



**NOVOGRADAC
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A MARKET STUDY OF:

LINWOOD

APARTMENTS

A MARKET STUDY OF:

LINWOOD APARTMENTS

392 Linwood Drive
Gainesville, Hall County, Georgia 30501

Inspection Date: January 4, 2018
Effective Date: August 7, 2018
Report Date: October 25, 2018

Prepared for:
Michael Volz
Project Manager
Vitus
1700 Seventh Avenue, Suite 2000
Seattle, WA 98101

Assignment Code: 10164696

Prepared by:
Novogradac & Company LLP
6700 Antioch Road, Suite 450
Merriam, KS 66204
913-677-4600



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October 25, 2018

Michael Volz
Project Manager
Vitus
1700 Seventh Avenue, Suite 2000
Seattle, WA 98101

Re: Market Study for Linwood Apartments, located in Gainesville, Hall County, Georgia

Dear Mr. Volz:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Gainesville, Hall County, Georgia area relative to the above-referenced Section 8/Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the feasibility of the LIHTC acquisition/rehabilitation of Linwood Apartments (Subject), an existing 100-unit Section 8 multifamily development. The Subject offers one and two-bedroom units to the general population, and 84 units benefit from Section 8 rental assistance, which is expected to remain post-renovation. The remaining 16 units are former Section 236 units and are currently unrestricted. The developer plans to select the income-averaging set-aside, and following renovation, all 100 units will be restricted to households earning 40, 60, or 80 percent of the Area Median Income (AMI), or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Georgia Department of Community Affairs (DCA), including the following:

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

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

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client.

NOVOGRADAC & COMPANY LLP

P 913.677.4600

F 913.677.4601

W www.novoco.com

OFFICE 6700 Antioch Road, Suite 450
Merriam, Kan. 66204

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



Rachel Denton, MAI
Partner



Sara Nachbar
Senior Analyst
Sara.Nachbar@novoco.com
913.312.4616



Brian Neukam
Manager

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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Linwood Apartments (Subject) will be a renovated multifamily property located in Gainesville, Hall County, Georgia, which consists of 30 one-bedroom units and 70 two-bedroom units contained in six two and three-story low-rise residential buildings. The Subject currently benefits from Project-Based Section 8 rent subsidies (HAP Contract GA060012164) that cover 84 of the Subject’s 100 units. The remaining units are former Section 236 units and are currently unrestricted, with rents held artificially low. According to the HAP contract supplied by management, the current HAP contract went into effect on April 1, 2015 for a 20-year term, expiring in March 31, 2035. The most recent HAP contract rent increase was April 1, 2017. Additionally, the developer is proposing to renovate with LIHTC equity in 2019.

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

PROPOSED RENTS										
Unit Type	Unit Size (SF)	Number of Units	Asking LIHTC Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	Current Contract Rents	Proposed Contract Rents (2)	2018 HUD Fair Market Rents	
<i>@40%/Section 8</i>										
1BR/1BA	645	11	\$377	\$105	\$482	\$482	\$645	\$885	\$725	
2BR/1BA	865	25	\$447	\$131	\$578	\$578	\$689	\$1,005	\$847	
<i>@60%/Section 8</i>										
1BR/1BA	645	8	\$618	\$105	\$723	\$723	\$645	\$885	\$725	
2BR/1BA	865	19	\$736	\$131	\$867	\$867	\$689	\$1,005	\$847	
<i>@80%/Section 8</i>										
2BR/1BA	865	21	\$1,025	\$131	\$1,156	\$1,156	\$689	\$1,005	\$847	
<i>@80%</i>										
1BR/1BA	645	11	\$885	\$46	\$931	\$964	-	-	\$725	
2BR/1BA	865	4	\$1,005	\$58	\$1,063	\$1,156	-	-	\$847	
<i>Non-Rental</i>										
2BR/1BA	865	1	-	-	-	-	-	-	-	
		100								

Notes (1) Source of Utility Allowance provided by the HAP Contract/Rent Schedule dated 4/1/2017 for Section 8 units and by the Georgia DCA North Region schedule dated 1/1/2018 for the non-subsidized units.

(2) Based on RCS conclusions

Of the Subject’s 100 units, 84 will continue to operate with a Section 8 project-based subsidy, while the remaining 16 units will operate as LIHTC only. Tenants in 84 units will pay 30 percent of their income toward rent, not to exceed the LIHTC rent limits. Overall, the Subject will be similar to the LIHTC comparables in terms of age/condition. The Subject will be generally inferior to the competition in terms of unit sizes and amenities. The Subject offers a similar location relative to the LIHTC comparables. Nonetheless, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place.

According to information provided by the developer, the Subject’s scope of renovation will include, but will not be limited to: mold abatement, concrete replacement, masonry repairs and cleaning, new metal stairs and railings, vinyl siding replacement and exterior woodwork replacement, new roofing, new gutters and downspouts, new doors, drywall replacement, new windows, new appliances, new cabinets and countertops, updated lighting and window treatments, paint, new HVAC units and water heaters, new flooring, new plumbing and fixtures, new thermostats and smoke detectors, ADA compliance updates, new dumpster enclosures, new fencing and retaining walls, new signage and mail kiosk, landscaping, erosion repair, and community

building/laundry room/playground updates. The total renovation hard costs are estimated to be \$4,942,787, or approximately \$49,428 per unit. Based on the information from the developer, renovations will occur with limited tenant displacement.

2. Site Description/Evaluation

The Subject site is located on Linwood Drive. The Subject site has average visibility, views, and accessibility from neighborhood thoroughfares. Immediate surrounding uses include wooded area, multifamily, recreational uses, retail and commercial uses, and a place of worship. The Subject site is considered “Car-Dependent” by *WalkScore* with a rating of 14 out of 100, but is located adjacent to a bus stop. Total crime risk indices in the Subject’s PMA are slightly above that of the nation and the MSA, while personal crime indices in the PMA and MSA are below that of the nation. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average condition, and the site is within reasonable proximity to locational amenities, which are within 3.0 miles of the Subject site.

3. Market Area Definition

The Primary Market Area (PMA) is defined as the southeast and central portions of Hall County, which generally includes the city of Gainesville, as well other surrounding rural areas of central Hall County. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	6.5 miles
East:	11.3 miles
South:	13.1 miles
West:	6.1 miles

The PMA is generally defined as Lake Lanier to the northwest, North Oconee River to the northeast, the Hall-Jackson county line to the southeast, and Highway 53 and Lake Lanier to the southwest. This area was defined based on interviews with local market, including property managers at comparable properties and the Subject’s property manager. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 13.1 miles. The secondary market area (SMA) for the Subject is the Gainesville, Georgia Metropolitan Statistical Area, which is comprised solely of Hall County.

4. Community Demographic Data

Between 2000 and 2010 there was an approximate 2.4 percent annual increase in the PMA and 2.9 percent annual increase in the MSA, both of which outpaced the national growth. Population in the PMA is anticipated to continue to grow through market entry and 2022 at a pace of 1.2 percent annually, which is faster than national growth, but slightly lower than the growth projected in the MSA. Overall, sustained population growth in the PMA and MSA is a positive indication of continued demand for the Subject. Renter households are concentrated in the lowest income cohorts, with 47.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$46,240, with subsidy. Units at the 80 percent AMI level operating without subsidy will target households earning \$32,743 to \$46,240. Overall, the Subject should be well positioned to service this market, and the data shows significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 1,758 housing units nationwide was in some stage of foreclosure as of June 2018. The Subject’s zip code (30501) is experiencing a foreclosure rate of one in every 5,048 homes. Further, the city of Gainesville is experiencing a foreclosure rate of one in every 3,228 homes. Hall County is experiencing a foreclosure rate of one in every 2,475 homes. The state of Georgia is experiencing a foreclosure rate of one in every 1,817 homes. Overall, the Subject’s zip code is experiencing a

very low foreclosure rate compared to the county, city, state, and nation. The Subject’s neighborhood does not appear to have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

5. Economic Data

The largest industries in the PMA are the healthcare, educational services, processing/manufacturing, and government sectors. Positions in these industries account for 55.3 percent of all jobs in the area. The four largest employers in the area are Northeast Georgia Medical Center, Hall County School System, Fieldale Farms Corporation, and Hall County Government. The educational services and healthcare sectors are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2002 through 2018 year-to-date, with the exception of 2009 and 2010 during the national recession. In addition, from June 2017 to June 2018, total employment in the MSA increased 5.4 percent, compared to a 1.5 percent increase in the nation as a whole. The unemployment rate in the MSA has decreased annually since 2011 and is 80 basis points lower than the national average as of June 2018. Total employment in the MSA surpassed pre-recession levels in 2015, while the nation recovered in 2014. As such, the economy has stabilized and is in an expansionary phase.

6. Project-Specific Affordability and Demand Analysis

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

Of the Subject’s 100 units, 84 will benefit from Section 8 rental assistance, while the remaining units are former Section 236 units. According to the income audit provided by the client, 87 current residents will continue to income-qualify post-renovation. These units are presumed leasable, and only 13 units (vacant or needing an income-qualified tenant) have been accounted for in our capture rate analysis.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed/ Vacant	Total Demand	Supply	Net Demand	Capture Rate	Absorption
1BR at 80% AMI	\$32,743	\$41,120	12	312	0	312	3.8%	1-2 months
1BR Overall	\$32,743	\$41,120	12	312	0	312	3.8%	1-2 months
2BR at 80% AMI	\$37,269	\$46,240	1	237	0	237	0.4%	1-2 months
2BR Overall	\$37,269	\$46,240	1	237	0	237	0.4%	1-2 months
80% AMI Overall	\$32,743	\$46,240	13	549	0	549	2.4%	1-2 months
Overall	\$32,743	\$46,240	13	549	0	549	2.4%	1-2 months

We believe the calculated capture rate is excellent, and is well below the DCA threshold of 30 percent.

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 11 “true” comparable properties containing 2,408 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

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

Finally, it is of note that 84 of the Subject’s 100 units currently benefit from a Housing Assistance Program (HAP) contract, while the remaining units operate as former Section 236 units, which are currently unrestricted. As such, qualifying tenants for 84 units will pay only 30 percent of their household income on rent. The comparable affordable properties are located between 0.4 and 4.2 miles from the Subject.

The availability of market rate data is considered good. The Subject is located in Gainesville, and there are multiple comparable market rate properties in the area. We have included six conventional market rate properties in our analysis of the competitive market. The market rate properties are located in the PMA, between 0.4 and 2.0 miles from the Subject. The comparables were built or last renovated between 2000 and 2016. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on condition, design or tenancy.

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

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

SUBJECT COMPARISON TO SURVEYED RENTS

Unit Type	Subject 80% AMI Rent*	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
1BR	\$885	\$650	\$1,233	\$917	3%
2BR	\$1,005	\$535	\$1,270	\$990	-2%

*80% AMI rent proposed for units without subsidy

As illustrated the Subject’s proposed 80 percent AMI rents are below the surveyed average of the comparable properties. Overall, we believe that the Subject’s proposed rents are achievable in the market, and the two-bedroom rents will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

Due to the development timing of multifamily properties targeting the general population in Gainesville, none of the comparables were able to report recent absorption data. However, we were able to get absorption data from an age-restricted LIHTC property in Gainesville that opened in 2015. Myrtle Terraces reported an absorption pace of approximately 16 units per month, for a total absorption period of five to six months.

With subsidy for 84 units, and only 13 units needing to be re-leased following renovations, as well as the presence of a waiting list, we expect an absorption period of one to two months.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is continued demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.8 percent. Further, four of the five affordable properties maintain a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally inferior amenities in comparison to the LIHTC and market rate comparable properties. Overall, we believe that the proposed amenities, though inferior, will allow the Subject to effectively compete in the LIHTC market, given the low vacancy levels, waiting lists, and subsidies in place that will remain post-renovation. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar in terms of condition to the majority of the comparable properties. The Subject's unit sizes are inferior to the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated good condition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed, despite some slightly inferior attributes. We believe that it will continue to perform well and will not negatively impact the existing or proposed affordable rental units in the market.

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		Linwood Apartments						Total # Units:		100
Location:		392 Linwood Drive Gainesville, Hall County, Georgia 30501						# LIHTC Units:		100
PMA Boundary:		Northwest: Lake Lanier; Northeast: North Oconee River; Southeast: Hall-Jackson County line; Southwest: Lake Lanier								
								Farthest Boundary Distance to Subject:		13.1
Rental Housing Stock (found on pages 22, 47, 107)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	48	7,369	298	96.0%						
Market-Rate Housing	37	6,076	292	95.2%						
Assisted/Subsidized Housing not to include LIHTC	4	375	0	100.0%						
LIHTC	7	918	6	98.8%						
Stabilized Comps	46	7,461	298	96.0%						
Properties in Construction & Lease Up	2	426	426	0.0%						
*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	
11	1BR at 40%/Sec 8	1	645	\$377	\$966	\$1.24	61%	\$1,070	\$1.20	
25	2BR at 40%/Sec 8	1	865	\$447	\$1,079	\$0.99	59%	\$1,270	\$1.01	
8	1BR at 60%/Sec 8	1	645	\$618	\$966	\$1.24	36%	\$1,070	\$1.20	
19	2BR at 60%/Sec 8	1	865	\$736	\$1,079	\$0.99	32%	\$1,270	\$1.01	
11	1BR at 80% AMI	1	645	\$885	\$966	\$1.24	8%	\$1,070	\$1.20	
4	2BR at 80% AMI	1	865	\$1,005	\$1,079	\$0.99	7%	\$1,270	\$1.01	
21	2BR at 80%/Sec 8	1	865	\$1,025	\$1,079	\$0.99	5%	\$1,270	\$1.01	
1	2BR Non-Rental	1	865	\$0	-	-	-	-	-	
Demographic Data (found on pages 49)										
		2010			2017			Nov-19		
Renter Households		11,012	43.6%	13,095	47.8%	13,518	48.0%			
Income-Qualified Renter HHS (LIHTC)		1,707	15.5%	2,030	15.5%	2,024	15.5%			
Targeted Income-Qualified Renter Household Demand (found on pages 53-54)										
Type of Demand		30%	50%	60%	Market-rate	Other: 80%	Overall			
Renter Household Growth		N/Ap	N/Ap	N/Ap	N/Ap	56	56			
Existing Households (Overburdened + Substandard)		N/Ap	N/Ap	N/Ap	N/Ap	949	949			
Homeowner conversion (Seniors)		N/Ap	N/Ap	N/Ap	N/Ap	0	0			
Total Primary Market Demand		N/Ap	N/Ap	N/Ap	N/Ap	1,006	1,006			
Less Comparable/Competitive Supply		N/Ap	N/Ap	N/Ap	N/Ap	0	0			
Adjusted Income-qualified Renter HHS**		N/Ap	N/Ap	N/Ap	N/Ap	1,006	1,006			
Capture Rates (found on page 56)										
Targeted Population		30%	50%	60%	Market-rate	Other: 80%	Overall			
Capture Rate:		N/Ap	N/Ap	N/Ap	N/Ap	2.40%	2.40%			

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- | | |
|---|--|
| 1. Project Address and Development Location: | The Subject is located at 392 Linwood Drive, Gainesville, Hall County, Georgia 30501. |
| 2. Construction Type: | The Subject consists of 30 one-bedroom units and 70 two-bedroom units contained in six two and three-story low-rise residential buildings constructed in 1974. In addition, the property includes a one-story ancillary building that houses the leasing office, central laundry, and maintenance storage. |
| 3. Occupancy Type: | Family. |
| 4. Special Population Target: | None. |
| 5. Number of Units by Bedroom Type and AMI Level: | See following property profile. |
| 6. Unit Size, Number of Bedrooms and Structure Type: | See following property profile. |
| 7. Rents and Utility Allowances: | See following property profile. |
| 8. Existing or Proposed Project-Based Rental Assistance: | Currently, the Subject operates as a Section 8 development. Of the 100 units at the property, 84 are subject to Section 8 restrictions. Following renovations, these 84 rental units will continue to benefit from the HAP contract (Section 8 Contract No. GA06L000028), which went into effect on April 1, 2015 for a 20-year term, expiring March 31, 2035. The most recent contract rent increase was April 1, 2017. |
| 9. Proposed Development Amenities: | See following property profile. |

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

Property Profile Report												
Linwood Apartments												
Comp #	Subject											
Effective Rent Date	8/7/2018											
Location	392 Linwood Dr Gainesville, GA 30501											
Distance	n/a											
Units	100											
Vacant Units	1											
Vacancy Rate	99.0%											
Type	Garden (2 stories)											
Year Built / Renovated	1974 / Proposed											
Major Competitors	None identified											
Tenant Characteristics	Mixed tenancy											
Market												
Program	@40% @60%, @80% (Section 8)			Leasing Pace	Pre-leased - 2 weeks							
Annual Turnover Rate	N/A			Change in Rent (Past Year)	N/A							
Units/Month Absorbed	n/a			Concession	None							
Section 8 Tenants	0%											
Utilities												
A/C	not included – central			Other Electric	not included							
Cooking	not included – gas			Water	included							
Water Heat	not included – gas			Sewer	included							
Heat	not included – gas			Trash Collection	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 (2 stories)	11	645	\$377	\$0	@40% (Section 8)	Yes	0	0.0%	yes	
1	1	Garden (2 stories)	8	645	\$618	\$0	@60% (Section 8)	Yes	0	0.0%	yes	
1	1	Garden (2 stories)	11	645	\$885	\$0	@80%	Yes	0	0.0%	no	
2	1	Garden (2 stories)	25	865	\$447	\$0	@40% (Section 8)	Yes	0	0.0%	yes	
2	1	Garden (2 stories)	19	865	\$1,005	\$0	@60% (Section 8)	Yes	0	0.0%	no	
2	1	Garden (2 stories)	4	865	\$1,005	\$0	@80%	Yes	0	0.0%	no	
2	1	Garden (2 stories)	21	865	\$1,025	\$0	@80% (Section 8)	Yes	0	0.0%	yes	
2	1	Garden (2 stories)	1	865	\$0	\$0	Non-Rental	Yes	0	0.0%	yes	
Amenities												
In-Unit	Blinds Carpeting Central A/C Coat Closet Ceiling Fan Oven Refrigerator			Security				Patrol				
Property	Basketball Court Central Laundry Off-Street Parking On-Site Management Picnic Area Playground			Premium				none				
Services	none			Other				none				
Comments												
The property is proposed for LIHTC renovation. A total of 84 units benefit from Section 8 rental assistance, which will continue following renovations. The remaining units are former Section 236 units and will operate as LIHTC only. Current contract rents are \$645 (1BR) and \$689 (2BR).												

10. Scope of Renovations:

According to information provided by the developer, the Subject’s scope of renovation will include, but will not be limited to: mold abatement, concrete replacement, masonry repairs and cleaning, new metal stairs and railings, vinyl siding replacement and exterior woodwork replacement, new roofing, new gutters and downspouts, new doors, drywall replacement, new windows, new appliances, new cabinets and countertops, updated lighting and window treatments, paint, new HVAC units and water heaters, new flooring, new plumbing and fixtures, new thermostats and smoke detectors, ADA compliance updates, new dumpster enclosures, new fencing and retaining walls, new signage and mail kiosk, landscaping, erosion repair, and community building/laundry room/playground updates. The total renovation hard costs are estimated to be \$4,942,787, or approximately \$49,428 per unit. Based on the information from the developer, renovations will occur with limited tenant displacement.

11. Current Rents:

The current rents at the Subject are based on 30 percent of resident incomes for 84 units, as the Subject operates with Section 8 rental assistance. The remaining 16 units are former Section 236 units and are currently unrestricted. The following table illustrates the Subject’s current rents and unit mix detailed on the rent roll provided, dated July 31, 2018.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent (1)	Current Asking Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8</i>							
1BR/1BA	645	19	\$645	-	\$0	\$530	\$188
2BR/1BA	865	65	\$689	-	\$0	\$521	\$93
<i>Non-Section 8 (Former Section 236)</i>							
1BR/1BA	645	11	-	\$325	\$0	\$745	\$353
2BR/1BA	865	5	-	\$425	\$400	\$602	\$460
Total		100					

Notes (1) Rent Schedule effective 4/1/2017

12. Current Occupancy:

As of July 31, 2018 Subject is 99.0 percent occupied and maintains a waiting list of 40 households. According to the financial statements from 2016 and 2017, the Subject has operated with an economic vacancy and collection loss of 1.4 to 5.2 percent. Additional historical financial information was not available.

13. Current Tenant Income:

Most of the current tenants at the Subject have incomes that would be too low to income-qualify for the Subject without its current Section 8 contract, as 84 units benefit from Section 8 rental assistance. The majority of the current residents have incomes of less than \$15,000.

14. Placed in Service Date:

The Subject was originally constructed in 1974. The rehabilitation of the Subject is expected to begin in November 2018 and be completed in November 2019. For the purposes of this report, we have estimated a placed in service date of November 1, 2019.

Conclusion:

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

C. SITE EVALUATION

PROJECT DESCRIPTION

1. Date of Site Visit and Name of Inspector:

Brian Neukam inspected the site on January 4, 2018.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

The Subject site has frontage along north side of Linwood Drive. An aerial photograph of the Subject site is below.

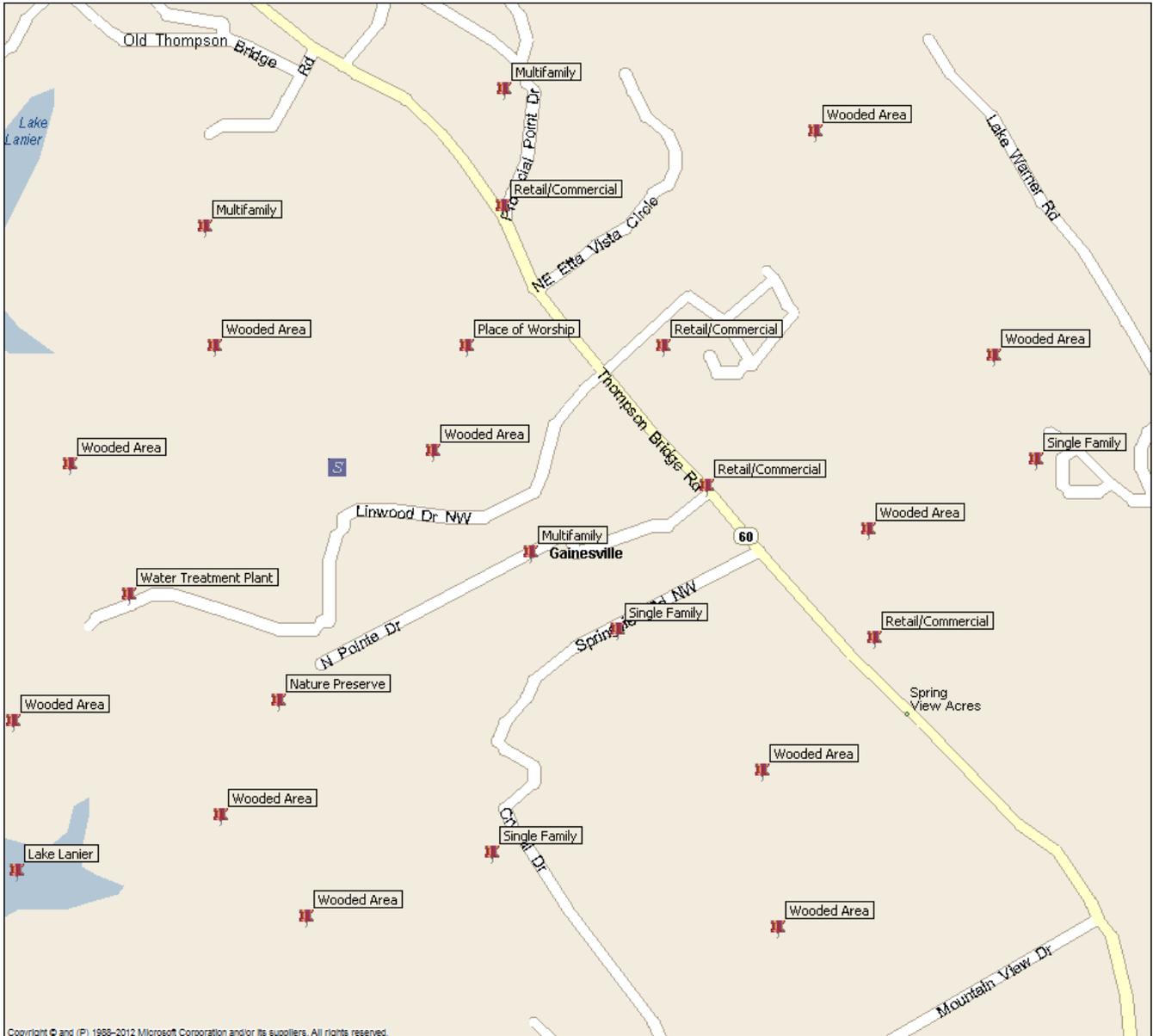


Visibility/Views:

Views in all directions from the Subject consist of densely wooded areas. In addition, views to the south of the Subject include the Linwood Nature Preserve, a 29-acre nature preserve with nature trails, gardens, and a wildlife sanctuary. Overall, views and visibility are average.

