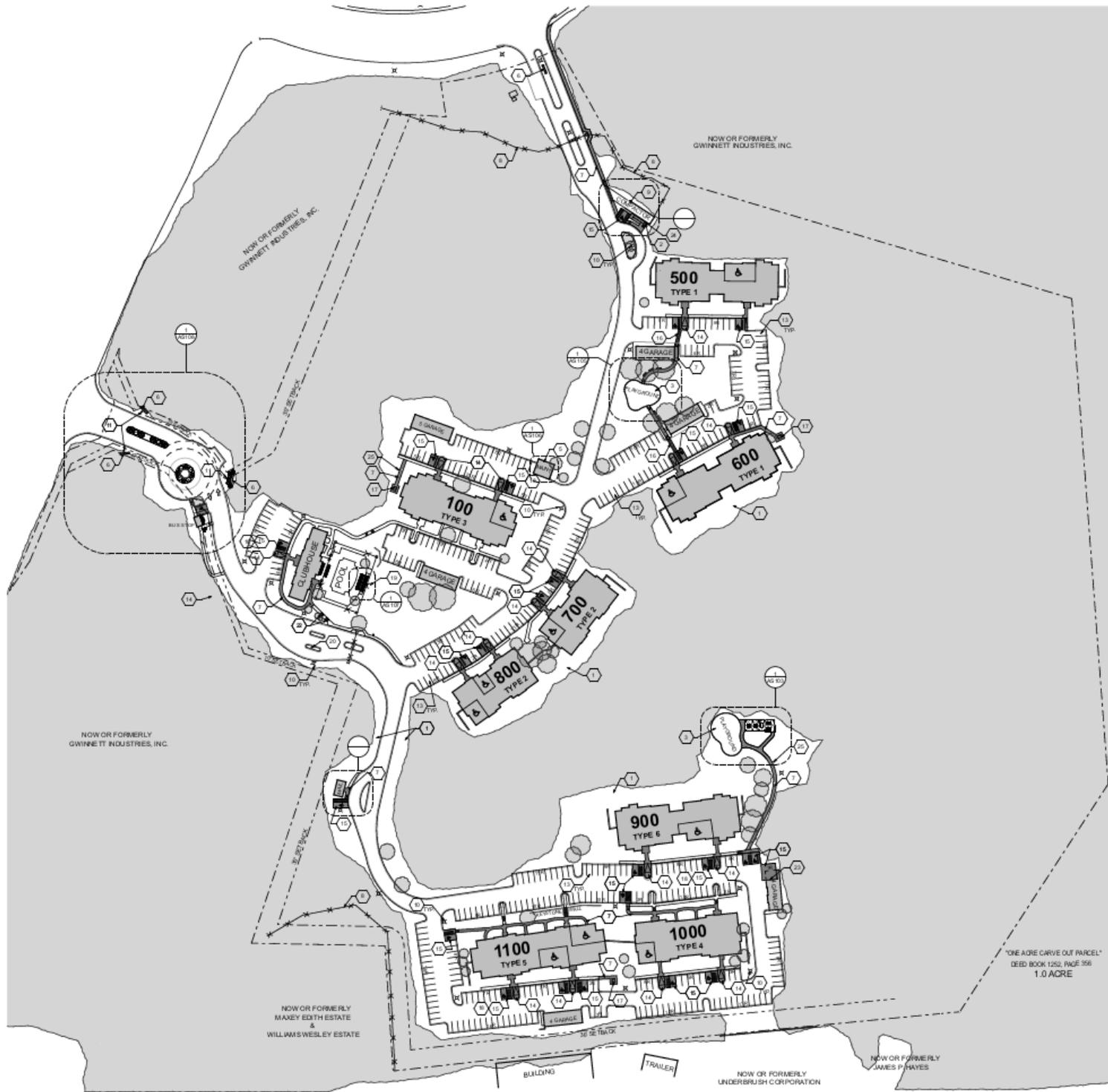
Type of Demand	@60%	0%	0%	Market-rate	Other: __	Overall*
Renter Household Growth	34	0	0	0	-	34
Existing Households (Overburdened + Substandard)	1,332	0	0	0	-	1,332
Homeowner conversion (Seniors)	0	N/A	N/A	N/A	-	0
<b>Total Primary Market Demand</b>	<b>1,366</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1366</b>
Less Comparable/Competitive Supply	0	0	0	0	-	0
<b>Adjusted Income-qualified Renter HHs**</b>	<b>1,366</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>1,366</b>

### Capture Rates (found on page 59)

Targeted Population	@60%	0%	0%	Market-rate	Other: __	Overall
<b>Capture Rate:</b>	<b>16.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.10%</b>

\*Includes LIHTC and unrestricted (when applicable)

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



NOW OR FORMERLY  
GWINNETT INDUSTRIES, INC.