Surrounding Uses:

The following map illustrates the surrounding land uses.



The Subject is located in a mixed-use neighborhood in the northern portion of Gainesville. It consists of undeveloped wooded land, several multifamily residences, and commercial, retail, and public uses, as well as scattered single-family homes. Land use adjacent to the north is Lakewood Baptist Church, and to the northwest is Edgewater on Lanier, a comparable property consisting of 180 market rate units in good condition. Land use to the west of the Subject includes the Linwood Water Treatment Plant. Adjacent to the south of the Subject is Linwood Nature Preserve, a 29-acre nature preserve with nature trails, gardens, and a wildlife sanctuary. To the east of the Subject is Byrd's Mini Storage in average condition and North Pointe Apartments, a LIHTC property consisting of 106 units in average condition. We have also utilized North Pointe Apartments in

our analysis as a comparable. Overall, the majority of surrounding land uses are in average or good condition.

Retail/commercial occupancy appeared to be 85 to 90 percent occupied at the time of our inspection. Overall, surrounding land uses are considered compatible with the Subject’s current multifamily use. The Subject site is considered “Car-Dependent” by *WalkScore* with a rating of 14 out of 100, but is located adjacent to a bus stop. The Subject site is considered to be in a desirable location for rental housing. The uses surrounding the Subject are in average condition, and the site is within reasonable proximity to locational amenities, which are within 3.0 miles of the Subject.

Positive/Negative Attributes of Site:

The Subject is located within 250 feet of a water treatment facility; however, the Subject is currently 91.0 percent occupied, as such, it appears that the Subject is not affected negatively by this attribute. The Subject is located within two miles from a variety of amenities, including public transit, which is located adjacent to the site.

3. Physical Proximity to Locational Amenities:

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

4. Pictures of Site and Adjacent Uses:

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



View of the Subject



View of the Subject



Subject exterior



Subject exterior



Subject leasing office exterior



Subject exterior



Place of worship north of Subject



Water treatment facility west of Subject



Bus stop adjacent to Subject along Linwood Drive



Linwood Nature Preserve south of Subject



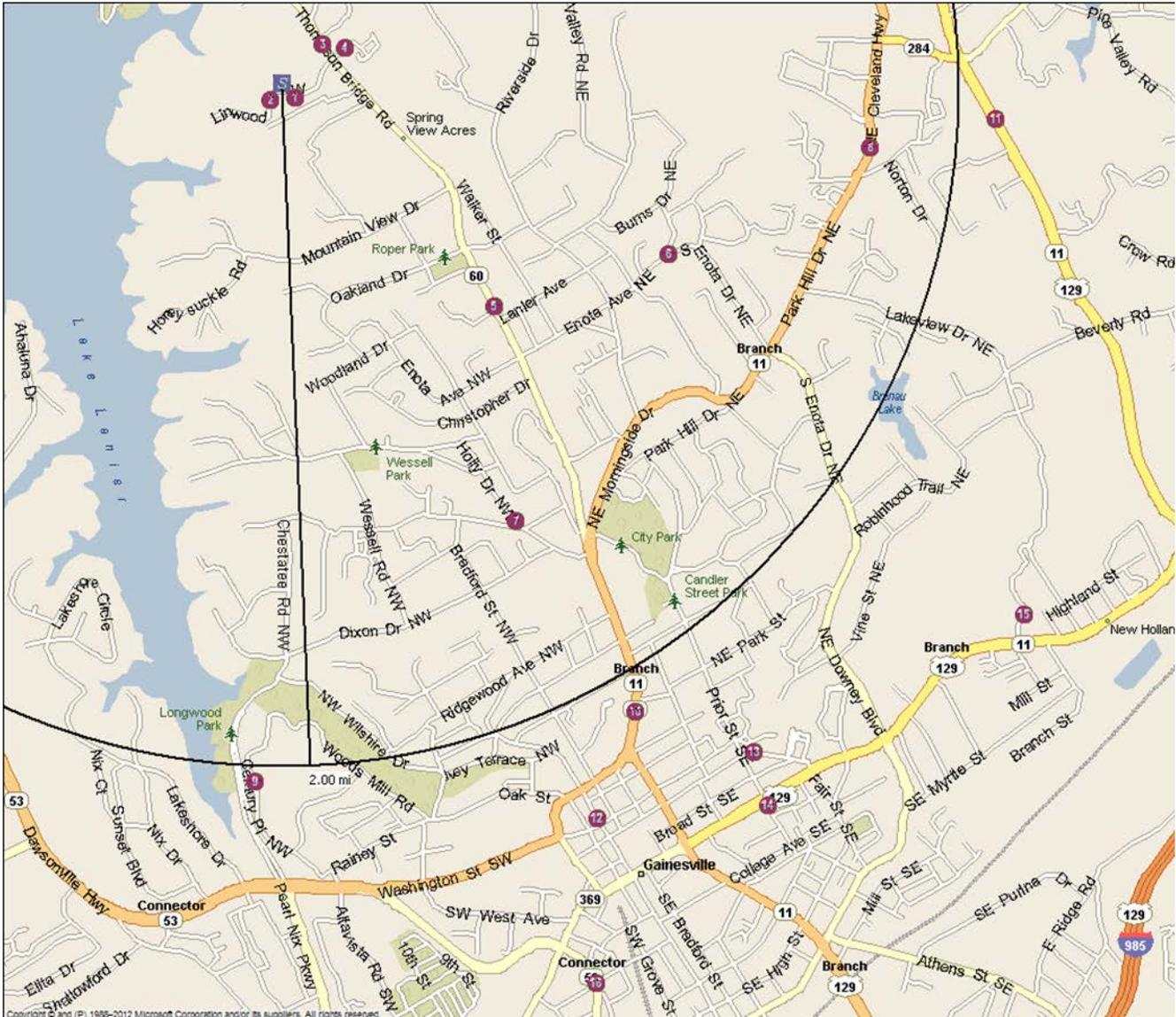
Storage facility east of Subject



Multifamily south and southeast of Subject

5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities.



LOCATIONAL AMENITIES

Map #	Amenity/Service	Distance from Subject	Map #	Amenity/Service	Distance from Subject
1	Hall Area Transit Bus Stop	<0.1 miles	9	Gainesville High School	2.1 miles
2	Linwood Nature Preserve	<0.1 miles	10	Gainesville Civic Center	2.1 miles
3	Chevron Gas	0.2 miles	11	United States Postal Service	2.2 miles
4	United Community Bank	0.3 miles	12	Hall County Library System	2.7 miles
5	Walmart Nhb. Market/Pharm.	0.9 miles	13	NE Georgia Medical Center	2.4 miles
6	Enota Elementary School	1.3 miles	14	Community Service Center	2.6 miles
7	Fire Department	1.5 miles	15	Gainesville Middle School	2.7 miles
8	Family Dollar	1.8 miles	16	Gainesville Police Department	2.8 miles

6. Description of Land Uses: The Subject is located in a mixed-use neighborhood in the northern portion of Gainesville. It consists of undeveloped wooded land, several multifamily residences, and commercial, retail, and public uses, as well as scattered single-family homes. Land use adjacent to the north is Lakewood Baptist Church, and to the northwest is Edgewater on Lanier, a comparable property consisting of 180 market rate units in good condition. Land use to the west of the Subject includes the Linwood Water Treatment Plant. Adjacent to the south of the Subject is Linwood Nature Preserve, a 29-acre nature preserve with nature trails, gardens, and a wildlife sanctuary. To the east of the Subject is Byrd’s Mini Storage in average condition and North Pointe Apartments, a LIHTC property consisting of 106 units in average condition. We have also utilized North Pointe Apartments in our analysis as a comparable. Overall, the majority of surrounding land uses are in average or good condition.

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

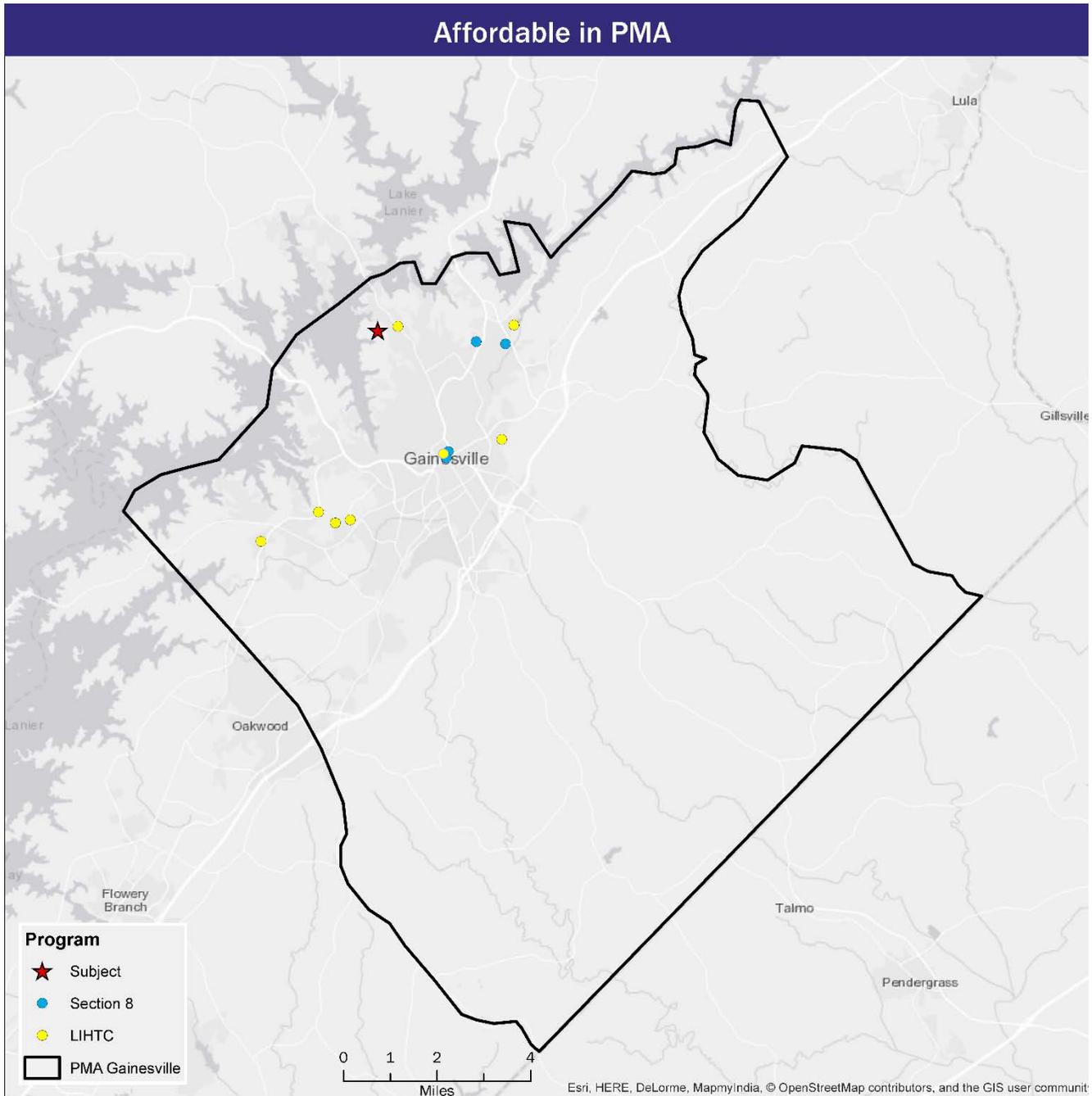
2017 CRIME INDICES

	PMA	Gainesville, GA MSA
Total Crime*	117	90
Personal Crime*	72	52
Murder	88	72
Rape	89	76
Robbery	67	42
Assault	72	53
Property Crime*	123	96
Burglary	108	100
Larceny	129	95
Motor Vehicle Theft	122	88

Source: Esri Demographics 2017, Novogradac & Company LLP, 12/2017
 *Unweighted aggregations

As indicated in the previous table, total crime in the PMA is slightly above that of the nation and the MSA. It should be noted that all personal crime indices in the PMA and MSA are below that of the nation. The most prevalent type of crime in the PMA is larceny and motor vehicle theft. The Subject offers patrol as a security feature, which is generally similar or superior to the comparable properties in the area.

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



AFFORDABLE IN THE PMA

Property Name	Location	Number of Units	Program	Tenancy	Map Color
Linwood Apartments (Subject)	Gainesville	100	Sec. 8/Formal Sec. 236	Family	Red Star
The Fields Lake Lanier*	Gainesville	113	LIHTC/Market	Family	
The Fields McEver*	Gainesville	220	LIHTC	Family	
The Retreat At McEver*	Gainesville	224	LIHTC	Family	
Paces Landing*	Gainesville	140	LIHTC/Market	Family	
Legacy at North Pointe*	Gainesville	106	LIHTC	Family	
Oconee Springs*	Gainesville	88	LIHTC	Family	
Windcliff Apts	Gainesville	56	LIHTC	Senior	
Myrtle Terraces	Gainesville	84	LIHTC/Market	Senior	
Walton Terrace I	Gainesville	84	LIHTC/Pub. Hsg.	Family	
Church Street Manor	Gainesville	54	Section 8	Senior	
Lake Forest Apts	Gainesville	117	Section 8	Senior	
Lighthouse Manor, Inc.	Gainesville	74	Section 8	Senior	
Ridgecrest Apartments	Gainesville	130	Section 8/LIHTC	Family	

*Utilized as a comparable

9. Road, Infrastructure or Proposed Improvements:

We did not witness any road, infrastructure or proposed improvements during our fieldwork.

10. Access, Ingress-Egress and Visibility of Site:

The Subject is accessed via the north side of Linwood Drive. Linwood Drive is a two-lane residential street that generally traverses southwest and northeast. Linwood Drive leads to a dead end at Lake Lanier to the southwest and provides access to Thompson Bridge Road (Highway 60) to the northeast. Highway 60 is a four-lane road that traverses northwest and southeast, which provides access to Highways 136 and 283 to the north. Highway 136 is a two-lane road that generally traverses east and west, while Highway 283 is a two-lane road that generally traverses north and south. To the south, Highway 60 turns into Green Street. Green Street is a moderately traveled two-lane road that generally traverses north and south. Green Street provides access to Jesse Jewell Parkway, which is a moderately traveled four-lane road that generally traverses southwest and northeast, through central Gainesville, and provides access to Interstate 985, which generally traverses southwest and northeast and is approximately 3.6 miles east of the Subject. Interstate 985 provides access to Interstate 85 as well as other arterials. Overall, access is considered fair, and traffic flow in the Subject’s immediate area is considered light. Visibility of the site is considered average.

11. Conclusion:

The Subject site is located on Linwood Drive. The Subject site has average visibility, views, and accessibility from neighborhood thoroughfares. Immediate surrounding uses include wooded area, multifamily, recreational uses, retail and commercial uses, and a

place of worship. The Subject site is considered “Car-Dependent” by *WalkScore* with a rating of 14 out of 100, but is located adjacent to a bus stop. Total crime risk indices in the Subject’s PMA are slightly above that of the nation and the MSA, while personal crime indices in the PMA and MSA are below that of the nation. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average condition, and the site is within reasonable proximity to locational amenities, which are within 3.0 miles of the Subject site.

D. MARKET AREA

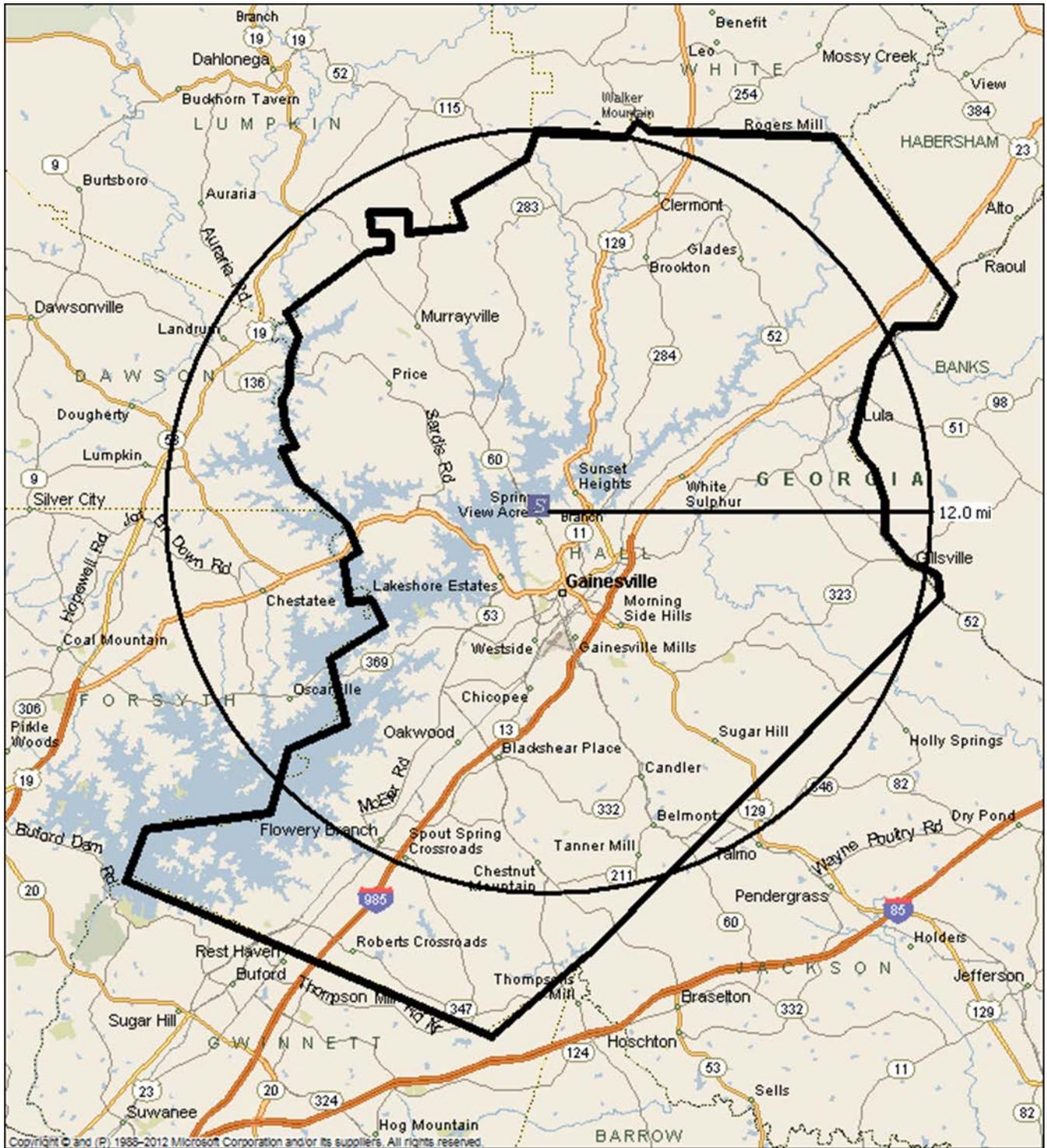
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction.

The PMA is defined as the central portion of Hall County, which generally includes the city of Gainesville, as well other surrounding rural areas of central Hall County. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	6.5 miles
East:	11.3 miles
South:	13.1 miles
West:	6.1 miles

The PMA is generally defined as Lake Lanier to the northwest, North Oconee River to the northeast, the Hall-Jackson county line to the southeast, and Highway 53 and Lake Lanier to the southwest. This area was defined based on interviews with local market, including property managers at comparable properties and the Subject's property manager. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 13.1 miles. The secondary market area (SMA) for the Subject is the Gainesville, Georgia Metropolitan Statistical Area, which is comprised solely of Hall County.

Secondary Market Area Map



**E. COMMUNITY DEMOGRAPHIC
DATA**

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

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

1a. Total Population

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

Year	POPULATION					
	PMA		Gainesville, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	66,203	-	139,441	-	281,038,168	-
2010	82,238	2.4%	179,684	2.9%	308,745,538	1.0%
2017	89,168	0.5%	195,340	0.5%	327,514,334	0.4%
Market Entry	91,703	1.2%	201,532	1.4%	333,958,655	0.8%
2022	94,600	1.2%	208,608	1.4%	341,323,594	0.8%

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

Between 2000 and 2010 there was an approximate 2.4 percent annual increase in the PMA and 2.9 percent annual increase in the MSA, both of which outpaced the national growth. Population in the PMA is anticipated to continue to grow through market entry and 2022 at a pace of 1.2 percent annually, which is faster than national growth, but slightly lower than the growth projected in the MSA. 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 tables illustrate the population by age cohort within the PMA and SMA from 2000 to 2022.

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry Nov. 2019	2022
0-4	5,700	7,619	7,717	7,889	8,086
5-9	4,914	7,340	7,466	7,600	7,753
10-14	4,421	6,312	7,001	7,228	7,488
15-19	5,223	6,375	6,553	6,854	7,199
20-24	6,300	6,621	6,839	6,850	6,862
25-29	6,267	6,712	7,339	7,229	7,104
30-34	5,591	6,175	6,877	6,992	7,123
35-39	5,120	5,790	6,089	6,347	6,641
40-44	4,291	5,510	5,572	5,845	6,156
45-49	3,655	4,949	5,234	5,271	5,313
50-54	3,562	4,269	4,711	4,830	4,967
55-59	2,629	3,535	4,291	4,390	4,503
60-64	2,073	3,263	3,731	3,941	4,180
65-69	1,806	2,418	3,240	3,373	3,525
70-74	1,614	1,736	2,425	2,631	2,867
75-79	1,337	1,423	1,654	1,888	2,155
80-84	912	1,085	1,163	1,245	1,339
85+	785	1,106	1,267	1,300	1,338
Total	66,200	82,238	89,169	91,703	94,599

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

POPULATION BY AGE GROUP

Age Cohort	Gainesville, GA MSA				
	2000	2010	2017	Projected Mkt Entry Nov. 2019	2022
0-4	11,430	14,123	14,243	14,538	14,876
5-9	10,385	14,573	14,487	14,736	15,021
10-14	9,898	13,536	14,381	14,821	15,323
15-19	10,151	12,916	13,121	13,725	14,415
20-24	10,806	11,739	12,627	12,437	12,219
25-29	11,774	12,134	13,975	13,695	13,376
30-34	11,553	12,007	13,484	14,083	14,767
35-39	11,461	12,753	12,874	13,598	14,426
40-44	10,199	12,907	12,504	12,954	13,468
45-49	8,978	12,789	12,691	12,595	12,485
50-54	8,372	11,396	12,417	12,527	12,653
55-59	6,410	9,796	11,833	12,075	12,351
60-64	4,946	9,005	10,399	11,051	11,796
65-69	4,107	6,820	9,210	9,654	10,161
70-74	3,389	4,751	6,852	7,557	8,362
75-79	2,605	3,644	4,516	5,257	6,103
80-84	1,640	2,602	2,966	3,266	3,609
85+	1,338	2,193	2,760	2,964	3,197
Total	139,442	179,684	195,340	201,532	208,608

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

The largest age cohorts in the PMA and MSA as of 2017 are the 0 to 4, 5 to 9, 10 to 14, and 25 to 29 age groups, which indicates the presence of families in the area.

1c. Number of Elderly and Non-Elderly

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

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Gainesville, GA MSA		
	Total Population	Non-Elderly	Elderly (62+)	Total Population	Non-Elderly	Elderly (62+)
2000	66,203	58,505	7,698	139,441	115,006	16,047
2010	82,238	72,512	9,726	179,684	140,873	25,413
2017	89,168	77,180	11,988	195,340	146,804	32,543
Projected Mkt Entry	90,707	78,225	12,482	199,099	148,568	34,234
2022	94,600	80,868	13,732	208,608	153,029	38,510

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

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

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size, and (e) Elderly Households 62+ within 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.

HOUSEHOLDS

Year	PMA		Gainesville, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	21,279	-	47,433	-	105,402,528	-
2010	25,271	1.9%	60,691	2.8%	116,716,292	1.1%
2017	27,394	0.5%	65,989	0.5%	123,158,887	0.3%
Market Entry	28,175	1.2%	68,076	1.4%	125,450,467	0.8%
2022	29,067	1.2%	70,461	1.4%	128,069,416	0.8%

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

Households grew more rapidly in the PMA and MSA than in the nation between 2010 and 2017. Over the next five years, household growth rates in the PMA and MSA are projected to continue to increase at a rate faster than the nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Gainesville, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	3.02	-	2.89	-	2.59	-
2010	3.14	0.4%	2.91	0.1%	2.58	-0.1%
2017	3.16	0.0%	2.92	0.0%	2.59	0.0%
Projected Mkt Entry	3.16	0.0%	2.92	0.0%	2.60	0.1%
2022	3.16	0.0%	2.92	0.0%	2.60	0.1%

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

The average household size in the PMA is slightly larger than that of the MSA and the nation at 3.16 persons. 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 - TOTAL POPULATION

Year	PMA				Gainesville, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	12,931	60.8%	8,348	39.2%	33,722	71.1%	13,711	28.9%
2010	14,259	56.4%	11,012	43.6%	42,079	69.3%	18,612	30.7%
2017	14,299	52.2%	13,095	47.8%	43,225	65.5%	22,764	34.5%
Projected Mkt Entry	14,656	52.0%	13,518	48.0%	44,556	66.2%	22,764	33.8%
2022	15,065	51.8%	14,002	48.2%	46,078	66.9%	22,764	33.1%

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

As the table illustrates, 47.8 percent of households within the PMA reside in renter-occupied units. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation.

2c. Household Income

The following tables depict renter household income in the PMA and MSA in 2017, market entry, and 2022.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry Nov. 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,296	9.9%	1,129	8.4%	1,320	9.4%
\$10,000-19,999	2,534	19.3%	1,020	7.5%	2,360	16.9%
\$20,000-29,999	2,324	17.7%	752	5.6%	2,351	16.8%
\$30,000-39,999	1,736	13.3%	876	6.5%	1,774	12.7%
\$40,000-49,999	1,717	13.1%	880	6.5%	1,867	13.3%
\$50,000-59,999	897	6.8%	921	6.8%	1,049	7.5%
\$60,000-74,999	998	7.6%	1,159	8.6%	1,156	8.3%
\$75,000-99,999	660	5.0%	977	7.2%	844	6.0%
\$100,000-124,999	482	3.7%	1,247	9.2%	623	4.4%
\$125,000-149,999	226	1.7%	1,645	12.2%	325	2.3%
\$150,000-199,999	90	0.7%	1,597	11.8%	136	1.0%
\$200,000+	135	1.0%	1,316	9.7%	197	1.4%
Total	13,095	100.0%	13,518	100.0%	14,002	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - Gainesville, GA MSA

Income Cohort	2017		Projected Mkt Entry Nov. 2019		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,933	8.5%	2,146	9.1%	2,071	8.5%
\$10,000-19,999	3,199	14.1%	1,890	8.0%	3,426	14.1%
\$20,000-29,999	3,226	14.2%	1,282	5.5%	3,455	14.2%
\$30,000-39,999	3,129	13.7%	1,506	6.4%	3,352	13.7%
\$40,000-49,999	3,015	13.2%	1,628	6.9%	3,230	13.2%
\$50,000-59,999	1,711	7.5%	1,502	6.4%	1,833	7.5%
\$60,000-74,999	2,113	9.3%	1,802	7.7%	2,264	9.3%
\$75,000-99,999	1,836	8.1%	1,658	7.1%	1,966	8.1%
\$100,000-124,999	973	4.3%	2,189	9.3%	1,042	4.3%
\$125,000-149,999	779	3.4%	3,099	13.2%	834	3.4%
\$150,000-199,999	388	1.7%	2,714	11.5%	416	1.7%
\$200,000+	461	2.0%	2,104	8.9%	494	2.0%
Total	22,764	100.0%	23,520	100.0%	24,383	100.0%

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

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

The following table illustrates household size for all households in 2017, market entry, and 2022.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2017		Projected Mkt Entry		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	3,449	26%	3,556	26%	3,702	26%
2 Persons	2,596	20%	2,660	20%	2,752	20%
3 Persons	1,830	14%	2,193	16%	1,961	14%
4 Persons	1,688	13%	1,987	15%	1,812	13%
5+ Persons	3,532	27%	3,123	23%	3,774	27%
Total Households	13,095	100%	13,518	100%	14,002	100%

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

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

Conclusion

Between 2000 and 2010, there was an approximate 2.4 percent annual increase in the PMA and 2.9 percent annual increase in the MSA, both of which outpaced the national growth. Population in the PMA is anticipated to continue to grow through market entry and 2022 at a pace of 1.2 percent annually, which is faster than national growth, but slightly lower than the growth projected in the MSA. Overall, sustained population growth in the PMA and MSA is a positive indication of continued demand for the Subject. Renter households are concentrated in the lowest income cohorts, and 47.0 percent of renters in the PMA are earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$46,240, with subsidy. Units without subsidy will target households earning \$32,743 to \$46,240. Overall, the Subject should be well positioned to service this market, and the data shows significant demand for affordable rental housing in the market.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The PMA is economically reliant on the manufacturing, retail trade, construction, and health/education services industries. Employment levels in the MSA decreased during the national recession, but have surpassed pre-recession highs; the MSA is now in an expansionary phase, with significant increases in total jobs since 2015. As of June 2018, Hall County is growing at a faster rate than the nation in terms of employment levels.

1. Total Jobs

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

TOTAL JOBS IN HALL COUNTY, GEORGIA

Year	Total Employment	% Change
2007	87,514	-
2008	87,465	-0.1%
2009	80,772	-8.3%
2010	78,133	-3.4%
2011	81,000	3.5%
2012	82,757	2.1%
2013	83,890	1.4%
2014	86,673	3.2%
2015	90,774	4.5%
2016	95,412	4.9%
2017	99,640	4.2%
2018 YTD Average*	99,950	4.5%
May-17	96,127	-
May-18	101,038	4.9%

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

*YTD Average through February 2018

As illustrated in the table above, Hall County experienced a weakening economy during the national recession in terms of total jobs from 2008 to 2010. During this time, Hall County’s total employment decreased 11.7 percentage points. However, employment in the county has increased annually from 2011 through 2018 year-to-date. In addition, between May 2017 and May 2018, total employment has increased 4.9 percent.

2. Total Jobs by Industry

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

COVERED EMPLOYMENT (4Q2017)

Hall County, Georgia

	Number	Percent
Total, all industries	76,646	-
Goods-producing	24,421	-
Natural resources and mining	255	0.3%
Construction	4,076	5.3%
Manufacturing	20,090	26.2%
Service-providing	52,225	-
Trade, transportation, and utilities	16,473	21.5%
Information	487	0.6%
Financial activities	2,932	3.8%
Professional and business services	8,586	11.2%
Education and health services	13,926	18.2%
Leisure and hospitality	7,925	10.3%
Other services	1,672	2.2%
Unclassified	223	0.3%

Source: U.S. Bureau of Labor Statistics, 8/2018

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

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

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	% Employed	Number Employed	% Employed
Manufacturing	10,837	26.9%	15,589,157	10.1%
Retail Trade	4,029	10.0%	17,038,977	11.0%
Construction	3,933	9.8%	9,872,629	6.4%
Healthcare/Social Assistance	3,443	8.6%	21,941,435	14.2%
Accommodation/Food Services	3,042	7.6%	12,036,513	7.8%
Educational Services	2,797	7.0%	14,390,707	9.3%
Admin/Support/Waste Mgmt Svcs	2,263	5.6%	6,968,170	4.5%
Other Services (excl Publ Adm)	1,917	4.8%	7,493,272	4.8%
Wholesale Trade	1,446	3.6%	4,064,621	2.6%
Prof/Scientific/Tech Services	1,257	3.1%	11,068,132	7.1%
Public Administration	1,058	2.6%	6,982,075	4.5%
Transportation/Warehousing	999	2.5%	6,498,777	4.2%
Agric/Forestry/Fishing/Hunting	904	2.2%	2,288,795	1.5%
Finance/Insurance	575	1.4%	7,200,593	4.6%
Arts/Entertainment/Recreation	532	1.3%	3,448,696	2.2%
Real Estate/Rental/Leasing	498	1.2%	3,130,712	2.0%
Information	441	1.1%	2,741,630	1.8%
Utilities	228	0.6%	1,401,281	0.9%
Mgmt of Companies/Enterprises	30	0.1%	86,740	0.1%
Mining	9	0.0%	609,828	0.4%
Total Employment	40,238	100.0%	154,852,740	100.0%

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

The largest industries in the PMA are the manufacturing, retail trade, construction, and healthcare/social assistance sectors. Positions in these industries account for 55.3 percent of all jobs in the area, which is somewhat higher than the nation. The manufacturing and construction sectors are overrepresented in the PMA. Industries under-represented in the PMA include healthcare/social assistance, educational services, professional/scientific/technology services, and finance/insurance. As will be demonstrated in the employment discussion, the processing and manufacturing industries have been somewhat affected by layoffs and employment decreases. Nationwide, these industries have also been affected by the recession.

3. Major Employers

The chart below shows the largest employers in Gainesville-Hall County.

**MAJOR EMPLOYERS
Gainesville-Hall County**

Company	Industry	Number of Employees
Northeast Georgia Medical Center	Healthcare	7,900
Hall County School System	Education	3,500
Fieldale Farms Corporation	Poultry Processing	2,550
Hall County Government	Government	1,500
Pilgrims	Poultry Processing	1,380
Victory Processing, LLC	Poultry Processing	1,310
Kubota Manufacturing of America	Manufacturing	1,300
Mac-Jar Poultry, Inc.	Poultry Processing	1,250
ZF Gainesville, LLC	Manufacturing	1,150
Cottrell, Inc.	Car Haulers	990
Gold Creek Foods	Poultry Processing	980
Wal-Mart	Retail	970
Gainesville City School System	Education	940
Mars Wrigley Confectionery	Manufacturing	900
Gainesville City Government	Government	750
Totals		27,370

Source: Greater Hall Chamber of Commerce 2017 Top Employers Report (2017), Novogradac & Company, 8/2018

As seen in the previous table, the top employers within Gainesville-Hall County are concentrated in the healthcare, education, processing, government, and manufacturing industries. The largest employer in the county, Northeast Georgia Medical Center, is located in Gainesville. While healthcare, education, and government are historically stable industries, retail trade and transportation are historically volatile, especially during times of recession.

4. Expansions/Contractions

The following table illustrates the layoffs and closures of significance that have occurred or been announced since 2016 in Gainesville according to the Georgia Department of Labor.

**WARN NOTICES (2016 TO 2018 YTD)
Gainesville, GA**

Company	Industry	Number of Employees Affected
2017		
Perdue Foods	Manufacturing	60
Gold Creek Foods	Poultry Processing	250
Hubbel Power Systems	Manufacturing	<u>21</u>
Total		331

Source: Georgia Department of Economic Development, Novogradac & Company LLP, 8/2018

As illustrated in the above table, there have been 331 employees impacted by layoffs or closures in 2017 in the county. There were no WARN notices published for 2016 or 2018 year-to-date in the area. Overall, these layoffs are insignificant relative to the size of the local economy and the recent opportunities created through the reported business expansions.

We contacted the Greater Hall County Chamber of Commerce in order to obtain information about recent business activity in Gainesville. We were directed to the 2018 Gainesville-Hall County Market Report and the Economic Development Report dated May 3, 2018 on the Greater Hall County Chamber of Commerce website, which had the following information regarding new and expanding businesses in the area. All of these expansions occurred since 2015.

- Downtown Gainesville has received about \$63 million in private investments to build three mixed-use projects, including the first new Class A office in over 30 years. A timeline was not provided.
- Carroll Daniel Construction is building a four-story, 64,000 square foot office building, which will serve as its corporate headquarters. The rest of the property will be leased to small businesses. A timeline was not provided.
- A local developer has planned to build two additional mixed-use projects in downtown Gainesville. Parkside on the Square includes 32 luxury condominiums and 15,000 square feet of retail space at the intersection of Spring and Main Streets. The second development is a mixed-use development consisting of 200 apartments and 40,000 square feet of retail space.
- Firms expanding their North American business include King’s Hawaiian, SKF, Jinsung TEC, Lowers Risk Group, Kubota, Tatsumi, ElringKlinger, Wrigley, First Fresh Foods, Milliken & Co., Performance Foodservice, and The Louver Shop.
- Kubota has recently completed a 502,000 square-foot facility on a new 180-acre campus on Highway 365 in Gateway Industrial Centre, approximately eight miles north of the Subject. The new facility created 580 additional jobs. Kubota employs 1,300 in Gainesville-Hall County.
- Mars Wrigley Confectionary added 170 new jobs at their Hall County facility, making it the largest fully integrated chewing gum manufacturer in the world. The facility is located 9.2 miles south of the Subject.
- Tatsumi Intermodal USA, Inc., a logistics, warehousing, and inventory management company based in Osaka, Japan, is building their second facility in Hall County, a 113,000 square-foot building on 35 acres in Gateway Industrial Centre along Highway 365. This is Tatsumi’s fourth expansion since 2001. The facility is located six miles north of the Subject.
- Lowers Risk Group, a risk management company, is adding 150 new jobs to their Wholesale Screening Solutions facility, approximately 10 miles south of the Subject. Wholesale Screening Solutions is a leading provider of public records and verifications to employment screening, tenant screening, and risk mitigation providers nationwide.
- Jinsung TEC of South Korea expanded their new North American headquarters and operations in Oakwood South Industrial Park to 150,000 square feet. The company’s headquarters building is located approximately eight miles southwest of the Subject.

- Gainesville-based Mincey Marble will develop a new 350,000 square foot headquarters and manufacturing center on a 79-acre corporate campus in the Gainesville Business Park. Development of the new campus is underway and is expected to open in 2018. The headquarters will be located approximately one mile east of the Subject.
- ProCare Rx, a national healthcare IT company, has completed an additional 31,200 square foot facility off I-985 in Hall County. ProCare Rx has more than doubled its Georgia employment to 217 employees since opening its headquarters and operations center in 2012.

According to the Greater Hall Chamber of Commerce website, approximately 900 new jobs and \$170 million in new capital investment have been added to Gainesville-Hall County in 2017. Further, from 2013 to 2018, there have been 141 new and expanded industry locations, generating 5,400 new jobs, retaining another 500 jobs, with over \$1 billion in fixed capital invested. As illustrated previously, there were several additions in a variety of industries including manufacturing, technology, risk management, and pharmaceuticals.

5. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Gainesville, GA MSA from 2002 to 2018 year-to-date (June).

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Gainesville, GA MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	72,420	-	-21.4%	136,485,000	-	-9.9%
2003	76,163	5.2%	-17.3%	137,736,000	0.9%	-9.0%
2004	76,884	0.9%	-16.5%	139,252,000	1.1%	-8.0%
2005	79,099	2.9%	-14.1%	141,730,000	1.8%	-6.4%
2006	83,160	5.1%	-9.7%	144,427,000	1.9%	-4.6%
2007	87,514	5.2%	-5.0%	146,047,000	1.1%	-3.6%
2008	88,082	0.6%	-4.4%	145,363,000	-0.5%	-4.0%
2009	81,284	-7.7%	-11.7%	139,878,000	-3.8%	-7.6%
2010	78,205	-3.8%	-15.1%	139,064,000	-0.6%	-8.2%
2011	79,953	2.2%	-13.2%	139,869,000	0.6%	-7.6%
2012	82,180	2.8%	-10.8%	142,469,000	1.9%	-5.9%
2013	83,366	1.4%	-9.5%	143,929,000	1.0%	-5.0%
2014	84,779	1.7%	-7.9%	146,305,000	1.7%	-3.4%
2015	88,284	4.1%	-4.1%	148,833,000	1.7%	-1.7%
2016	92,093	4.3%	0.0%	151,436,000	1.7%	0.0%
2017	96,413	4.7%	4.7%	153,308,000	1.2%	1.2%
2018 YTD Average*	100,166	3.9%	-	155,390,667	1.4%	-
Jun-2017	96,091	-	-	154,086,000	-	-
Jun-2018	101,246	5.4%	-	156,465,000	1.5%	-

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Gainesville, GA MSA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2002	4.3%	-	0.7%	5.8%	-	1.2%
2003	4.0%	-0.3%	0.4%	6.0%	0.2%	1.4%
2004	4.0%	0.0%	0.4%	5.5%	-0.5%	0.9%
2005	4.5%	0.5%	0.9%	5.1%	-0.5%	0.5%
2006	3.8%	-0.7%	0.2%	4.6%	-0.5%	0.0%
2007	3.6%	-0.2%	0.0%	4.6%	0.0%	0.0%
2008	5.4%	1.8%	1.8%	5.8%	1.2%	1.2%
2009	9.4%	4.0%	5.8%	9.3%	3.5%	4.7%
2010	9.6%	0.3%	6.1%	9.6%	0.3%	5.0%
2011	8.9%	-0.8%	5.3%	9.0%	-0.7%	4.3%
2012	7.8%	-1.1%	4.2%	8.1%	-0.9%	3.5%
2013	6.8%	-0.9%	3.3%	7.4%	-0.7%	2.8%
2014	5.9%	-1.0%	2.3%	6.2%	-1.2%	1.6%
2015	4.9%	-1.0%	1.3%	5.3%	-0.9%	0.7%
2016	4.5%	-0.4%	0.9%	4.9%	-0.4%	0.3%
2018 YTD Average*	3.3%	-0.7%	-	4.0%	-0.4%	-
Jun-2017	4.2%	-	-	4.5%	-	-
Jun-2018	3.4%	-0.8%	-	4.2%	-0.3%	-

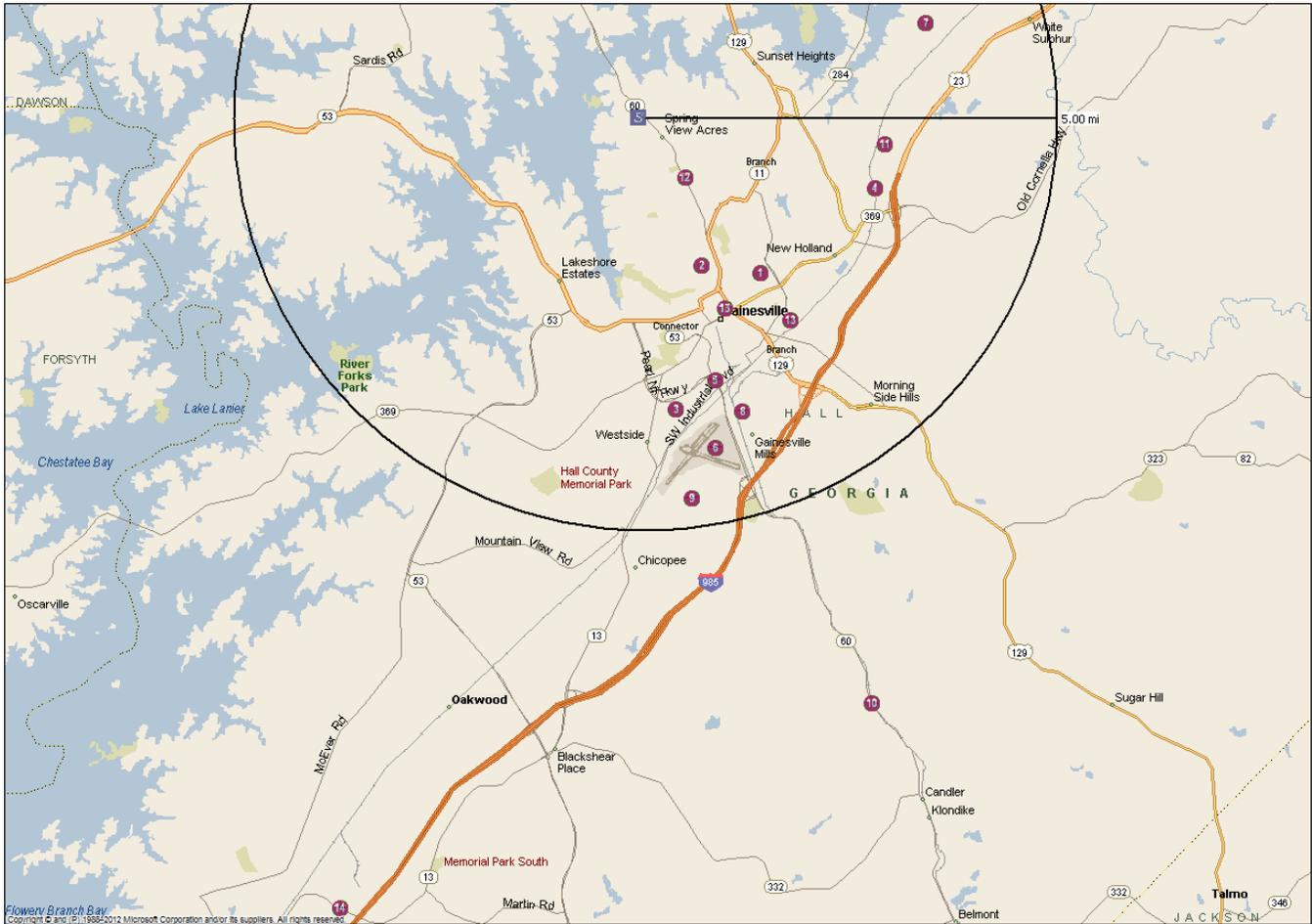
Source: U.S. Bureau of Labor Statistics August 2018

In 2009 and 2010, total employment in the MSA declined as a result of the recession, but increased in all other years between 2002 and 2018 year-to-date. Similar to the nation experiencing its most significant recession-related employment losses in 2009, at the height of the recession, the MSA was more significantly impacted at this time, experiencing a 7.7 percent annual decrease in total employment. Overall, the MSA experienced total employment losses totaling 11.5 percentage points during 2009 and 2010, compared to 4.4 percentage points nationally. As of 2015, the MSA surpassed its pre-recessionary employment level, whereas the nation fully recovered in 2014. Furthermore, the total employment growth in the MSA from June 2017 to June 2018 was more than three times the rate of employment growth in the nation during the same time period.