NOW OR FORMERLY  
GWINNETT INDUSTRIES, INC.

NOW OR FORMERLY  
GWINNETT INDUSTRIES, INC.

NOW OR FORMERLY  
MAXEY EDITH ESTATE  
&  
WILLIAMS WESLEY ESTATE

NOW OR FORMERLY  
UNDERBRUSH CORPORATION

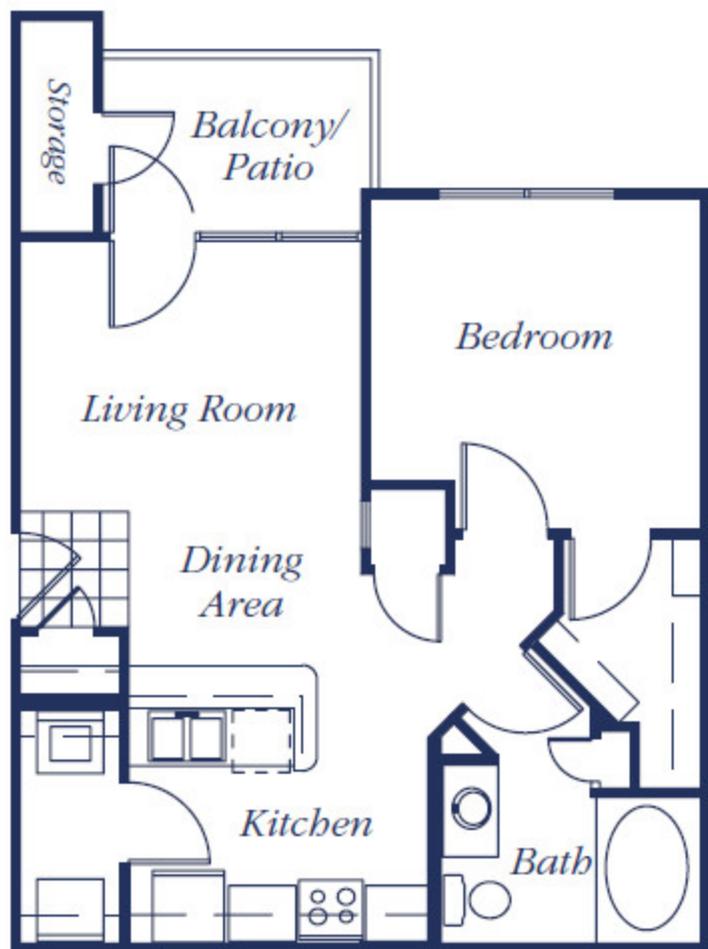
NOW OR FORMERLY  
JAMES P. HAYES

"ONE ACRE CARVE OUT PARCEL"  
DEED BOOK 1252, PAGE 358  
1.0 ACRE

BUILDING  
TRAILER