Historically, the MSA has reported an unemployment rate that is lower than the nation. Unemployment in the MSA began increasing during 2008 at the onset of the national recession, which continued through 2010. The MSA maintained a generally similar unemployment rate throughout the recession relative to the nation. Unemployment data in June 2018 shows the unemployment rate in the MSA at 3.4 percent, which is below that of the nation at 4.2 percent. Given that total employment in the MSA has surpassed its pre-recessionary levels, and local employment growth and unemployment are both similar if not outperforming the nation, it appears the MSA has fully recovered and entered into an expansionary phase.

6. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Gainesville-Hall County, Georgia.



MAJOR EMPLOYERS Gainesville-Hall County Area

#	Company	City	Industry	Number of Employees
1	Northeast Georgia Medical Center	Gainesville	Healthcare	7,900
2	Hall County School System	Gainesville	Education	3,500
3	Fieldale Farms Corporation	Gainesville	Poultry Processing	2,550
4	Hall County Government	Gainesville	Government	1,500
5	Pilgrims	Gainesville	Poultry Processing	1,380
6	Victory Processing, LLC	Gainesville	Poultry Processing	1,310
7	Kubota Manufacturing of America	Gainesville	Manufacturing	1,300
8	Mac-Jar Poultry, Inc.	Gainesville	Poultry Processing	1,250
9	ZF Gainesville, LLC	Gainesville	Manufacturing	1,150
10	Cottrell, Inc.	Gainesville	Car Haulers	990
11	Gold Creek Foods	Gainesville	Poultry Processing	980
12	Wal-Mart	Gainesville	Retail	970
13	Gainesville City School System	Gainesville	Education	940
14	Mars Wrigley Confectionery	Flowery Branch	Manufacturing	900
15	Gainesville City Government	Gainesville	Government	750

Source: Greater Hall Chamber of Commerce 2017 Top Employers Report (2017), Novogradac & Company, 8/2018

7. Conclusion

The largest industries in the PMA are the healthcare, educational services, processing/manufacturing, and government sectors. Positions in these industries account for 55.3 percent of all jobs in the area. The four largest employers in the area are Northeast Georgia Medical Center, Hall County School System, Fieldale Farms Corporation, and Hall County Government. The educational services and healthcare sectors are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2002 through 2018 year-to-date, with the exception of 2009 and 2010 during the national recession. In addition, from June 2017 to June 2018, total employment in the MSA increased 5.4 percent, compared to a 1.5 percent increase in the nation as a whole. The unemployment rate in the MSA has decreased annually since 2011 and is 80 basis points lower than the national average as of June 2018. Total employment in the MSA surpassed pre-recession levels in 2015, while the nation recovered in 2014. As such, the economy has stabilized and is in an expansionary phase.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

INCOME LIMITS – AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>40% AMI/Section 8</i>		
1BR/1BA	\$0	\$20,560
2BR/1BA	\$0	\$23,120
<i>60% AMI/Section 8</i>		
1BR/1BA	\$0	\$20,560
2BR/1BA	\$0	\$23,120
<i>80% AMI/Section 8</i>		
1BR/1BA	\$0	\$41,120
2BR/1BA	\$0	\$46,240
<i>80% AMI</i>		
1BR/1BA	\$32,743	\$41,120
2BR/1BA	\$37,269	\$46,240

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. Demand from Elderly Homeowners likely to Convert to Rentership

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

3d. 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 consider larger household sizes.

4. New Demand, Capture Rates and Stabilization Conclusions

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 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 2015 through the present.
- Vacancies in projects placed in service prior to 2015 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2015 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

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

240 Atlanta Street Development Phase I and III (Walton Summit I & III) is a phased development located 2.8 miles southeast of the Subject. Phase III will offer 78 units, including 16 units at the 50 percent AMI level and 36 units at the 60 percent AMI level. Of the 52 LIHTC units, we were unable to confirm the number of one and two-bedroom units. Given the breakdown of units by bedroom type and the number of units offered at each AMI level, we have estimated a breakdown of five one-bedroom LIHTC units and 34 two-bedroom LIHTC units, with approximately two-thirds being offered at the 60 percent AMI level and one-third being offered at the 50 percent AMI level. This development was allocated in 2017, and construction has not yet started. Phase I was completed in April 2017 and has only two vacant units of the 84 total units.

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

ADDITIONS TO SUPPLY 2017

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	Overall
1BR	-	-	2	5	0	7
2BR	-	-	10	24	0	34
Total	-	-	12	29	0	41

PMA Occupancy

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

PMA OCCUPANCY

Property Name	Program	Tenancy	Location	# of Units	Occupancy
The Fields McEver*	LIHTC	Family	Gainesville	220	100.0%
The Retreat At McEver*	LIHTC	Family	Gainesville	224	97.3%
Paces Landing*	LIHTC/Market	Family	Gainesville	140	100.0%
Legacy at North Pointe*	LIHTC	Family	Gainesville	106	100.0%
Oconee Springs*	LIHTC	Family	Gainesville	88	100.0%
Walton Summit I	LIHTC/Pub. Hsg.	Family	Gainesville	84	97.6%
Ridgecrest Apartments	Section 8/LIHTC	Family	Gainesville	130	100.0%
Average					99.3%

*Utilized as a comparable

The average occupancy rate of competitive developments in the PMA is 99.3 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.

Of the Subject’s 100 units, 84 will benefit from Section 8 rental assistance, while the remaining units are former Section 236 units. According to the income audit provided by the client, 87 current residents will continue to income-qualify post-renovation. These units are presumed leasable, and only 13 units (vacant or needing an income-qualified tenant) have been accounted for in our capture rate analysis.

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 November 1, 2019 were illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry Nov. 2019		2022	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	1,296	9.9%	1,129	8.4%	1,320	9.4%
\$10,000-19,999	2,534	19.3%	1,020	7.5%	2,360	16.9%
\$20,000-29,999	2,324	17.7%	752	5.6%	2,351	16.8%
\$30,000-39,999	1,736	13.3%	876	6.5%	1,774	12.7%
\$40,000-49,999	1,717	13.1%	880	6.5%	1,867	13.3%
\$50,000-59,999	897	6.8%	921	6.8%	1,049	7.5%
\$60,000-74,999	998	7.6%	1,159	8.6%	1,156	8.3%
\$75,000-99,999	660	5.0%	977	7.2%	844	6.0%
\$100,000-124,999	482	3.7%	1,247	9.2%	623	4.4%
\$125,000-149,999	226	1.7%	1,645	12.2%	325	2.3%
\$150,000-199,999	90	0.7%	1,597	11.8%	136	1.0%
\$200,000+	135	1.0%	1,316	9.7%	197	1.4%
Total	13,095	100.0%	13,518	100.0%	14,002	100.0%

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

80% AMI – As Proposed

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 80%

Minimum Income Limit		\$32,743		Maximum Income Limit		\$46,240	
New Renter Households - Total							
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry November 2019		Income Brackets	Percent within Cohort		Renter Households within Bracket	
\$0-9,999	11	2.7%		0.0%		0	
\$10,000-19,999	-81	-19.1%		0.0%		0	
\$20,000-29,999	13	3.0%		0.0%		0	
\$30,000-39,999	18	4.2%	7,256	72.6%		13	
\$40,000-49,999	70	16.5%	6,240	62.4%		44	
\$50,000-59,999	71	16.8%		0.0%		0	
\$60,000-74,999	74	17.5%		0.0%		0	
\$75,000-99,999	86	20.2%		0.0%		0	
\$100,000-124,999	66	15.6%		0.0%		0	
\$125,000-149,999	46	10.9%		0.0%		0	
\$150,000-199,999	21	5.0%		0.0%		0	
\$200,000+	29	6.9%		0.0%		0	
Total	423	100.0%		13.3%		56	

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 80%

Minimum Income Limit		\$32,743		Maximum Income Limit		\$46,240	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort		Households within Bracket	
\$0-9,999	1,296	9.9%		0.0%		0	
\$10,000-19,999	2,534	19.3%		0.0%		0	
\$20,000-29,999	2,324	17.7%		0.0%		0	
\$30,000-39,999	1,736	13.3%	7,256	72.6%		1,260	
\$40,000-49,999	1,717	13.1%	6,240	62.4%		1,072	
\$50,000-59,999	897	6.8%		0.0%		0	
\$60,000-74,999	998	7.6%		0.0%		0	
\$75,000-99,999	660	5.0%		0.0%		0	
\$100,000-124,999	482	3.7%		0.0%		0	
\$125,000-149,999	226	1.7%		0.0%		0	
\$150,000-199,999	90	0.7%		0.0%		0	
\$200,000+	135	1.0%		0.0%		0	
Total	13,095	100.0%		17.8%		2,332	

ASSUMPTIONS - 80%

ASSUMPTIONS - 80%					
Tenancy	Family	% of Income towards Housing			35%
Rural/Urban	Urban	Maximum # of Occupants			3
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	80%	20%	0%	0%
2	0%	50%	50%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	30%	70%

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

Demand from New Renter Households 2017 to November 2019

Income Target Population	80%
New Renter Households PMA	423
Percent Income Qualified	13.3%
New Renter Income Qualified Households	56

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	80%
Total Existing Demand	13,095
Income Qualified	17.8%
Income Qualified Renter Households	2,332
Percent Rent Overburdened Prj Mrkt Entry November 2019	40.2%
Rent Overburdened Households	937

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,332
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	12

Senior Households Converting from Homeownership

Income Target Population	80%
Total Senior Homeowners	0
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	949
Total New Demand	56
Total Demand (New Plus Existing Households)	1,006

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

By Bedroom Demand

One Person	26.4%	265
Two Persons	19.7%	199
Three Persons	14.0%	141
Four Persons	12.9%	130
Five Persons	27.0%	271
Total	100.0%	1,006

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	212
Of two-person households in 1BR units	50%	99
Of one-person households in 2BR units	20%	53
Of two-person households in 2BR units	50%	99
Of three-person households in 2BR units	60%	84
Total Demand		548

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand		
1 BR	312	-	0	=	312			
2 BR	237	-	0	=	237			
Total	548		0		548			

Developer's Unit Mix			Net Demand			Capture Rate		
1 BR	12	/	312	=	3.9%			
2 BR	1	/	237	=	0.4%			
Total	13		548		2.4%			

Conclusions

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

- The capture rate assumes the Subject’s LIHTC units do not benefit from subsidy. With the assumption that 99 units will continue to income-qualify following renovations, and 84 units benefit from Section 8 rental assistance, tenants may have an income as low as \$0.
- This *Demand Analysis* does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

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

DEMAND AND NET DEMAND

	HH at 30% AMI (0 to 0)	HH at 40% AMI (0 to 0)	HH at 50% AMI (0 to 0)	HH at 60% AMI (0 to 0)	HH at 80% AMI (\$32,743 to \$46,240)	Overall Demand
Demand from New Households (age and income appropriate)	0	0	0	0	56	56
PLUS	+	+	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	0	0	0	0	937	937
PLUS	+	+	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	0	0	0	0	12	12
=	=	=	=	=	=	=
Sub Total	0	0	0	0	1,006	1,006
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0	0	0
Equals Total Demand	0	0	0	0	1,006	1,006
Less	-	-	-	-	-	-
New Supply	0	0	0	0	0	0
Equals Net Demand	0	0	0	0	1,006	1,006

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed/ Vacant	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 80% AMI	\$32,743	\$41,120	12	312	0	312	3.8%	1-2 months	\$966	\$630	\$1,255	\$618
1BR Overall	\$32,743	\$41,120	12	312	0	312	3.8%	1-2 months	-	-	-	-
2BR at 80% AMI	\$37,269	\$46,240	1	237	0	237	0.4%	1-2 months	\$1,079	\$790	\$1,347	\$736
2BR Overall	\$37,269	\$46,240	1	237	0	237	0.4%	1-2 months	-	-	-	-
80% AMI Overall	\$32,743	\$46,240	13	549	0	549	2.4%	1-2 months	-	-	-	-
Overall	\$32,743	\$46,240	13	549	0	549	2.4%	1-2 months	-	-	-	-

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

As the analysis illustrates, the Subject's 80 percent AMI capture rate is just 2.4 percent. Therefore, we believe there is adequate demand for the Subject. The capture rate at the Subject is well below the 2018 DCA Market Study capture rate threshold of 30 percent.

H. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 11 “true” comparable properties containing 2,408 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; we have included six comparable properties which offer LIHTC units, all of which are located within the PMA, and all target the general population. It should be noted that two of the comparable LIHTC properties feature market rate units. We were unable to identify any comparable offering units at the 40 and 80 percent AMI levels. As such, we utilized comparables offering 30, 50, and 60 percent AMI units. We believe these comparables are the most comparable properties in the area as they target families and are located in generally similar areas in terms of access to amenities.

Finally, it is of note that 84 of the Subject’s 100 units currently benefit from a Housing Assistance Program (HAP) contract, while the remaining units operate as former Section 236 units, which are currently unrestricted. Further, rents in the former Section 236 units are held artificially low. Following renovation, these 16 units will operate as LIHTC-only, while 84 units will continue to benefit from Section 8 subsidy. As such, qualifying tenants for 84 units will pay only 30 percent of their household income on rent. The comparable affordable properties are located between 0.4 and 4.2 miles from the Subject.

The availability of market rate data is considered good. The Subject is located in Gainesville, and there are multiple comparable market rate properties in the area. We have included five conventional market rate properties in our analysis of the competitive market. The market rate properties are located in the PMA, between 0.4 and 2.0 miles from the Subject. The comparables were built or last renovated between 2000 and 2016. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on condition, design or tenancy.

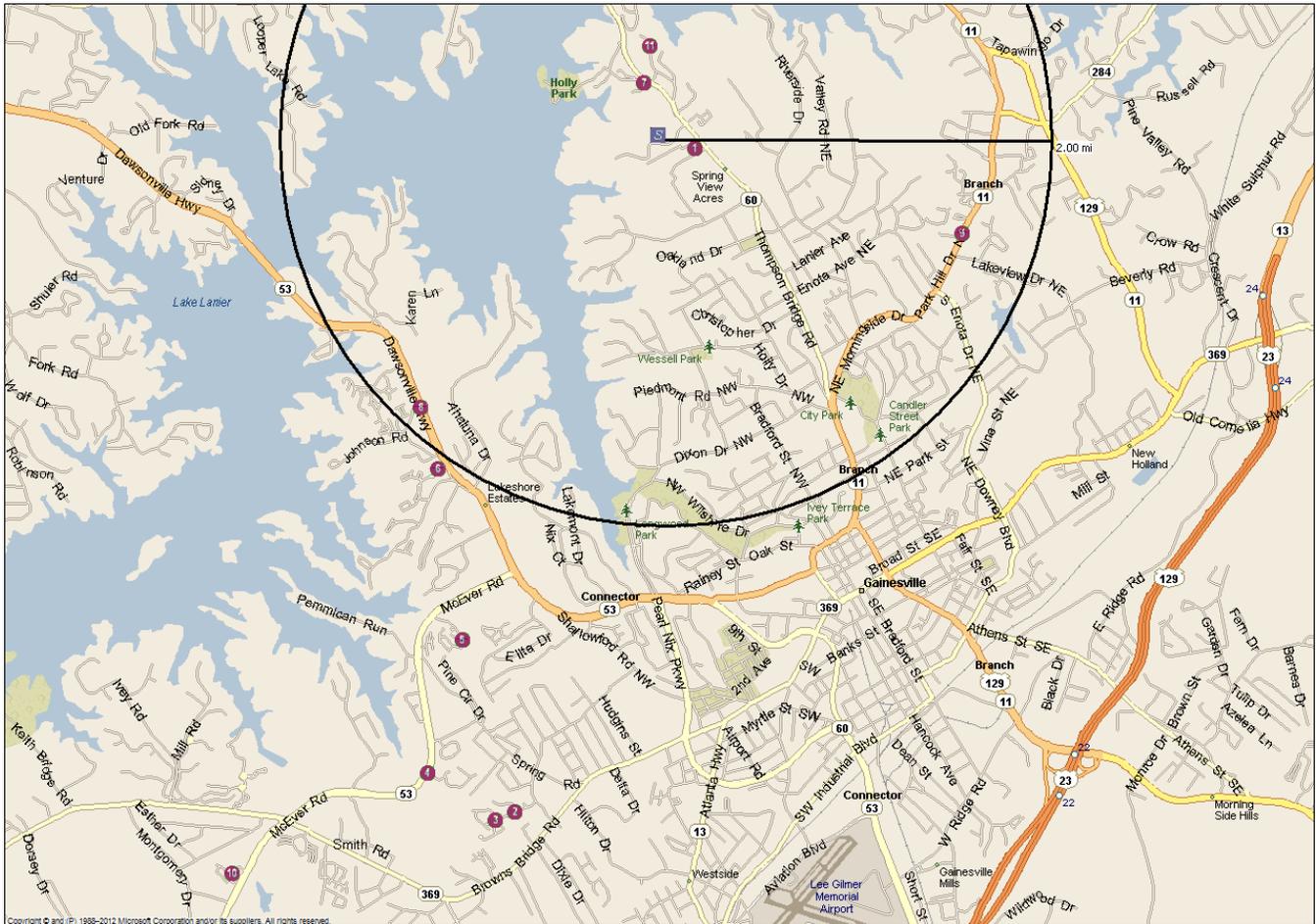
Excluded Properties

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

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Location	# of Units	Reason for Exclusion
Myrtle Terraces	LIHTC/ Market	Senior	Gainesville	84	Dissimilar tenancy
Windcliff Apartments	LIHTC	Senior	Gainesville	56	Dissimilar tenancy
Brandon Place	Market	Family	Gainesville	64	Unable to contact
Brookwood West	Market	Family	Gainesville	50	More comparable properties available
Church Street Manor	Section 8	Senior	Gainesville	54	Dissimilar tenancy; subsidized rents
Gardens At Chicopee	Market	Family	Gainesville	150	More comparable properties available
Glenn Cove Apartments	Market	Family	Gainesville	132	Unable to contact
Walton Summit	LIHTC/Pub. Hsg.	Family	Gainesville	25	Rents based on income
Jesse Jewel Public Housing	Public Housing	Family	Gainesville	25	Rents based on income
Lake Forest Apts	Section 8	Senior	Gainesville	117	Dissimilar tenancy; subsidized rents
Lanier Terrace Apartments	Market	Family	Gainesville	96	No 1BR units
Lighthouse Manor, Inc.	Section 8	Family	Gainesville	74	Subsidized rents
North Cliff Colony	Market	Family	Gainesville	175	Unable to contact
Park Creek	Market	Family	Gainesville	200	More comparable properties available
Pines Of Lanier	Market	Family	Gainesville	157	More comparable properties available
Pointe Lanier	Market	Family	Gainesville	140	More comparable properties available
Poplar Hills	Market	Family	Gainesville	18	More comparable properties available
Ridgecrest Apartments	Section 8	Family	Gainesville	130	Subsidized rents
Ridgewood Place	Market	Family	Gainesville	38	Only 1BR units
Spring Valley Apartments	Market	Family	Gainesville	80	Unable to contact
Summit Place At Limestone	Market	Family	Gainesville	128	More comparable properties available
The Peaks At Gainesville	Market	Family	Gainesville	292	More comparable properties available
The Preserve At Tumbling Creek	Market	Family	Gainesville	120	Dissimilar unit mix
Trees of Gainesville	Market	Family	Gainesville	348	Superior condition
Towne Creek Apartments	Market	Family	Gainesville	150	More comparable properties available
Washington Place	Market	Family	Gainesville	12	Only 1BR units

Comparable Rental Property Map



COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Tenancy	Distance From Subject
1	Legacy at North Pointe	Gainesville	LIHTC	Family	0.4 miles
2	Oconee Springs	Gainesville	LIHTC	Family	3.5 miles
3	Paces Landing	Gainesville	LIHTC/Market	Family	3.5 miles
4	The Field McEver	Gainesville	LIHTC	Family	3.4 miles
5	The Retreat at McEver	Gainesville	LIHTC	Family	2.6 miles
6	Carrington Park at Lake Lanier	Gainesville	Market	Family	2.0 miles
7	Edgewater on Lanier Apartments	Gainesville	Market	Family	0.3 miles
8	Lake Lanier Club	Gainesville	Market	Family	1.8 miles
9	Park Hill Apartments	Gainesville	Market	Family	1.7 miles
10	The Fields Lake Lanier	Gainesville	LIHTC/Market	Family	4.2 miles
11	Vista Ridge at Lake Lanier	Gainesville	Market	Family	0.5 miles