# THE MAPLESHIRE

*One Bedroom & One Bath*  
651 Approximate Square Footage



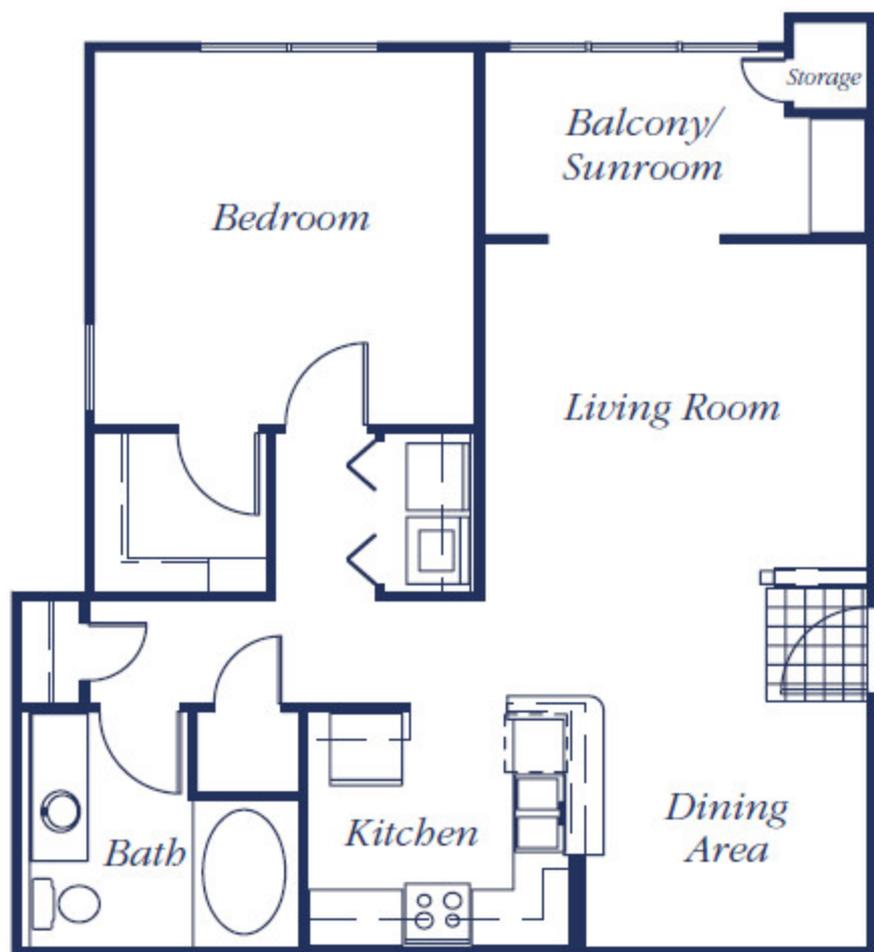
# THE LANDSBURY

*One Bedroom & One Bath*

835 Approximate Square Footage

*Sunroom Option*

902 Approximate Square Footage



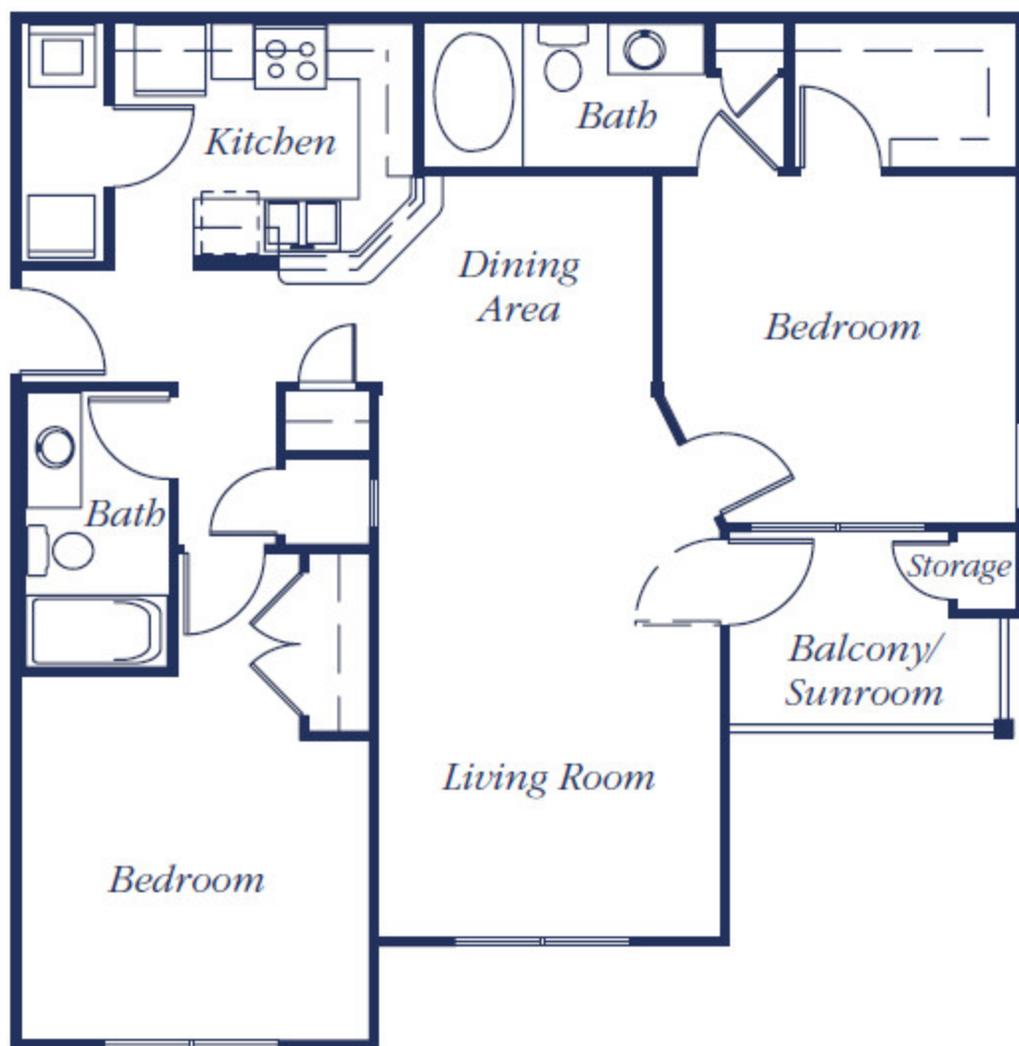
# THE BRADFORD

*Two Bedrooms & Two Baths*

1050 Approximate Square Footage