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

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Linwood Apartments 392 Linwood Drive Gainesville, GA 30501 County		Garden (2 stories) 1974 / Proposed 2019 Family	@40% (Section 8), @60% (Section 8), @80%, @80% (Section 8), Non-Rental	1BR / 1BA	11	11.0%	645	@40% (Section 8)	\$377	Yes	Yes	0	0.0%
					1BR / 1BA	8	8.0%	645	@60% (Section 8)	\$618	Yes	Yes	0	0.0%
					1BR / 1BA	11	11.0%	645	@80%	\$885	Yes	Yes	0	0.0%
					2BR / 1BA	25	25.0%	865	@40% (Section 8)	\$447	Yes	Yes	0	0.0%
					2BR / 1BA	19	19.0%	865	@60% (Section 8)	\$736	Yes	Yes	0	0.0%
					2BR / 1BA	4	4.0%	865	@80%	\$1,005	Yes	Yes	1	25.0%
					2BR / 1BA	21	21.0%	865	@80% (Section 8)	\$1,025	Yes	N/A	0	0.0%
					2BR / 1BA	1	1.0%	811	Non-Rental	-	N/A	N/A	0	0.0%
						100	100.0%							
1	Legacy At North Pointe 100 North Pointe Dr. Gainesville, GA 30501 Hall County	0.4 miles	Garden (2 stories) 2000 / n/a Family	@60%	2BR / 2BA	76	71.7%	1,025	@60%	\$788	Yes	Yes	0	0.0%
					3BR / 2BA	30	28.3%	1,215	@60%	\$897	Yes	Yes	0	0.0%
						106	100.0%							
2	Oconee Springs 2351 Springhaven Drive Gainesville, GA 30504 Hall County	3.5 miles	Garden (2 stories) 1997 / 2014 Family	@30%, @50%, @60%	2BR / 2BA	4	4.5%	1,013	@30%	\$305	Yes	Yes	0	0.0%
					2BR / 2BA	3	3.4%	1,013	@50%	\$585	No	Yes	0	0.0%
					2BR / 2BA	9	10.2%	1,013	@60%	\$595	No	Yes	0	0.0%
					3BR / 2BA	13	14.8%	1,210	@30%	\$265	Yes	Yes	0	0.0%
					3BR / 2BA	13	14.8%	1,210	@50%	\$590	No	Yes	0	0.0%
					3BR / 2BA	38	43.2%	1,210	@60%	\$599	No	Yes	0	0.0%
					4BR / 2BA	2	2.3%	1,372	@30%	\$265	Yes	Yes	0	0.0%
					4BR / 2BA	2	2.3%	1,372	@50%	\$625	No	Yes	0	0.0%
						88	100.0%							
3	Paces Landing 100 Paces Court Gainesville, GA 30504 Hall County	3.5 miles	Garden (2 stories) 2005 / n/a Family	@50%, @60%, Market	1BR / 1BA	12	8.6%	792	@60%	\$714	Yes	Yes	0	0.0%
					1BR / 1BA	4	2.9%	792	Market	\$775	N/A	Yes	0	0.0%
					2BR / 2BA	14	10.0%	1,062	@50%	\$710	Yes	Yes	0	0.0%
					2BR / 2BA	42	30.0%	1,062	@60%	\$855	Yes	Yes	0	0.0%
					2BR / 2BA	10	7.1%	1,062	Market	\$885	N/A	Yes	0	0.0%
					3BR / 2BA	40	28.6%	1,267	@50%	\$714	Yes	Yes	0	0.0%
					3BR / 2BA	10	7.1%	1,267	Market	\$925	N/A	Yes	0	0.0%
					4BR / 2BA	4	2.9%	1,428	@50%	\$785	Yes	Yes	0	0.0%
						140	100.0%							
4	The Fields Moever 1245 Moever Road Gainesville, GA 30504 Hall County	3.4 miles	Garden (3 stories) 2004 / n/a Family	@60%	1BR / 1BA	36	16.4%	860	@60%	\$718	Yes	No	0	0.0%
					2BR / 2BA	106	48.2%	1,119	@60%	\$852	Yes	No	0	0.0%
					3BR / 2BA	78	35.5%	1,335	@60%	\$881	Yes	No	0	0.0%
						220	100.0%							
5	The Retreat At Moever 1050 Eagle Eye Rd Gainesville, GA 30504 Hall County	2.6 miles	Garden (3 stories) 2002 / n/a Family	@60%	1BR / 1BA	80	35.7%	890	@60%	\$675	Yes	No	1	1.3%
					2BR / 2BA	88	39.3%	1,120	@60%	\$802	Yes	No	2	2.3%
					2BR / 2BA	32	14.3%	1,170	@60%	\$802	Yes	No	3	9.4%
					3BR / 2BA	24	10.7%	1,350	@60%	\$916	Yes	Yes	0	0.0%
						224	100.0%							
6	Carrington Park At Lake Lanier 150 Carrington Park Drive Gainesville, GA 30504 Hall County	1.9 miles	Garden (3 stories) 2000 / n/a Family	Market	1BR / 1BA	16	5.5%	595	Market	\$858	N/A	No	0	0.0%
					1BR / 1BA	8	2.7%	874	Market	\$978	N/A	No	0	0.0%
					1BR / 1BA	10	3.4%	894	Market	\$1,138	N/A	No	1	10.0%
					1BR / 1.5BA	54	18.5%	840	Market	\$928	N/A	No	0	0.0%
					2BR / 2BA	94	32.2%	1,056	Market	\$1,087	N/A	No	0	0.0%
					2BR / 2BA	33	11.3%	1,255	Market	\$1,187	N/A	No	0	0.0%
					2BR / 2BA	10	3.4%	1,255	Market	\$1,347	N/A	No	2	20.0%
					3BR / 2BA	24	8.2%	1,431	Market	\$1,210	N/A	No	3	12.5%
						338	100.0%							
7	Edgewater On Lanier Apartments 2419 Old Thompson Bridge Road Gainesville, GA 30501 Hall County	0.4 miles	Garden (3 stories) 1984 / 2017 Family	Market	1BR / 1BA	60	33.3%	808	Market	\$998	N/A	No	1	1.7%
					2BR / 2BA	42	23.3%	1,200	Market	\$1,152	N/A	No	0	0.0%
					2.5BR / 2BA	66	36.7%	1,200	Market	\$1,152	N/A	No	0	0.0%
					3BR / 2BA	12	6.7%	1,300	Market	\$1,200	N/A	No	0	0.0%
						180	100.0%							
8	Lake Lanier Club 1701 Dawsonville Hwy Gainesville, GA 30504 Hall County	1.7 miles	Garden (3 stories) 2000 / n/a Family	Market	1BR / 1BA	67	10.2%	686	Market	\$1,068	N/A	No	2	3.0%
					1BR / 1BA	3	0.5%	750	Market	\$1,090	N/A	No	0	0.0%
					1BR / 1BA	77	11.8%	857	Market	\$1,125	N/A	No	1	1.3%
					1BR / 1BA	82	12.5%	985	Market	\$1,095	N/A	No	1	1.2%
					2BR / 2BA	61	9.3%	1,192	Market	\$1,226	N/A	No	2	3.3%
					2BR / 2BA	107	16.3%	1,252	Market	\$1,294	N/A	No	6	5.6%
					2BR / 2BA	156	23.8%	1,363	Market	\$1,244	N/A	No	0	0.0%
					3BR / 2BA	13	2.0%	1,571	Market	\$1,353	N/A	No	0	0.0%
						655	100.0%							
9	Park Hill Apartments 1567 Park Hill Drive Gainesville, GA 30501 Hall County	1.8 miles	Garden (2 stories) 1984 / 2000's Family	Market	OBR / 1BA	59	14.3%	300	Market	\$640	N/A	No	0	0.0%
					OBR / 1BA	59	14.3%	400	Market	\$550	N/A	No	0	0.0%
					1BR / 1BA	30	7.3%	480	Market	\$630	N/A	No	0	0.0%
					1BR / 1BA	29	7.0%	645	Market	\$685	N/A	No	0	0.0%
					2BR / 1BA	59	14.3%	798	Market	\$790	N/A	No	0	0.0%
					2BR / 1BA	59	14.3%	845	Market	\$820	N/A	No	0	0.0%
						413	100.0%							
10	The Fields Lake Lanier 150 Orchard Brook Road Gainesville, GA 30504 Hall County	4.2 miles	Garden (3 stories) 2001 / n/a Family	Market	2BR / 2BA	56	52.3%	1,119	Market	\$950	Yes	No	0	0.0%
					2BR / 2BA	15	14.0%	1,178	Market	\$1,083	N/A	No	0	0.0%
					3BR / 2BA	28	26.2%	1,320	Market	\$1,065	Yes	No	0	0.0%
					3BR / 2BA	8	7.5%	1,365	Market	\$1,100	N/A	No	0	0.0%
						107	100.0%							
11	Vista Ridge At Lake Lanier 2363 N Cliff Colony Dr. Gainesville, GA 30501 Hall County	0.5 miles	Various (2 stories) 1970 / 2000's Family	Market	1BR / 1BA	8	4.6%	800	Market	\$918	N/A	No	0	0.0%
					2BR / 1.5BA	60	34.3%	1,124	Market	\$1,077	N/A	No	0	0.0%
					2BR / 2BA	10	5.7%	1,128	Market	\$1,127	N/A	No	1	10.0%
					2BR / 2BA	10	5.7%	1,229	Market	\$1,127	N/A	No	1	10.0%
					2BR / 2.5BA	47	26.9%	1,175	Market	\$1,277	N/A	No	0	0.0%
					3BR / 2BA	14	8.0%	1,250	Market	\$1,200	N/A	No	0	0.0%
						175	100.0%							
						175	100.0%							

LINWOOD APARTMENTS – GAINESVILLE, GEORGIA– MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.					
	Units Surveyed:	2,600	Weighted Occupancy:	98.4%	
	Market Rate	1,822	Market Rate	98.0%	
	Tax Credit	778	Tax Credit	99.2%	
		One-Bedroom One Bath		Two-Bedroom One Bath	
	Property	Average		Property	Average
RENT	Carrington Park At Lake Lanier (Market)	\$1,138		Carrington Park At Lake Lanier (Market)(2BA)	\$1,347
	Lake Lanier Club (Market)	\$1,125		Lake Lanier Club (Market)(2BA)	\$1,294
	Lake Lanier Club (Market)	\$1,095		Vista Ridge At Lake Lanier (Market)(2.5BA)	\$1,277
	Lake Lanier Club (Market)	\$1,090		Lake Lanier Club (Market)(2BA)	\$1,244
	Lake Lanier Club (Market)	\$1,068		Lake Lanier Club (Market)(2BA)	\$1,226
	Edgewater On Lanier Apartments (Market)	\$998		Carrington Park At Lake Lanier (Market)(2BA)	\$1,187
	Carrington Park At Lake Lanier (Market)	\$978		Edgewater On Lanier Apartments (Market)(2BA)	\$1,152
	Carrington Park At Lake Lanier (Market)(1.5BA)	\$928		Vista Ridge At Lake Lanier (Market)(2BA)	\$1,127
	Vista Ridge At Lake Lanier (Market)	\$918		Vista Ridge At Lake Lanier (Market)(2BA)	\$1,127
	Linwood Apartments (@80%)	\$885		Carrington Park At Lake Lanier (Market)(2BA)	\$1,087
	Carrington Park At Lake Lanier (Market)	\$858		The Fields Lake Lanier (Market)(2BA)	\$1,083
	Paces Landing (Market)	\$775		Vista Ridge At Lake Lanier (Market)(1.5BA)	\$1,077
	The Fields Mcever (@60%)	\$718		Linwood Apartments (@80%)	\$1,025
	Paces Landing (@60%)	\$714		Linwood Apartments (@80%)	\$1,005
	Park Hill Apartments (Market)	\$685		The Fields Lake Lanier (Market)(2BA)	\$950
	The Retreat At Mcever (@60%)	\$675		Paces Landing (Market)(2BA)	\$885
	Park Hill Apartments (Market)	\$630		Park Hill Apartments (Market)	\$880
	Linwood Apartments (@60%)	\$618		Paces Landing (@60%)(2BA)	\$855
	Linwood Apartments (@40%)	\$377		The Fields Mcever (@60%)(2BA)	\$852
				Park Hill Apartments (Market)	\$820
				The Retreat At Mcever (@60%)(2BA)	\$802
				The Retreat At Mcever (@60%)(2BA)	\$802
				Park Hill Apartments (Market)	\$790
				Legacy At North Pointe (@60%)(2BA)	\$788
				Linwood Apartments (@60%)	\$736
				Paces Landing (@50%)(2BA)	\$710
				Oconee Springs (@60%)(2BA)	\$595
				Oconee Springs (@50%)(2BA)	\$585
				Linwood Apartments (@40%)	\$447
				Oconee Springs (@30%)(2BA)	\$305
SQUARE FOOTAGE	Lake Lanier Club (Market)	985		Lake Lanier Club (Market)(2BA)	1,363
	Carrington Park At Lake Lanier (Market)	894		Carrington Park At Lake Lanier (Market)(2BA)	1,255
	The Retreat At Mcever (@60%)	890		Carrington Park At Lake Lanier (Market)(2BA)	1,255
	Carrington Park At Lake Lanier (Market)	874		Lake Lanier Club (Market)(2BA)	1,252
	The Fields Mcever (@60%)	860		Vista Ridge At Lake Lanier (Market)(2BA)	1,229
	Lake Lanier Club (Market)	857		Edgewater On Lanier Apartments (Market)(2BA)	1,200
	Carrington Park At Lake Lanier (Market)(1.5BA)	840		Lake Lanier Club (Market)(2BA)	1,192
	Edgewater On Lanier Apartments (Market)	808		The Fields Lake Lanier (Market)(2BA)	1,178
	Vista Ridge At Lake Lanier (Market)	800		Vista Ridge At Lake Lanier (Market)(2.5BA)	1,175
	Paces Landing (@60%)	792		The Retreat At Mcever (@60%)(2BA)	1,170
	Paces Landing (Market)	792		Vista Ridge At Lake Lanier (Market)(2BA)	1,128
	Lake Lanier Club (Market)	750		Vista Ridge At Lake Lanier (Market)(1.5BA)	1,124
	Lake Lanier Club (Market)	686		The Retreat At Mcever (@60%)(2BA)	1,120
	Linwood Apartments (@80%)	645		The Fields Mcever (@60%)(2BA)	1,119
	Linwood Apartments (@40%)	645		The Fields Lake Lanier (Market)(2BA)	1,119
	Linwood Apartments (@60%)	645		Paces Landing (@60%)(2BA)	1,062
	Park Hill Apartments (Market)	645		Paces Landing (@50%)(2BA)	1,062
	Carrington Park At Lake Lanier (Market)	595		Paces Landing (Market)(2BA)	1,062
	Park Hill Apartments (Market)	480		Carrington Park At Lake Lanier (Market)(2BA)	1,056
				Legacy At North Pointe (@60%)(2BA)	1,025
				Oconee Springs (@30%)(2BA)	1,013
				Oconee Springs (@60%)(2BA)	1,013
				Oconee Springs (@50%)(2BA)	1,013
				Linwood Apartments (@80%)	865
				Park Hill Apartments (Market)	865
				Linwood Apartments (@60%)	865
				Linwood Apartments (@80%)	865
				Linwood Apartments (@40%)	865
				Park Hill Apartments (Market)	845
				Linwood Apartments (Non-Rental)	811
			Park Hill Apartments (Market)	798	

PROPERTY PROFILE REPORT

Legacy At North Pointe

Effective Rent Date	8/13/2018
Location	100 North Pointe Dr. Gainesville, GA 30501 Hall County
Distance	0.4 miles
Units	106
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed local tenancy
Contact Name	Rosie
Phone	770-533-9220



Market Information

Program	@60%
Annual Turnover Rate	11%
Units/Month Absorbed	26
HCV Tenants	15%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Remained stable since 2Q18
Concession	None
Waiting List	Yes- 2 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)	76	1,025	\$788	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	30	1,215	\$897	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$788	\$0	\$788	\$0	\$788
3BR / 2BA	\$897	\$0	\$897	\$0	\$897

Legacy At North Pointe, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
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

Waiting list length is 2 households.

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
0.0%	0.0%	3.8%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$755	\$0	\$755	\$755
2018	1	0.0%	\$755	\$0	\$755	\$755
2018	2	3.9%	\$788	\$0	\$788	\$788
2018	3	0.0%	\$788	\$0	\$788	\$788

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$852	\$0	\$852	\$852
2018	1	0.0%	\$852	\$0	\$852	\$852
2018	2	3.3%	\$897	\$0	\$897	\$897
2018	3	0.0%	\$897	\$0	\$897	\$897

Trend: Comments

4Q17	The Subject is encumbered by a land use regulatory agreement (LURA) dated October 23, 2000 with Georgia Department of Community Affairs indicates that all 106 units must be occupied by tenants earning at or below 60 percent of AMI. The property contact stated there are currently four households on their waiting list.
1Q18	The property is encumbered by a land use regulatory agreement (LURA) dated October 23, 2000 with Georgia Department of Community Affairs that restricts all 106 units to tenants earning at or below 60 percent of AMI. It is currently in its extended use period.
2Q18	None.
3Q18	Waiting list length is 2 households.

Photos



PROPERTY PROFILE REPORT

Oconee Springs

Effective Rent Date	5/18/2018
Location	2351 Springhaven Drive Gainesville, GA 30504 Hall County
Distance	3.5 miles
Units	88
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1997 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Paces Landing (sister property)
Tenant Characteristics	Families, manufacturing workers, most from Gainesville and surrounding areas
Contact Name	Xiomora
Phone	770.535.1565



Market Information

Program	@30%, @50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	20-30 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	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	Garden (2 stories)	4	1,013	\$245	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	3	1,013	\$525	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	9	1,013	\$535	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	13	1,210	\$265	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	13	1,210	\$590	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	38	1,210	\$599	\$0	@60%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	2	1,372	\$265	\$0	@30%	Yes	0	0.0%	yes	None
4	2	Garden (2 stories)	2	1,372	\$625	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	4	1,372	\$675	\$0	@60%	Yes	0	0.0%	no	None

Oconee Springs, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$245	\$0	\$245	\$51	\$296	2BR / 2BA	\$525	\$0	\$525	\$51	\$576
3BR / 2BA	\$265	\$0	\$265	\$63	\$328	3BR / 2BA	\$590	\$0	\$590	\$63	\$653
4BR / 2BA	\$265	\$0	\$265	\$0	\$265	4BR / 2BA	\$625	\$0	\$625	\$0	\$625

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$535	\$0	\$535	\$51	\$586
3BR / 2BA	\$599	\$0	\$599	\$63	\$662
4BR / 2BA	\$675	\$0	\$675	\$0	\$675

Amenities

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

Comments

The contact reported that rents are held low to maintain affordability.

Trend Report

Vacancy Rates

2Q14	4Q17	1Q18	2Q18
1.1%	0.0%	0.0%	0.0%

Trend: @30%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$14	\$0	\$14	\$65
2017	4	0.0%	\$245	\$0	\$245	\$296
2018	1	0.0%	\$245	\$0	\$245	\$296
2018	2	0.0%	\$245	\$0	\$245	\$296

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$230	\$0	\$230	\$293
2017	4	0.0%	\$265	\$0	\$265	\$328
2018	1	0.0%	\$265	\$0	\$265	\$328
2018	2	0.0%	\$265	\$0	\$265	\$328

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$221	\$0	\$221	\$221
2017	4	0.0%	\$265	\$0	\$265	\$265
2018	1	0.0%	\$265	\$0	\$265	\$265
2018	2	0.0%	\$265	\$0	\$265	\$265

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$485	\$0	\$485	\$536
2017	4	0.0%	\$525	\$0	\$525	\$576
2018	1	0.0%	\$525	\$0	\$525	\$576
2018	2	0.0%	\$525	\$0	\$525	\$576

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$544	\$0	\$544	\$607
2017	4	0.0%	\$590	\$0	\$590	\$653
2018	1	0.0%	\$590	\$0	\$590	\$653
2018	2	0.0%	\$590	\$0	\$590	\$653

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$571	\$0	\$571	\$571
2017	4	0.0%	\$625	\$0	\$625	\$625
2018	1	0.0%	\$625	\$0	\$625	\$625
2018	2	0.0%	\$625	\$0	\$625	\$625

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$526	\$0	\$526	\$577
2017	4	0.0%	\$535	\$0	\$535	\$586
2018	1	0.0%	\$535	\$0	\$535	\$586
2018	2	0.0%	\$535	\$0	\$535	\$586

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$591	\$0	\$591	\$654
2017	4	0.0%	\$599	\$0	\$599	\$662
2018	1	0.0%	\$599	\$0	\$599	\$662
2018	2	0.0%	\$599	\$0	\$599	\$662

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$659	\$0	\$659	\$659
2017	4	0.0%	\$675	\$0	\$675	\$675
2018	1	0.0%	\$675	\$0	\$675	\$675
2018	2	0.0%	\$675	\$0	\$675	\$675

Trend: Comments

- 2Q14 The contact reported a six to nine month waiting list for units restricted at 30 percent of AMI. She noted current occupancy rate has been typical so far in 2014.
- 4Q17 The property manager said that they do accept HCV but that she wasn't sure what percentage of tenants use them.
- 1Q18 The property manager had no additional comments.
- 2Q18 The contact reported that rents are held low to maintain affordability.

Photos



PROPERTY PROFILE REPORT

Paces Landing

Effective Rent Date	5/18/2018
Location	100 Paces Court Gainesville, GA 30504 Hall County
Distance	3.5 miles
Units	140
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oconee Springs
Tenant Characteristics	Families, manufacturing workers
Contact Name	Xiomora
Phone	770.535.1565



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at max. allowable
Concession	None
Waiting List	20-30 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	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)	12	792	\$664	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	792	\$725	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	14	1,062	\$650	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	42	1,062	\$795	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	10	1,062	\$825	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	40	1,267	\$714	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,267	\$925	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Garden (2 stories)	4	1,428	\$785	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (2 stories)	4	1,428	\$1,025	\$0	Market	Yes	0	0.0%	N/A	None

Paces Landing, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$650	\$0	\$650	\$51	\$701	1BR / 1BA	\$664	\$0	\$664	\$43	\$707
3BR / 2BA	\$714	\$0	\$714	\$63	\$777	2BR / 2BA	\$795	\$0	\$795	\$51	\$846
4BR / 2BA	\$785	\$0	\$785	\$0	\$785						

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$725	\$0	\$725	\$43	\$768
2BR / 2BA	\$825	\$0	\$825	\$51	\$876
3BR / 2BA	\$925	\$0	\$925	\$63	\$988
4BR / 2BA	\$1,025	\$0	\$1,025	\$0	\$1,025

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	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	Playground		
Swimming Pool			

Comments

The contact reported strong demand for affordable housing in the area. The contact was only able to provide the rents for the one and two-bedroom units. The rents for the three and four-bedroom units are from December 2017.

Paces Landing, continued

Trend Report

Vacancy Rates

4Q12	4Q17	1Q18	2Q18
3.6%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$574	\$0	\$574	\$625
2017	4	0.0%	\$627	\$0	\$627	\$678
2018	1	0.0%	\$627	\$0	\$627	\$678
2018	2	0.0%	\$650	\$0	\$650	\$701

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$644	\$0	\$644	\$707
2017	4	0.0%	\$714	\$0	\$714	\$777
2018	1	0.0%	\$714	\$0	\$714	\$777
2018	2	0.0%	\$714	\$0	\$714	\$777

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$693	\$0	\$693	\$693
2017	4	0.0%	\$785	\$0	\$785	\$785
2018	1	0.0%	\$785	\$0	\$785	\$785
2018	2	0.0%	\$785	\$0	\$785	\$785

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$600	\$0	\$600	\$643
2017	4	0.0%	\$725	\$0	\$725	\$768
2018	1	0.0%	\$725	\$0	\$725	\$768
2018	2	0.0%	\$725	\$0	\$725	\$768

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$710	\$60	\$650	\$701
2017	4	0.0%	\$825	\$0	\$825	\$876
2018	1	0.0%	\$825	\$0	\$825	\$876
2018	2	0.0%	\$825	\$0	\$825	\$876

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$825	\$0	\$825	\$888
2017	4	0.0%	\$925	\$0	\$925	\$988
2018	1	0.0%	\$925	\$0	\$925	\$988
2018	2	0.0%	\$925	\$0	\$925	\$988

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$925	\$0	\$925	\$925
2017	4	0.0%	\$1,025	\$0	\$1,025	\$1,025
2018	1	0.0%	\$1,025	\$0	\$1,025	\$1,025
2018	2	0.0%	\$1,025	\$0	\$1,025	\$1,025

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$593	\$0	\$593	\$636
2017	4	0.0%	\$646	\$0	\$646	\$689
2018	1	0.0%	\$646	\$0	\$646	\$689
2018	2	0.0%	\$664	\$0	\$664	\$707

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$709	\$84	\$625	\$676
2017	4	0.0%	\$772	\$0	\$772	\$823
2018	1	0.0%	\$772	\$0	\$772	\$823
2018	2	0.0%	\$795	\$0	\$795	\$846

Trend: Comments

- 4Q12 Currently, the two-bedroom units restricted at the 60 percent AMI level are on special for \$625, and the two-bedroom market rate units are on special for \$650.
- 4Q17 The property manager said she was not sure about the number of tenants with HCVs but that 5% sounded about right.
- 1Q18 The contact had no additional comments.
- 2Q18 The contact reported strong demand for affordable housing in the area. The contact was only able to provide the rents for the one and two-bedroom units. The rents for the three and four-bedroom units are from December 2017.