*Sunroom Option*

1163 Approximate Square Footage



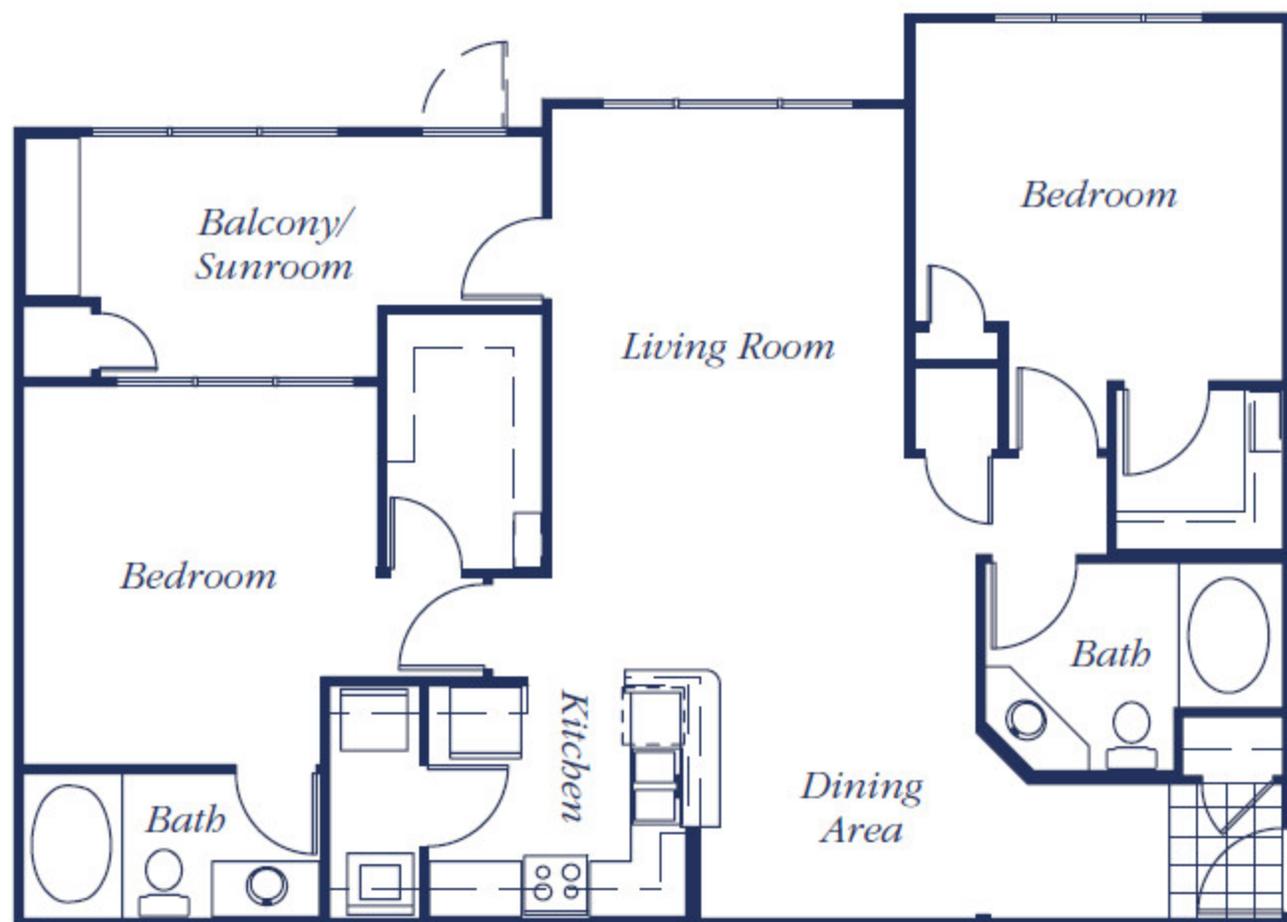
# THE HAWTHORNE

*Two Bedrooms & Two Baths*

1199 Approximate Square Footage

*Sunroom Option*

1316 Approximate Square Footage



# THE WELLINGTON

*Three Bedrooms & Two Baths*  
1353 Approximate Square Footage

*Sunroom Option*  
1424 Approximate Square Footage