PROPERTY PROFILE REPORT

The Fields McEver

Effective Rent Date	8/10/2018
Location	1245 McEver Road Gainesville, GA 30504 Hall County
Distance	3.4 miles
Units	220
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Retreat at McEver, Orchard Brook, Paces Landing
Tenant Characteristics	Majority of tenants from Gainesville and immediately surrounding towns with some seniors
Contact Name	April
Phone	770.287.8292



Market Information

Program	@60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Within 30 days
Annual Chg. in Rent	Kept at max.
Concession	None
Waiting List	None maintained

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	860	\$650	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	106	1,119	\$775	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	78	1,335	\$881	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$58	\$708
2BR / 2BA	\$775	\$0	\$775	\$66	\$841
3BR / 2BA	\$881	\$0	\$881	\$78	\$959

The Fields Mcever, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Limited Access	None
Central A/C	Coat Closet	Perimeter Fencing	
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Sunroom in all units
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Tennis Court			

Comments

No additional comments.

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
1.8%	1.8%	1.8%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	2.8%	\$632	\$0	\$632	\$690
2018	1	2.8%	\$632	\$0	\$632	\$690
2018	2	2.8%	\$650	\$0	\$650	\$708
2018	3	0.0%	\$650	\$0	\$650	\$708

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.9%	\$753	\$0	\$753	\$819
2018	1	0.9%	\$753	\$0	\$753	\$819
2018	2	0.9%	\$775	\$0	\$775	\$841
2018	3	0.0%	\$775	\$0	\$775	\$841

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	2.6%	\$857	\$0	\$857	\$935
2018	1	2.6%	\$857	\$0	\$857	\$935
2018	2	2.6%	\$881	\$0	\$881	\$959
2018	3	0.0%	\$881	\$0	\$881	\$959

Trend: Comments

4Q17	The contact reported the property is under new management since April of 2016. The property was formerly known as McEver Vineyards. The contact could not comment on the number of households currently on their waiting list, how many tenants are utilizing Housing Choice Vouchers, or annual turnover rate. The percentage of HCV tenants and leasing pace in the profile are from an interview conducted in June 2016.
1Q18	The contact reported the property is under new management since April of 2016. The property was formerly known as McEver Vineyards. The percentage of HCV tenants and leasing pace in the profile are from an interview conducted in June 2016.
2Q18	None
3Q18	No additional comments.

PROPERTY PROFILE REPORT

The Retreat At Mcever

Effective Rent Date	8/13/2018
Location	1050 Eagle Eye Rd Gainesville, GA 30504 Hall County
Distance	2.6 miles
Units	224
Vacant Units	6
Vacancy Rate	2.7%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	9/01/2002
Last Unit Leased	8/01/2003
Major Competitors	The Fields, Oconee Springs, Paces Landing
Tenant Characteristics	Predominantly local families and singles, 5% seniors
Contact Name	Liza
Phone	770-531-0065



Market Information

Program	@60%
Annual Turnover Rate	22%
Units/Month Absorbed	15
HCV Tenants	5%
Leasing Pace	Within one month
Annual Chg. in Rent	Kept at Max
Concession	None
Waiting List	Yes, 1 household for 3BR

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	80	890	\$675	\$0	@60%	Yes	1	1.3%	yes	None
2	2	Garden (3 stories)	88	1,120	\$802	\$0	@60%	Yes	2	2.3%	yes	None
2	2	Garden (3 stories)	32	1,170	\$802	\$0	@60%	Yes	3	9.4%	yes	None
3	2	Garden (3 stories)	24	1,350	\$916	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 2BA	\$802	\$0	\$802	\$0	\$802
3BR / 2BA	\$916	\$0	\$916	\$0	\$916

The Retreat At Mcever, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C	Video Surveillance	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

No additional comments.

The Retreat At Mcever, continued

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
3.1%	3.1%	2.2%	2.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	1.3%	\$635	\$0	\$635	\$635
2018	1	1.3%	\$635	\$0	\$635	\$635
2018	2	0.0%	\$650	\$0	\$650	\$650
2018	3	1.3%	\$675	\$0	\$675	\$675

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	5.0%	\$745	\$0	\$745	\$745
2018	1	5.0%	\$745	\$0	\$745	\$745
2018	2	3.3%	\$775	\$0	\$775	\$775
2018	3	4.2%	\$802	\$0	\$802	\$802

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$850	\$0	\$850	\$850
2018	1	0.0%	\$850	\$0	\$850	\$850
2018	2	4.2%	\$881	\$0	\$881	\$881
2018	3	0.0%	\$916	\$0	\$916	\$916

Trend: Comments

4Q17	The contact stated that the property maintains a waiting list of approximately six households, all for three-bedroom units. Utility allowances are \$77, \$101, and \$126 for one, two, and three-bedroom units, respectively. The contact reported that tenants' average annual income is between \$16,000 and \$21,000. She reported that most tenants are from Gainesville and the surrounding area. She also reports that the market for affordable housing in the area is strong and growing.
1Q18	Utility allowances are \$77, \$101, and \$126 for one, two, and three-bedroom units, respectively. The contact reported that tenants' average annual income is between \$16,000 and \$21,000. She reported that most tenants are from Gainesville and the surrounding area. She also reports that the market for affordable housing in the area is strong and growing.
2Q18	N/A
3Q18	No additional comments.

PROPERTY PROFILE REPORT

Carrington Park At Lake Lanier

Effective Rent Date	8/09/2018
Location	150 Carrington Park Drive Gainesville, GA 30504 Hall County
Distance	2 miles
Units	292
Vacant Units	6
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	2/22/2008
Major Competitors	Lake Lanier, Park Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Vanessa
Phone	678-450-7300



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	6
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 0-5% since 4Q17
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)	16	595	\$790	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	8	874	\$910	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	10	894	\$1,070	\$0	Market	No	0	0.0%	N/A	None
1	1.5	Garden (3 stories)	54	840	\$860	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	94	1,056	\$1,010	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	33	1,255	\$1,110	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	10	1,255	\$1,270	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	24	1,431	\$1,210	\$0	Market	No	3	12.5%	N/A	None
3	2	Garden (3 stories)	33	1,499	\$1,260	\$0	Market	No	3	9.1%	N/A	None
3	2	Garden (3 stories)	10	1,499	\$1,410	\$0	Market	No	0	0.0%	N/A	None

Carrington Park At Lake Lanier, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$790 - \$1,070	\$0	\$790 - \$1,070	\$58	\$848 - \$1,128
1BR / 1.5BA	\$860	\$0	\$860	\$58	\$918
2BR / 2BA	\$1,010 - \$1,270	\$0	\$1,010 - \$1,270	\$66	\$1,076 - \$1,336
3BR / 2BA	\$1,210 - \$1,410	\$0	\$1,210 - \$1,410	\$78	\$1,288 - \$1,488

Amenities

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

Comments

This property does not accept Housing Choice Vouchers. The highest priced one, two, and three-bedroom units include a detached garage. Additional detached garages are available to tenants for an additional \$150 per month.

Carrington Park At Lake Lanier, continued

Trend Report

Vacancy Rates

2Q14	4Q17	2Q18	3Q18
2.7%	2.7%	3.1%	2.1%

Trend: Market

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	3.7%	\$760	\$25	\$735	\$793
2017	4	0.0%	\$850	\$0	\$850	\$908
2018	2	1.9%	\$850	\$0	\$850	\$908
2018	3	0.0%	\$860	\$0	\$860	\$918

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	5.9%	\$680 - \$860	\$0 - \$25	\$680 - \$860	\$738 - \$918
2017	4	5.9%	\$780 - \$1,060	\$0	\$780 - \$1,060	\$838 - \$1,118
2018	2	2.9%	\$780 - \$1,110	\$0	\$780 - \$1,110	\$838 - \$1,168
2018	3	0.0%	\$790 - \$1,070	\$0	\$790 - \$1,070	\$848 - \$1,128

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	2.9%	\$850 - \$940	\$0 - \$25	\$825 - \$940	\$891 - \$1,006
2017	4	2.9%	\$1,000 - \$1,260	\$0	\$1,000 - \$1,260	\$1,066 - \$1,326
2018	2	0.7%	\$1,000 - \$1,260	\$0	\$1,000 - \$1,260	\$1,066 - \$1,326
2018	3	0.0%	\$1,010 - \$1,270	\$0	\$1,010 - \$1,270	\$1,076 - \$1,336

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$960 - \$1,060	\$0	\$960 - \$1,060	\$1,038 - \$1,138
2017	4	3.0%	\$1,200 - \$1,410	\$0	\$1,200 - \$1,410	\$1,278 - \$1,488
2018	2	9.0%	\$1,200 - \$1,410	\$0	\$1,200 - \$1,410	\$1,278 - \$1,488
2018	3	9.0%	\$1,210 - \$1,410	\$0	\$1,210 - \$1,410	\$1,288 - \$1,488

Trend: Comments

2Q14	The waiting list for the three-bedroom units is approximately 60 days in length.
4Q17	This property does not accept Housing Choice Vouchers. The contact was unable to estimate the number of households on the waiting list. The highest priced one, two, and three-bedroom units include a detached garage.
2Q18	This property does not accept Housing Choice Vouchers. The highest priced one, two, and three-bedroom units include a detached garage.
3Q18	This property does not accept Housing Choice Vouchers. The highest priced one, two, and three-bedroom units include a detached garage. Additional detached garages are available to tenants for an additional \$150 per month.

PROPERTY PROFILE REPORT

Edgewater On Lanier Apartments

Effective Rent Date	8/08/2018
Location	2419 Old Thompson Bridge Road Gainesville, GA 30501 Hall County
Distance	0.3 miles
Units	180
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	1984 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lake Lanier Club
Tenant Characteristics	Approximately 50 percent local, 50 percent moving for work
Contact Name	Jamie
Phone	770.535.0084



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 2-3% since 2Q18
Concession	None
Waiting List	None maintained

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)	60	808	\$930	\$0	Market	No	1	1.7%	N/A	None
2	2	Garden (3 stories)	42	1,200	\$1,075	\$0	Market	No	0	0.0%	N/A	None
2.5	2	Garden (3 stories)	66	1,200	\$1,075	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,300	\$1,200	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$930	\$0	\$930	\$58	\$988
2BR / 2BA	\$1,075	\$0	\$1,075	\$66	\$1,141
2.5BR / 2BA	\$1,075	\$0	\$1,075	\$66	\$1,141
3BR / 2BA	\$1,200	\$0	\$1,200	\$78	\$1,278

Edgewater On Lanier Apartments, continued

Amenities

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

Comments

No additional comments.

Edgewater On Lanier Apartments, continued

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
2.2%	2.2%	1.7%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	6.7%	\$900	\$33	\$867	\$925
2018	1	6.7%	\$900	\$33	\$867	\$925
2018	2	1.7%	\$900	\$0	N/A	N/A
2018	3	1.7%	\$930	\$0	\$930	\$988

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$1,050	\$0	\$1,050	\$1,116
2018	2	0.0%	\$1,050	\$0	\$1,050	\$1,116
2018	3	0.0%	\$1,075	\$0	\$1,075	\$1,141

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$1,000 - \$1,050	\$0	\$1,000 - \$1,050	\$1,066 - \$1,116
2018	1	0.0%	\$1,000	\$0	\$1,000	\$1,066
2018	2	4.8%	\$1,050	\$0	\$1,050	\$1,116
2018	3	0.0%	\$1,075	\$0	\$1,075	\$1,141

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$1,200	\$0	\$1,200	\$1,278
2018	1	0.0%	\$1,200	\$0	\$1,200	\$1,278
2018	2	0.0%	\$1,200	\$0	\$1,200	\$1,278
2018	3	0.0%	\$1,200	\$0	\$1,200	\$1,278

Trend: Comments

4Q17	The property manager said she was unsure about the turnover rate.
1Q18	The contact reported renovations began in late 2015. Approximately 10 of the vacant units were upgraded which includes new flooring, cabinets, fixtures, bathrooms, counters, and stainless steel appliances. The former tennis court was turned into a park like area which includes a playground. The scope of renovations was just completed.
2Q18	None.
3Q18	No additional comments.

Photos



PROPERTY PROFILE REPORT

Lake Lanier Club

Effective Rent Date	8/09/2018
Location	1701 Dawsonville Hwy Gainesville, GA 30504 Hall County
Distance	1.8 miles
Units	655
Vacant Units	19
Vacancy Rate	2.9%
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	Carrington Park, Park Place
Tenant Characteristics	Mixed tenancy
Contact Name	Christine
Phone	770-536-4688



Market Information

Program	Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three to five days
Annual Chg. in Rent	Fluctuates daily
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	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)	67	686	\$1,073	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	3	750	\$1,233	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	77	857	\$1,128	\$0	Market	No	3	3.9%	N/A	None
1	1	Garden (3 stories)	82	985	\$1,132	\$0	Market	No	2	2.4%	N/A	None
2	2	Garden (3 stories)	61	1,192	\$1,142	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	107	1,252	\$1,153	\$0	Market	No	9	8.4%	N/A	None
2	2	Garden (3 stories)	156	1,363	\$1,193	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	55	1,417	\$1,298	\$0	Market	No	3	5.5%	N/A	None
3	2	Garden (3 stories)	13	1,571	\$1,318	\$0	Market	No	2	15.4%	N/A	None
3	2.5	Garden (3 stories)	34	1,431	\$1,403	\$0	Market	No	0	0.0%	N/A	None

Trend Report

Vacancy Rates

3Q15	4Q17	2Q18	3Q18
0.0%	2.9%	0.3%	2.9%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$845	\$0	\$845	\$864
2017	4	N/A	\$968	\$0	\$968	\$987
2018	2	0.0%	\$968	\$0	\$968	\$987

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$765 - \$890	\$0	\$765 - \$890	\$784 - \$909
2017	4	N/A	\$953 - \$1,028	\$0	\$953 - \$1,028	\$972 - \$1,047
2018	2	0.0%	\$869 - \$939	\$0	\$869 - \$939	\$888 - \$958
2018	3	2.2%	\$1,073 - \$1,233	\$0	\$1,073 - \$1,233	\$1,092 - \$1,252

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$965	\$0	\$965	\$985
2017	4	N/A	\$1,058	\$0	\$1,058	\$1,078
2018	2	0.0%	\$1,031	\$42	\$989	\$1,009

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$935 - \$945	\$0	\$935 - \$945	\$955 - \$965
2017	4	N/A	\$1,033 - \$1,038	\$0	\$1,033 - \$1,038	\$1,053 - \$1,058
2018	2	0.4%	\$1,052 - \$1,303	\$42	\$1,010 - \$1,261	\$1,030 - \$1,281
2018	3	2.8%	\$1,142 - \$1,193	\$0	\$1,142 - \$1,193	\$1,162 - \$1,213

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$1,205	\$0	\$1,205	\$1,223
2017	4	N/A	\$1,398	\$0	\$1,398	\$1,416
2018	2	0.0%	\$1,343	\$0	\$1,343	\$1,361
2018	3	0.0%	\$1,403	\$0	\$1,403	\$1,421

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$1,065 - \$1,230	\$0	\$1,065 - \$1,230	\$1,083 - \$1,248
2017	4	N/A	\$1,138 - \$1,313	\$0	\$1,138 - \$1,313	\$1,156 - \$1,331
2018	2	1.5%	\$1,249 - \$1,362	\$0	\$1,249 - \$1,362	\$1,267 - \$1,380
2018	3	7.4%	\$1,298 - \$1,318	\$0	\$1,298 - \$1,318	\$1,316 - \$1,336

Trend: Comments

- 3Q15 The property utilizes LRO daily pricing software. The contact was unable to provide the number of seniors living at the property but did report some senior tenants.
- 4Q17 This property does not accept Housing Choice Vouchers. The property utilizes LRO daily pricing software. The 750 square foot one-bedroom unit includes a washer/dryer. The contact stated occupancy is typically around 98 percent.
- 2Q18 This property does not accept Housing Choice Vouchers. The property utilizes LRO daily pricing software. The 750 square foot one-bedroom unit includes a washer/dryer. The contact stated occupancy is typically around 98 percent. Some units have attached garages.
- 3Q18 This property does not accept Housing Choice Vouchers. The property utilizes LRO daily pricing software; therefore, rents change daily. The 750 square foot one-bedroom unit rents for more than the larger one-bedroom units because it is a unique floor plan and includes in-unit washer/dryers. The contact stated occupancy is typically around 98 percent. Attached garages are included on select apartment homes, but no additional details were provided. Additional detached garage parking and storage units are available to tenants for an additional \$125 and \$40 per month, respectively.

Photos



PROPERTY PROFILE REPORT

Park Hill Apartments

Effective Rent Date	8/08/2018
Location	1567 Park Hill Drive Gainesville, GA 30501 Hall County
Distance	1.7 miles
Units	413
Vacant Units	7
Vacancy Rate	1.7%
Type	Garden (2 stories)
Year Built/Renovated	1984 / 2000's
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy
Contact Name	Samantha
Phone	844-852-1821



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	9%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Incr. 0-11% since 1Q18
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	59	300	\$640	\$0	Market	No	0	0.0%	N/A	None
0	1	Garden (2 stories)	59	400	\$550	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	30	480	\$630	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	29	645	\$685	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	59	798	\$790	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	59	845	\$820	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	59	865	\$880	\$0	Market	No	4	6.8%	N/A	None
3	1.5	Garden (2 stories)	59	975	\$890	\$0	Market	No	3	5.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$550 - \$640	\$0	\$550 - \$640	\$0	\$550 - \$640
1BR / 1BA	\$630 - \$685	\$0	\$630 - \$685	\$0	\$630 - \$685
2BR / 1BA	\$790 - \$880	\$0	\$790 - \$880	\$0	\$790 - \$880
3BR / 1.5BA	\$890	\$0	\$890	\$0	\$890

Park Hill Apartments, continued

Amenities

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

Comments

The property was formally known as Norwood Apartments. The property consists of three adjacent apartment building sites, two of which are three-story garden style and one of which is two-story garden style and consists of two-bedroom units. The buildings offer a combination of renovated and non-renovated units, which account for the large differences in asking rents among the same bedroom type. All of the 865 SF units have recently been renovated with new drywall, painting, countertops, appliances, and carpeting.

Park Hill Apartments, continued

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
1.9%	1.9%	0.7%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$590	\$0	\$590	\$590
2018	1	N/A	\$620	\$0	\$620	\$620
2018	2	0.0%	\$574	\$0	\$574	\$574
2018	3	0.0%	\$630 - \$685	\$0	\$630 - \$685	\$630 - \$685

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$690 - \$800	\$0	\$690 - \$800	\$690 - \$800
2018	1	N/A	\$710 - \$840	\$0	\$710 - \$840	\$710 - \$840
2018	2	0.6%	\$685 - \$750	\$0	\$685 - \$750	\$685 - \$750
2018	3	2.3%	\$790 - \$880	\$0	\$790 - \$880	\$790 - \$880

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$850 - \$870	\$0	\$850 - \$870	\$850 - \$870
2018	1	N/A	\$860 - \$880	\$0	\$860 - \$880	\$860 - \$880
2018	2	1.7%	\$836	\$0	\$836	\$836
2018	3	5.1%	\$890	\$0	\$890	\$890

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$510 - \$600	\$0	\$510 - \$600	\$510 - \$600
2018	1	N/A	\$550 - \$625	\$0	\$550 - \$625	\$550 - \$625
2018	2	0.8%	\$550 - \$640	\$0	\$550 - \$640	\$550 - \$640
2018	3	0.0%	\$550 - \$640	\$0	\$550 - \$640	\$550 - \$640

Trend: Comments

4Q17	FKA Norwood Apartments. The property manager was not sure about leasing pace, turnover rate, HCV, waiting lists, concessions, and restrictions. She also did not know the number of units for each floor plan, but she said they have 213 units total. She said that some units have had some remodeling done recently, but she did not have any details.
1Q18	The property was formally known as Norwood Apartments. The property manager was not able to confirm turnover rate or leasing pace. The property consists of three adjacent apartment building sites, two of which are three-story garden style and one of which is two-story garden style. The two-story garden style apartments have recently been renovated, which is the reason for the higher rent. Range in rent within the renovated buildings is due to location within the community and premium updates including new countertops, appliances, and carpeting.
2Q18	The property was formally known as Norwood Apartments. The property consists of three adjacent apartment building sites, two of which are three-story garden style and one of which is two-story garden style. The two-story garden style apartments have recently been renovated, which is the reason for the higher rent. Range in rent within the renovated buildings is due to location within the community and premium updates including new countertops, appliances, and carpeting.
3Q18	The property was formally known as Norwood Apartments. The property consists of three adjacent apartment building sites, two of which are three-story garden style and one of which is two-story garden style and consists of two-bedroom units. The buildings offer a combination of renovated and non-renovated units, which account for the large differences in asking rents among the same bedroom type. All of the 865 SF units have recently been renovated with new drywall, painting, countertops, appliances, and carpeting.

PROPERTY PROFILE REPORT

The Fields Lake Lanier

Effective Rent Date	8/13/2018
Location	150 Orchard Brook Road Gainesville, GA 30504 Hall County
Distance	4.2 miles
Units	107
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	9/21/2001
Last Unit Leased	6/01/2002
Major Competitors	The Retreat at McEver
Tenant Characteristics	Mixed tenancy
Contact Name	Shayla
Phone	770-532-7153



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	14
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 2-17% since 2Q18
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	Garden (3 stories)	56	1,119	\$890	\$0	Market	No	0	0.0%	yes	None
2	2	Garden (3 stories)	15	1,178	\$1,023	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	28	1,320	\$1,065	\$0	Market	No	0	0.0%	yes	None
3	2	Garden (3 stories)	8	1,365	\$1,100	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$890 - \$1,023	\$0	\$890 - \$1,023	\$51	\$941 - \$1,074
3BR / 2BA	\$1,065 - \$1,100	\$0	\$1,065 - \$1,100	\$63	\$1,128 - \$1,163

The Fields Lake Lanier, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	Sunrooms in each unit
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

The property converted from LIHTC to a market rate property in summer 2018 and no longer accepts Housing Choice Vouchers.

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
0.0%	0.9%	5.3%	0.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,023	\$0	\$1,023	\$1,074
2018	1	6.7%	\$1,023	\$0	\$1,023	\$1,074
2018	2	13.3%	\$987	\$0	\$987	\$1,038
2018	3	0.0%	\$890 - \$1,023	\$0	\$890 - \$1,023	\$941 - \$1,074

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,100	\$0	\$1,100	\$1,163
2018	1	0.0%	\$1,100	\$0	\$1,100	\$1,163
2018	2	0.0%	\$1,083	\$0	\$1,083	\$1,146
2018	3	0.0%	\$1,065 - \$1,100	\$0	\$1,065 - \$1,100	\$1,128 - \$1,163

Trend: Comments

4Q17	The property manager did not know if they had any vacancies. She said they do accept HCV but didn't know what percentage of tenants use them. She also did not know what their turnover rate is.
1Q18	The property manager was unable to confirm the number of Housing Choice Voucher tenants.
2Q18	N/A
3Q18	The property converted from LIHTC to a market rate property in summer 2018 and no longer accepts Housing Choice Vouchers.

PROPERTY PROFILE REPORT

Vista Ridge At Lake Lanier

Effective Rent Date	8/08/2018
Location	2363 N Cliff Colony Dr. Gainesville, GA 30501 Hall County
Distance	0.5 miles
Units	175
Vacant Units	2
Vacancy Rate	1.1%
Type	Various (2 stories)
Year Built/Renovated	1970 / 2000's
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Sarah
Phone	(770) 532-8692



Market Information

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

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)	8	800	\$850	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	60	1,124	\$1,000	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	10	1,128	\$1,050	\$0	Market	No	1	10.0%	N/A	None
2	2	Garden (2 stories)	10	1,229	\$1,050	\$0	Market	No	1	10.0%	N/A	None
2	2.5	Townhouse (2 stories)	47	1,175	\$1,200	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	14	1,250	\$1,200	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	20	1,280	\$1,175	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	6	1,500	\$1,300	\$0	Market	No	0	0.0%	N/A	None

Trend Report

Vacancy Rates

4Q17	1Q18	2Q18	3Q18
N/A	4.0%	0.0%	1.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,060	\$0	\$1,060	\$1,118
2018	1	N/A	\$1,055	\$0	\$1,055	\$1,113
2018	2	0.0%	\$1,038	\$0	\$1,038	\$1,096
2018	3	0.0%	\$850	\$0	\$850	\$908

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$1,125	\$0	\$1,125	\$1,191
2018	2	0.0%	\$1,125	\$0	\$1,125	\$1,191
2018	3	0.0%	\$1,000	\$0	\$1,000	\$1,066

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,200	\$0	\$1,200	\$1,266
2018	3	0.0%	\$1,200	\$0	\$1,200	\$1,266

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,050 - \$1,080	\$0	\$1,050 - \$1,080	\$1,116 - \$1,146
2018	1	N/A	\$1,080 - \$1,095	\$0	\$1,080 - \$1,095	\$1,146 - \$1,161
2018	2	0.0%	\$875 - \$926	\$0	\$875 - \$926	\$941 - \$992
2018	3	10.0%	\$1,050	\$0	\$1,050	\$1,116

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$1,425	\$0	\$1,425	\$1,503
2018	2	0.0%	\$1,620	\$0	\$1,620	\$1,698
2018	3	0.0%	\$1,300	\$0	\$1,300	\$1,378

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,050 - \$1,420	\$0	\$1,050 - \$1,420	\$1,128 - \$1,498
2018	1	N/A	\$1,050 - \$1,195	\$0	\$1,050 - \$1,195	\$1,128 - \$1,273
2018	2	0.0%	\$1,000 - \$1,175	\$0	\$1,000 - \$1,175	\$1,078 - \$1,253
2018	3	0.0%	\$1,175 - \$1,200	\$0	\$1,175 - \$1,200	\$1,253 - \$1,278

Trend: Comments

4Q17	N/A
1Q18	The property has both two-story townhouses and garden-style units. The property manager could not confirm turnover or the breakdown of units and vacancy by bedroom type, but noted that the property is at 96 percent occupancy, which is typical. The contact indicated that the majority of units are all electric, but select buildings feature gas heating, cooking, and water heating.
2Q18	The property has both two-story townhouses and garden-style units. The property manager could not confirm turnover but noted that the property is at 96 percent occupancy, which is typical. The contact indicated that the majority of units are all electric, but select buildings feature gas heating, cooking, and water heating.
3Q18	This property does not accept Housing Choice Vouchers. The property has both two-story townhouses and garden-style units. The property manager could not confirm turnover but noted that the property is at 96 percent occupancy, which is typical. The contact indicated that the majority of units are all electric, but select buildings feature gas heating, cooking, and water heating. According to the contact, some units have been upgraded to include premium appliances and new flooring. These units rent for a premium starting at \$50 per month. Rents for non-renovated units are reflected in the profile, although a mix of renovated/non-renovated rents have previously been reported.

Photos



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

Housing Choice Vouchers

The Gainesville Housing Authority does not administer the Section 8 Housing Choice Voucher Program. It is administered by the Georgia Department of Community Affairs. We made numerous attempts to contact the Department, but we have not heard back as of the date of this report. Utilizing the Georgia Department of Community Affairs website, however, we found that the Housing Choice Voucher wait list is currently closed. The waiting list was last opened on February 1, 2016 and closed on February 7, 2016. The 2018 payment standards for Hall County are detailed in the table below. The Subject’s proposed gross LIHTC rents for units operating without subsidy are above the payment standards. As such, voucher-holding tenants in these units would need to pay the difference out of pocket.

PAYMENT STANDARDS – HALL COUNTY (EFFECTIVE 1/1/2018)

Unit Type	Gross Payment Standard	Subject’s 80% AMI Gross Rent
1BR	\$762	\$931
2BR	\$890	\$1,063

Source: Georgia Department of Community Affairs, 8/2018

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Legacy At North Pointe	LIHTC	Family	15%
Oconee Springs	LIHTC	Family	15%
Paces Landing	LIHTC/ Market	Family	5%
The Fields Mcever	LIHTC	Family	3%
The Retreat At Mcever	LIHTC	Family	5%
Carrington Park At Lake Lanier	Market	Family	0%
Edgewater On Lanier Apartments	Market	Family	0%
Lake Lanier Club	Market	Family	0%
Park Hill Apartments	Market	Family	9%
The Fields Lake Lanier	Market	Family	0%
Vista Ridge At Lake Lanier	Market	Family	0%

Housing Choice Voucher usage in this market ranges from zero to 15 percent. All five of the comparable LIHTC properties reported tenants with vouchers. Given that 84 of the Subject’s units currently benefit from a HAP contract, it is not necessary that qualifying households have a voucher in order to benefit from subsidized rent. As such, voucher usage at the Subject would be limited to the remaining 16 units, which accounts for just 16 percent of the property. However, should the Subject operating without a HAP Contract, it is likely that the Subject would maintain a voucher usage of approximately 15 percent following renovations.

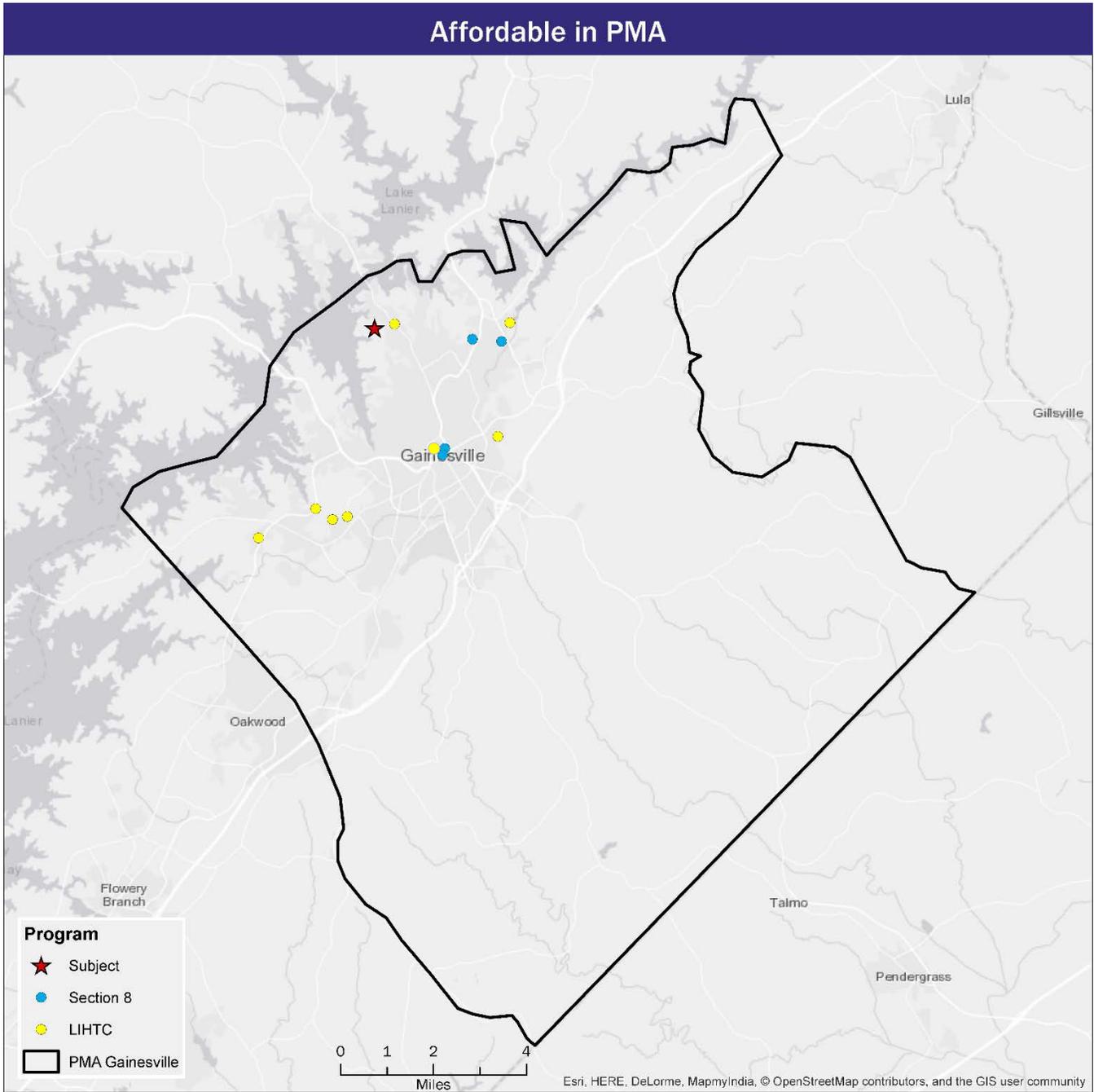
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map



AFFORDABLE IN THE PMA

Property Name	Location	Number of Units	Program	Tenancy	Map Color	
Linwood Apartments (Subject)	Gainesville	100	Sec. 8/Former Sec. 236	Family	Red Star	
The Fields Lake Lanier*	Gainesville	113	LIHTC/Market	Family	Yellow	
The Fields McEver*	Gainesville	220	LIHTC	Family		
The Retreat At McEver*	Gainesville	224	LIHTC	Family		
Paces Landing*	Gainesville	140	LIHTC/Market	Family		
Legacy at North Pointe*	Gainesville	106	LIHTC	Family		
Oconee Springs*	Gainesville	88	LIHTC	Family		
Windcliff Apts	Gainesville	56	LIHTC	Senior		
Myrtle Terraces	Gainesville	84	LIHTC/Market	Senior		
Walton Terrace I	Gainesville	84	LIHTC/Pub. Hsg.	Family		
Church Street Manor	Gainesville	54	Section 8	Senior		Blue
Lake Forest Apts	Gainesville	117	Section 8	Senior		
Lighthouse Manor, Inc.	Gainesville	74	Section 8	Senior		
Ridgecrest Apartments	Gainesville	130	Section 8/LIHTC	Family		

*Utilized as a comparable

4. Amenities

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

AMENITY MATRIX												
	Subject	Legacy At North Pointe	Ocenee Springs	Paces Landing	The Fields Mcever	The Retreat At Mcever	Carrington Park At Lake	Edgewater On Lanier	Lake Lanier Club	Park Hill Apartments	The Fields Lake Lanier	Vista Ridge At Lake Lanier
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Building												
Property Type	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Various
# of Stories	2-stories	2-stories	2-stories	2-stories	3-stories	3-stories	3-stories	3-stories	3-stories	2-stories	3-stories	2-stories
Year Built	1974	2000	1997	2005	2004	2002	2000	1984	2000	1984	2001	1970
Year Renovated	Proposed	n/a	2014	n/a	n/a	n/a	n/a	2017	n/a	2000's	n/a	2000's
Utility Structure												
Cooking	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
Heat	no	no	no	no	no	no	no	no	yes	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	no	no	no	yes	no	no	no	yes	no	no
Sewer	yes	yes	no	no	no	yes	no	no	no	yes	no	no
Trash	yes	yes	yes	yes	no	yes	no	no	no	yes	yes	no
Unit Amenities												
Balcony/Patio	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	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
Ceiling Fan	no	yes	no	no	yes	yes	yes	yes	yes	no	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	no	yes	no	no	yes
Exterior Storage	no	yes	no	no	no	yes	yes	no	yes	no	no	no
Fireplace	no	no	no	no	no	no	yes	yes	yes	no	no	yes
Vaulted Ceilings	no	no	no	no	no	no	yes	no	no	no	no	no
Walk-In Closet	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	yes
W/D Hookup	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen												
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes
Microwave	no	no	no	no	no	yes	no	no	no	no	no	no
Oven	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
Community												
Business Center	yes	no	no	no	yes	no	yes	no	yes	no	no	no
Community Room	yes	yes	yes	yes	no	no	yes	yes	yes	no	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	yes	no	no	no	no	no	no	yes	no	no	no	no
Exercise Facility	no	no	no	yes	yes	yes	yes	yes	yes	no	yes	no
Playground	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes	no
Swimming Pool	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	yes
Picnic Area	no	yes	yes	no	no	yes	yes	yes	yes	no	no	yes
Tennis Court	no	no	no	no	yes	no	yes	no	yes	no	no	no
Recreational Area	no	no	no	no	no	no	no	yes	no	no	no	no
Security												
Limited Access	no	no	no	no	yes	no	yes	no	no	no	no	no
Patrol	yes	no	no	no	no	no	yes	yes	no	no	no	yes
Perimeter Fencing	no	no	no	no	yes	yes	yes	no	no	no	no	no
Video Surveillance	no	no	no	no	no	yes	no	no	no	no	no	no
Parking												
Carport	no	no	no	no	no	no	no	no	no	no	no	yes
Carport Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Garage	no	no	no	no	no	no	yes	no	yes	no	no	no
Garage Fee	0	0	0	0	0	0	\$150	0	\$125	0	0	0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject’s in-unit amenity package is considered to be slightly inferior to inferior in comparison to the LIHTC and market rate comparable properties. In terms of property amenities, the Subject is generally similar to slightly inferior relative to the majority of the comparables. The Subject does not offer balconies/patios, exterior storage, ceiling fans, walk-in closets, dishwashers, garbage disposal, or washer/dryer hookups, which the majority of comparables include. Further, the Subject does not offer a community room, exercise facility, picnic area, or swimming pool, which the majority of comparables include. Nonetheless, as a mainly subsidized development, we believe that the amenities package, though inferior, will allow the Subject to effectively compete in the market, particularly given the stabilized occupancy levels historically and presence of a waiting list.

5. Comparable Tenancy

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

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Legacy At North Pointe	LIHTC	Family	106	0	0.0%
Oconee Springs	LIHTC	Family	88	0	0.0%
Paces Landing	LIHTC/ Market	Family	140	0	0.0%
The Fields Mcever	LIHTC	Family	220	0	0.0%
The Retreat At Mcever	LIHTC	Family	224	6	2.7%
Carrington Park At Lake Lanier	Market	Family	292	6	2.1%
Edgewater On Lanier Apartments	Market	Family	180	1	0.6%
Lake Lanier Club	Market	Family	655	19	2.9%
Park Hill Apartments	Market	Family	413	7	1.7%
The Fields Lake Lanier	Market	Family	107	0	0.0%
Vista Ridge At Lake Lanier	Market	Family	175	2	1.1%
Total LIHTC			778	6	0.8%
Total Market Rate			1,822	35	1.9%
Overall Total			2,600	41	1.6%

As illustrated, vacancy rates among the comparable properties range from zero to 2.9 percent, averaging 1.6 percent. Total affordable vacancy is just 0.8 percent. Four of the five LIHTC comparables are fully occupied, and four of the LIHTC comparables maintain waiting lists, similar to the Subject.

The vacancy rates for the market rate comparable properties ranged from zero to 2.9 percent, with an average of 1.9 percent. The low vacancy rates at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Given that the Subject is an existing property that is already stabilized with a 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 spoke with Matt Tate with the Gainesville Planning Department regarding any new developments in the area that are currently planned, under construction, or recently completed. According to Mr. Tate, there is only one multifamily development within the Subject's PMA that recently opened. Trees of Gainesville is a multifamily project consisting of 348 units located at 1465 Jesse Jewell Parkway Northeast, approximately 3.5 miles southeast of the Subject. The market rate development contains 139 one-bedroom units, 140 two-bedroom units, and 69 three-bedroom units, with rents starting at approximately \$1,000 per month for one-bedroom units. Given that this development includes only market rate units, it will not be directly competitive with the Subject, primarily given the higher asking rents. In addition, Mr. Tate indicated there is a large mixed-use project in the early planning stages to be located at the corner of Limestone and Jesse Jewell Parkways. An apartment building with 252 units is proposed as part of the development. No further details were available.

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

MULTIFAMILY PROPERTIES PROPOSED/ UNDER CONSTRUCTION IN PMA

Name	Rent Structure	Tenancy	Total Units	LIHTC Units	Subsidized Units	BR Types	Status
240 Atlanta Street Dev. Ph. II (Legacy at Walton Summit)	LIHTC/Market/ACC	Senior	90	70	13	1-2 BR	Under Construction
240 Atlanta Street Dev. Ph. III (Walton Summit)	LIHTC/Market/PBRA	Family	78	52	13	1-3 BR	Planned
Trees of Gainesville	Market	Family	348	0	0	1-3 BR	Completed
Total			516	122	26		

Source: Gainesville Planning Department, Georgia DCA, 8/2018

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Legacy at North Pointe	LIHTC	Family	Slightly Superior	Inferior	Similar	Similar	Superior	5
2	Oconee Springs	LIHTC	Family	Slightly Superior	Inferior	Similar	Similar	Slightly Superior	0
3	Paces Landing	LIHTC/ Market	Family	Slightly Superior	Inferior	Similar	Similar	Slightly Superior	0
4	The Fields McEver	LIHTC	Family	Slightly Superior	Inferior	Similar	Similar	Slightly Superior	0
5	The Retreat At McEver	LIHTC	Family	Slightly Superior	Inferior	Similar	Similar	Slightly Superior	0
6	Carrington Park At Lake Lanier	Market	Family	Slightly Superior	Inferior	Similar	Similar	Slightly Superior	0
7	Edgewater On Lanier Apartments	Market	Family	Superior	Inferior	Similar	Similar	Superior	10
8	Lake Lanier Club	Market	Family	Superior	Inferior	Similar	Similar	Slightly Superior	5
9	Park Hill Apartments	Market	Family	Slightly Inferior	Slightly Inferior	Similar	Similar	Similar	-10
10	The Fields Lake Lanier	Market	Family	Slightly Superior	Slightly Inferior	Similar	Similar	Slightly Superior	5
11	Vista Ridge At Lake Lanier	Market	Family	Slightly Inferior	Inferior	Similar	Similar	Superior	-5

*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 40, 60, and 80 percent AMI rents in the following table. It should be noted that we were unable to survey any comparables at the 40 and 80 AMI levels. As such, we have illustrated the comparables offering units at 30, 50, and 60 percent AMI as a means of comparison.

LIHTC RENT COMPARISON @40%

Property Name	Tenancy	1BR	2BR
Linwood Apartments	Family	\$377	\$447
LIHTC Maximum Rent (Net)		\$377	\$447
Oconee Springs (@30%)	Family	-	\$305
Oconee Springs (@50%)	Family	-	\$585
Paces Landing (@50%)	Family	-	\$710
Average	Family	-	\$533
Achievable LIHTC Rent	Family	\$377	\$447

LIHTC RENT COMPARISON @60% & 80%

Property Name	Tenancy	1BR	2BR
Linwood Apartments @80% AMI Rent*	Family	\$885	\$1,005
Linwood Apartments @60% AMI Rent	Family	\$618	\$736
LIHTC Maximum Rent (Net) – 80% AMI		\$918	\$1,098
LIHTC Maximum Rent (Net) – 60% AMI		\$859	\$1,025
Legacy At North Pointe (@60%)	Family	-	\$788
Oconee Springs (@60%)	Family	-	\$595
Paces Landing (@60%)	Family	\$714	\$855
The Fields Mcever (@60%)	Family	\$718	\$852
The Retreat At Mcever (@60%)	Family	\$675	\$802
Average	Family	\$702	\$778
Achievable LIHTC Rent @80%*		\$885	\$1,005
Achievable LIHTC Rent @60%		\$618	\$736

*Utilizing the DCA published utility allowances

The Subject’s proposed rental rates at 40 and 60 percent AMI are set at the 2018 maximum allowable levels. It should be noted that the Subject has a project-specific utility allowance for subsidized unit, based on the current HAP contract/rent schedule. The non-subsidized units at 80 percent AMI have utility allowance based on the Georgia DCA’s schedule dated January 1, 2018. Four of the five affordable comparables reported to be achieving maximum allowable rents. The majority of the LIHTC comparables reported waiting lists. Overall, the Subject will be generally similar to the LIHTC comparables in terms of age/condition. The Subject is generally inferior in terms of unit sizes and amenities. The Subject offers a similar location relative to the LIHTC comparables. Overall, if we hypothetically assume the Subject’s lost its subsidy post renovation, maximum allowable rents appear achievable in the current market for 40 and 60 percent AMI units, given the low vacancy and high demand for affordable housing, regardless of the level of amenities offered. We have placed the Subject’s achievable 80 percent AMI rents equal to the achievable market rents post-renovation, above achievable 60 percent AMI rents and below maximum allowable levels, within the range of the market rate comparables adjusted rents.

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 LIHTC rents for the Subject for units without subsidy.

SUBJECT COMPARISON TO SURVEYED RENTS

Unit Type	Subject 80% AMI Rent*	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
1BR	\$885	\$650	\$1,233	\$917	3%
2BR	\$1,005	\$535	\$1,270	\$990	-2%

*Illustrates proposed 80% AMI rent for units without subsidy.

As illustrated the Subject’s proposed 80 percent AMI rents are below the surveyed average of the comparable properties. Overall, we believe that the Subject’s proposed rents are achievable in the market, and the two-bedroom rents will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

The capture rate for the Subject affordable units is 3.1 percent as proposed, taking into account the vacant units and units with non-income-qualified tenants only, which is considered excellent. If allocated, the Subject will be generally similar to the existing LIHTC housing stock. The average LIHTC vacancy rate is also considered very good at 0.8 percent.

According to the Georgia Department of Community Affairs’ Tax Credit Awards lists, three properties in the PMA have been allocated since 2015. It should be noted that these three developments are the redevelopment of Green Hunter Homes, a former public housing complex that was razed in 2017, located 2.9 miles from the Subject.

- 240 Atlanta Street Development Phase I (Walton Summit I) was awarded tax credits in 2015 and was completed in April 2017. It targets families and consists of 84 one, two, and three-bedroom units, 65 of which are offered at 60 percent AMI, and 19 of which are market-rate. This development’s affordable one and two-bedroom units will be competitive with the Subject. Management reported that Phase I is currently 97.6 percent occupied.
- 240 Atlanta Street Development Phase II (Legacy at Walton Summit) was awarded tax credits in 2016 and is currently under construction and scheduled to open sometime in 2018. It will target seniors and offer 90 one and two-bedroom units. Of the 90 units, 25 will be offered at 50 percent AMI, 45 will be offered at 60 percent AMI, and 20 will be market-rate. Given the target tenancy, this development will not compete with the Subject.
- 240 Atlanta Street Development Phase III (Walton Summit III) was awarded tax credits in 2017 and is expected to open in 2020. It will target families and consist of 78 one, two, and three bedroom units, 52 of which will be offered at or below 60 percent AMI, and 26 of which will be market-rate. This development’s one and two-bedroom units will be competitive with the Subject upon completion.

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

The Subject property is currently 99.0 percent occupied with a waiting list, and 84 of the Subject’s 100 units will continue to benefit from a property based rental subsidy, while the remaining units will operate as LIHTC only. Historical occupancy, however, has been 95 percent or higher. Additionally, existing LIHTC and other affordable properties in the PMA maintain high occupancy rates. Given this information, we do not believe that the renovation of the Subject utilizing tax credits will impact the existing LIHTC properties in the area that are in overall good condition and currently performing well. However, it is possible that the Subject will draw tenants from the older affordable properties that suffer from deferred maintenance or those that are currently underperforming the market.

10. Rental Trends in the PMA

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

TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Gainesville, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	12,931	60.8%	8,348	39.2%	33,722	71.1%	13,711	28.9%
2010	14,259	56.4%	11,012	43.6%	42,079	69.3%	18,612	30.7%
2017	14,299	52.2%	13,095	47.8%	43,225	65.5%	22,764	34.5%
Projected Mkt Entry	14,656	52.0%	13,518	48.0%	44,556	66.2%	22,764	33.8%
2022	15,065	51.8%	14,002	48.2%	46,078	66.9%	22,764	33.1%

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

As the table illustrates, 47.8 percent of households within the PMA reside in renter-occupied units. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation.

Historical Vacancy

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

CHANGE IN VACANCY RATES

Comparable Property	Type	Total Units	2QTR 2014	2QTR 2015	3QTR 2015	2QTR 2016	1QTR 2018	3QTR 2018
Legacy At North Pointe	Garden	106	1.9%	N/A	N/A	N/A	0.0%	0.0%
Oconee Springs	Garden	88	1.1%	N/A	N/A	N/A	0.0%	0.0%
Paces Landing	Garden	140	N/A	N/A	N/A	N/A	0.0%	0.0%
The Fields Mcover	Garden	220	8.2%	4.5%	4.5%	0.9%	1.8%	0.0%
The Retreat At Mcover	Garden	224	0.9%	N/A	2.7%	1.3%	3.1%	2.7%
Carrington Park At Lake Lanier	Garden	292	2.7%	N/A	N/A	N/A	2.7%	2.1%
Edgewater On Lanier Apartments	Garden	180	5.6%	N/A	N/A	10.0%	2.2%	0.6%
Lake Lanier Club	Garden	657	5.0%	N/A	0.0%	N/A	2.9%	2.9%
Park Hill Apartments	Various	213	0.0%	N/A	N/A	N/A	1.9%	1.7%
The Fields Lake Lanier	Garden	113	0.0%	N/A	0.0%	0.0%	0.0%	0.0%
Vista Ridge At Lake Lanier	Various	175	N/A	N/A	N/A	N/A	4.0%	1.1%
		2,408	2.8%	4.5%	1.8%	3.1%	2.2%	1.6%

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

Change in Rental Rates

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

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Legacy At North Pointe	LIHTC	Family	Kept at max.
Oconee Springs	LIHTC	Family	None
Paces Landing	LIHTC/ Market	Family	Kept at max.
The Fields McEver	LIHTC	Family	Kept at max.
The Retreat At McEver	LIHTC	Family	Kept at max.
Carrington Park At Lake Lanier	Market	Family	Increased 0-5% since 4Q17
Edgewater On Lanier Apartments	Market	Family	Increased 2-3% since 2Q18
Lake Lanier Club	Market	Family	Changes daily
Park Hill Apartments	Market	Family	Increased 0-11% since 1Q18
The Fields Lake Lanier	Market	Family	Increased 2-17% since 2Q18
Vista Ridge At Lake Lanier	Market	Family	Fluctuated

Four of the LIHTC comparables reported achieving the maximum allowable rents at all AMI levels. The remaining LIHTC comparable reported stable rents since 2017. Among the market rate comparables, four reported increasing rents, one reported rents that change daily, and one reported fluctuating rents. The Subject’s asking rents are set at the maximum allowable level; as such, increases in rent will be determined by increases in the AMI for the 16 non-subsidized units. However, with the Section 8 rental assistance in place at the Subject for 84 of the 100 units, rent increases at the property should not directly impact these residents, as they will continue to pay just 30 percent of their income toward rent.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,758 housing units nationwide was in some stage of foreclosure as of June 2018. The Subject’s zip code (30501) is experiencing a foreclosure rate of one in every 5,048 homes. Further, the city of Gainesville is experiencing a foreclosure rate of one in every 3,228 homes. Hall County is experiencing a foreclosure rate of one in every 2,475 homes. The state of Georgia is experiencing a foreclosure rate of one in every 1,817 homes. Overall, the Subject’s zip code is experiencing a very low foreclosure rate compared to the county, city, state, and nation. The Subject’s neighborhood does not appear to have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

12. Primary Housing Void

Four of the five affordable comparables reported achieving rents at the maximum allowable levels for all AMI levels. The average vacancy among the affordable comparables is 0.8 percent, and four reported maintaining waiting lists. The high occupancy rates at the affordable properties indicate demand for affordable housing in the market. Additionally, among renter households in the PMA, 47.0 percent earn less than \$30,000 annually indicating a need for affordable housing in the immediate area. This number 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 two LIHTC developments currently planned or under construction in the PMA, one of which will target seniors. The low vacancy rates among both the affordable and market rate properties illustrate a strong demand for the addition of affordable housing within the market. As the Subject is an existing, 99.0 percent occupied property, it is not considered an addition to the supply of affordable housing in the market. The vacancy rate among the existing affordable comparables is very low, at 0.8 percent. The need for good quality rental housing is further illustrated by the generally diminishing vacancy rates of the

comparable properties, and the high occupancy rates of the other subsidized properties in the area. In summary, the performance of the comparable LIHTC properties and that fact the Subject is an existing stabilized, Section 8 property, all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is continued demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.8 percent. Further, four of the five affordable properties maintain a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally inferior 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 LIHTC market, given the low vacancy levels, waiting lists, and subsidies in place that will remain post-renovation. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar in terms of condition to the majority of the comparable properties. The Subject's unit sizes are inferior to the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated good condition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed, despite some slightly inferior attributes. We believe that it will continue to perform well and will not negatively impact the existing or proposed affordable rental units in the market.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

Due to the development timing of multifamily properties targeting the general population in Gainesville, none of the comparables were able to report recent absorption data. However, we were able to get absorption data from an age-restricted LIHTC property in Gainesville that opened in 2015. Myrtle Terraces reported an absorption pace of approximately 16 units per month, for a total absorption period of five to six months.

With subsidy for 84 units, and only 13 units needing to be re-released following renovations, as well as the presence of a waiting list, we expect an absorption period of one to two months.

J. INTERVIEWS

INTERVIEWS

Georgia Department of Community Affairs

The Gainesville Housing Authority does not administer the Section 8 Housing Choice Voucher Program. It is administered by the Georgia Department of Community Affairs. We made numerous attempts to contact the Department, but we have not heard back as of the date of this report. Utilizing the Georgia Department of Community Affairs website, however, we found that the Housing Choice Voucher wait list is currently closed. The waiting list was last opened on February 1, 2016 and closed on February 7, 2016. The 2018 payment standards for Hall County are detailed in the table below. The Subject’s proposed gross LIHTC rents for units operating without subsidy are above the payment standards. As such, voucher-holding tenants in these units would need to pay the difference out of pocket.

PAYMENT STANDARDS – HALL COUNTY (EFFECTIVE 1/1/2018)

Unit Type	Gross Payment Standard	Subject’s 80% AMI Gross Rent
1BR	\$762	\$931
2BR	\$890	\$1,063

Source: Georgia Department of Community Affairs, 8/2018

Planning

We spoke with Matt Tate with the Gainesville Planning Department regarding any new developments in the area that are currently planned, under construction, or recently completed. According to Mr. Tate, there is only one multifamily development within the Subject’s PMA that recently opened. Trees of Gainesville is a multifamily project consisting of 348 units located at 1465 Jesse Jewell Parkway Northeast, approximately 3.5 miles southeast of the Subject. The market rate development contains 139 one-bedroom units, 140 two-bedroom units, and 69 three-bedroom units, with rents starting at approximately \$1,000 per month for one-bedroom units. Given that this development includes only market rate units, it will not be directly competitive with the Subject, primarily given the higher asking rents. In addition, Mr. Tate indicated there is a large mixed-use project in the early planning stages to be located at the corner of Limestone and Jesse Jewell Parkways. An apartment building with 252 units is proposed as part of the development. No further details were available.

Greater Hall Chamber of Commerce

We contacted the Greater Hall County Chamber of Commerce in order to obtain information about recent business activity in Gainesville. We were directed to the 2018 Gainesville-Hall County Market Report and the Economic Development Report dated May 3, 2018 on the Greater Hall County Chamber of Commerce website, which had the following information regarding new and expanding businesses in the area. All of these expansions occurred since 2015.

- Downtown Gainesville has received about \$63 million in private investments to build three mixed-use projects, including the first new Class A office in over 30 years. A timeline was not provided.
- Carroll Daniel Construction is building a four-story, 64,000 square foot office building, which will serve as its corporate headquarters. The rest of the property will be leased to small businesses. A timeline was not provided.
- A local developer has planned to build two additional mixed-use projects in downtown Gainesville. Parkside on the Square includes 32 luxury condominiums and 15,000 square feet of retail face at the intersection of Spring and Main Streets. The second development is a mixed-use development consisting of 200 apartments and 40,000 square feet of retail space.

- Firms expanding their North American business include King’s Hawaiian, SKF, Jinsung TEC, Lowers Risk Group, Kubota, Tatsumi, ElringKlinger, Wrigley, First Fresh Foods, Milliken & Co., Performance Foodservice, and The Louver Shop.
- Kubota has recently completed a 502,000 square-foot facility on a new 180-acre campus on Highway 365 in Gateway Industrial Centre, approximately eight miles north of the Subject. The new facility created 580 additional jobs. Kubota employs 1,300 in Gainesville-Hall County.
- Mars Wrigley Confectionary added 170 new jobs at their Hall County facility, making it the largest fully integrated chewing gum manufacturer in the world. The facility is located 9.2 miles south of the Subject.
- Tatsumi Intermodal USA, Inc., a logistics, warehousing, and inventory management company based in Osaka, Japan, is building their second facility in Hall County, a 113,000 square-foot building on 35 acres in Gateway Industrial Centre along Highway 365. This is Tatsumi’s fourth expansion since 2001. The facility is located six miles north of the Subject.
- Lowers Risk Group, a risk management company, is adding 150 new jobs to their Wholesale Screening Solutions facility, approximately 10 miles south of the Subject. Wholesale Screening Solutions is a leading provider of public records and verifications to employment screening, tenant screening, and risk mitigation providers nationwide.
- Jinsung TEC of South Korea expanded their new North American headquarters and operations in Oakwood South Industrial Park to 150,000 square feet. The company’s headquarters building is located approximately eight miles southwest of the Subject.
- Gainesville-based Mincey Marble will develop a new 350,000 square foot headquarters and manufacturing center on a 79-acre corporate campus in the Gainesville Business Park. Development of the new campus is underway and is expected to open in 2018. The headquarters will be located approximately one mile east of the Subject.
- ProCare Rx, a national healthcare IT company, has completed an additional 31,200 square foot facility off I-985 in Hall County. ProCare Rx has more than doubled its Georgia employment to 217 employees since opening its headquarters and operations center in 2012.

According to the Greater Hall Chamber of Commerce website, approximately 900 new jobs and \$170 million in new capital investment have been added to Gainesville-Hall County in 2017. Further, from 2013 to 2018, there have been 141 new and expanded industry locations, generating 5,400 new jobs, retaining another 500 jobs, with over \$1 billion in fixed capital invested. As illustrated previously, there were several additions in a variety of industries including manufacturing, technology, risk management, and pharmaceuticals.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Between 2000 and 2010 there was an approximate 2.4 percent annual increase in the PMA and 2.9 percent annual increase in the MSA, both of which outpaced the national growth. Population in the PMA is anticipated to continue to grow through market entry and 2022 at a pace of 1.2 percent annually, which is faster than national growth, but slightly lower than the growth projected in the MSA. Overall, sustained population growth in the PMA and MSA is a positive indication of continued demand for the Subject. Renter households are concentrated in the lowest income cohorts, with 47.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$46,240, with subsidy. Units without subsidy will target households earning \$28,114 to \$46,240. Overall, the Subject should be well positioned to service this market, and the data shows significant demand for affordable rental housing in the market.

Employment Trends

The largest industries in the PMA are the healthcare, educational services, processing/manufacturing, and government sectors. Positions in these industries account for 55.3 percent of all jobs in the area. The four largest employers in the area are Northeast Georgia Medical Center, Hall County School System, Fieldale Farms Corporation, and Hall County Government. The educational services and healthcare sectors are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2002 through 2018 year-to-date, with the exception of 2009 and 2010 during the national recession. In addition, from June 2017 to June 2018, total employment in the MSA increased 5.4 percent, compared to a 1.5 percent increase in the nation as a whole. The unemployment rate in the MSA has decreased annually since 2011 and is 80 basis points lower than the national average as of June 2018. Total employment in the MSA surpassed pre-recession levels in 2015, while the nation recovered in 2014. As such, the economy has stabilized and is in an expansionary phase.

Capture Rates

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

Of the Subject’s 100 units, 84 will benefit from Section 8 rental assistance, while the remaining units are former Section 236 units. According to the income audit provided by the client, 87 current residents will continue to income-qualify post-renovation. These units are presumed leasable, and only 13 units (vacant or needing an income-qualified tenant) have been accounted for in our capture rate analysis.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed/ Vacant	Total Demand	Supply	Net Demand	Capture Rate	Absorption
1BR at 80% AMI	\$32,743	\$41,120	12	312	0	312	3.8%	1-2 months
1BR Overall	\$32,743	\$41,120	12	312	0	312	3.8%	1-2 months
2BR at 80% AMI	\$37,269	\$46,240	1	237	0	237	0.4%	1-2 months
2BR Overall	\$37,269	\$46,240	1	237	0	237	0.4%	1-2 months
80% AMI Overall	\$32,743	\$46,240	13	549	0	549	2.4%	1-2 months
Overall	\$32,743	\$46,240	13	549	0	549	2.4%	1-2 months

We believe the calculated capture rate is excellent, particularly as the calculation does not consider demand from outside the PMA or standard rental household turnover. Further, it is well below the DCA threshold of 30 percent.

Absorption

Due to the development timing of multifamily properties targeting the general population in Gainesville, none of the comparables were able to report recent absorption data. However, we were able to get absorption data from an age-restricted LIHTC property in Gainesville that opened in 2015. Myrtle Terraces reported an absorption pace of approximately 16 units per month, for a total absorption period of five to six months. With subsidy for 84 units, and only 13 units needing to be leased following renovations, as well as the presence of a waiting list, we expect an absorption period of one to two months.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Legacy At North Pointe	LIHTC	Family	106	0	0.0%
Oconee Springs	LIHTC	Family	88	0	0.0%
Paces Landing	LIHTC/ Market	Family	140	0	0.0%
The Fields Mcever	LIHTC	Family	220	0	0.0%
The Retreat At Mcever	LIHTC	Family	224	6	2.7%
Carrington Park At Lake Lanier	Market	Family	292	6	2.1%
Edgewater On Lanier Apartments	Market	Family	180	1	0.6%
Lake Lanier Club	Market	Family	655	19	2.9%
Park Hill Apartments	Market	Family	413	7	1.7%
The Fields Lake Lanier	Market	Family	107	0	0.0%
Vista Ridge At Lake Lanier	Market	Family	175	2	1.1%
Total LIHTC			778	6	0.8%
Total Market Rate			1,822	35	1.9%
Overall Total			2,600	41	1.6%

As illustrated, vacancy rates among the comparable properties range from zero to 2.9 percent, averaging 1.6 percent. Total affordable vacancy is just 0.8 percent. Four of the five LIHTC comparables are fully occupied, and four of the LIHTC comparables maintain waiting lists, similar to the Subject.

The vacancy rates for the market rate comparable properties ranged from zero to 2.9 percent, with an average of 1.9 percent. The low vacancy rates at the comparable properties indicates that there is demand for rental housing in the Subject’s PMA. As a newly renovated property, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Given that the Subject is an existing property that is already stabilized with a 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, public transit, and employment centers. The Subject is 99.0 percent occupied and maintains a waiting list, with historical occupancy at 95 percent or higher. Additionally, 84 of the Subject’s 100 units currently benefit from a Housing Assistance Program (HAP) contract, while the remaining units will operate as LIHTC only. As such, qualifying tenants in these 84 units will pay only 30 percent of their household income on rent. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation, and only 13 units will need to be re-leased following renovations.

Conclusion

The Subject is located in close proximity to locational amenities. According to rent roll dated July 31, 2018, the current occupancy rate at the Subject is 99.0 percent, and the contact at the Subject reports that the property maintains a waiting list, which is typical in the local market. Additionally, 84 of the Subject's 100 units currently benefit from a Housing Assistance Program (HAP) contract, while the remaining units will operate as LIHTC only. As such, qualifying tenants in these 84 units will pay only 30 percent of their household income on rent. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation, and only 13 units will need to be re-leased following renovations.

Based upon our market research, demographic calculations and analysis, we believe there is continued demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.8 percent. Further, four of the five affordable properties maintain a waiting list. These factors illustrate demand for affordable housing. The Subject will offer generally inferior 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 LIHTC market, given the low vacancy levels, waiting lists, and subsidies in place that will remain post-renovation. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar in terms of condition to the majority of the comparable properties. The Subject's unit sizes are inferior to the comparable properties. In general, the Subject will be similar to slightly inferior to the comparable properties. Given the Subject's anticipated good condition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible as proposed, despite some slightly inferior attributes. We believe that it will continue to perform well and will not negatively impact the existing or proposed affordable rental units in the market.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



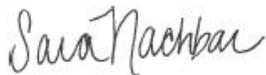
Rachel Barnes Denton, MAI
Partner
Novogradac & Company LLP

October 22, 2018
Date



Brian Neukam
Manager
Novogradac & Company LLP

October 22, 2018
Date



Sara Nachbar
Senior Analyst
Novogradac & Company LLP

October 22, 2018
Date

M. MARKET STUDY REPRESENTATION

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



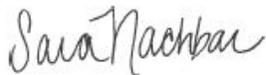
Rachel Barnes Denton, MAI
Partner
Novogradac & Company LLP

October 22, 2018
Date



Brian Neukam
Manager
Novogradac & Company LLP

October 22, 2018
Date



Sara Nachbar
Senior Analyst
Novogradac & Company LLP

October 22, 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

(taken January 4, 2018)



Exterior of Subject



Exterior of Subject and typical parking



Exterior of Subject



Exterior of Subject



Exterior of Subject



Exterior of Subject



Central laundry facility



Typical stairwell



Playground



Leasing office



Typical living area



Typical dining area



Typical kitchen



Typical bedroom



Typical bathroom



Typical living area



Typical bedroom



Typical bedroom closet



Typical bathroom



Typical dining area



Typical kitchen



Typical parking spaces



Subject signage



Mailboxes



Basketball court



Leasing office exterior



View west on Linwood Drive



View east on Linwood Drive



Bus stop adjacent to Subject along Linwood Drive



Linwood Nature Preserve south of Subject



Place of worship north of Subject



Water treatment facility west of Subject



Storage facility east of Subject



Retail/commercial uses at corner of Linwood Drive and Highway 60 (east of Subject)



Retail/commercial uses at corner of Linwood Drive and Highway 60 (east of Subject)



Retail/commercial uses at corner of Linwood Drive and Highway 60 (east of Subject)



Multifamily south and southeast of Subject



Typical single-family home in neighborhood



Typical single-family home in neighborhood



Typical single-family home in neighborhood



Typical retail/commercial uses along Highway 60



Typical retail/commercial uses along Highway 60

ADDENDUM C
Qualifications

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI**

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado and Missouri Workforce Housing Association.

V. REAL ESTATE ASSIGNMENTS

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, 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 expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed 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.

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.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various

demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

State of South Carolina Certified General Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income-producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

SARA N. NACHBAR

I. EDUCATION

Missouri State University – Springfield, MO
Bachelor of Science – Finance

II. PROFESSIONAL EXPERIENCE

Senior Analyst, Novogradac & Company LLP
Executive Assistant, Helzberg Entrepreneurial Mentoring Program
Claims Associate, Farmers Insurance Group

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.

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate	
Subject	Linwood Apartments 392 Linwood Drive Gainesville, GA 30501 County	-	Garden (2 stories) 1974 / Proposed 2019 Family	@40% (Section 8), @60% (Section 8), @80%, @80% (Section 8), Non-Rental	1BR / 1BA	11	11.0%	645	@40% (Section 8)	\$377	Yes	Yes	Yes	0	0.0%
					1BR / 1BA	8	8.0%	645	@60% (Section 8)	\$618	Yes	Yes	0	0.0%	
					1BR / 1BA	11	11.0%	645	@80%	\$885	Yes	Yes	0	0.0%	
					2BR / 1BA	25	25.0%	865	@40% (Section 8)	\$447	Yes	Yes	0	0.0%	
					2BR / 1BA	19	19.0%	865	@60% (Section 8)	\$736	Yes	Yes	0	0.0%	
					2BR / 1BA	4	4.0%	865	@80%	\$1,005	Yes	Yes	1	25.0%	
					2BR / 1BA	21	21.0%	865	@80% (Section 8)	\$1,025	Yes	N/A	0	0.0%	
					2BR / 1BA	1	1.0%	811	Non-Rental	-	N/A	0	0.0%		
						100	100.0%								
1	Legacy At North Pointe 100 North Pointe Dr. Gainesville, GA 30501 Hall County	0.4 miles	Garden (2 stories) 2000 / n/a Family	@60%	2BR / 2BA	76	71.7%	1,025	@60%	\$788	Yes	Yes	0	0.0%	
					3BR / 2BA	30	28.3%	1,215	@60%	\$897	Yes	Yes	0	0.0%	
						106	100.0%								
2	Oconee Springs 2351 Springhaven Drive Gainesville, GA 30504 Hall County	3.5 miles	Garden (2 stories) 1997 / 2014 Family	@30%, @50%, @60%	2BR / 2BA	4	4.5%	1,013	@30%	\$305	Yes	Yes	0	0.0%	
					2BR / 2BA	3	3.4%	1,013	@50%	\$585	No	Yes	0	0.0%	
					2BR / 2BA	9	10.2%	1,013	@60%	\$595	No	Yes	0	0.0%	
					3BR / 2BA	13	14.8%	1,210	@30%	\$265	Yes	Yes	0	0.0%	
					3BR / 2BA	13	14.8%	1,210	@50%	\$590	No	Yes	0	0.0%	
					3BR / 2BA	38	43.2%	1,210	@60%	\$599	No	Yes	0	0.0%	
					4BR / 2BA	2	2.3%	1,372	@30%	\$265	Yes	Yes	0	0.0%	
					4BR / 2BA	2	2.3%	1,372	@50%	\$625	No	Yes	0	0.0%	
						88	100.0%								
3	Paces Landing 100 Paces Court Gainesville, GA 30504 Hall County	3.5 miles	Garden (2 stories) 2005 / n/a Family	@50%, @60%, Market	1BR / 1BA	12	8.6%	792	@60%	\$714	Yes	Yes	0	0.0%	
					1BR / 1BA	4	2.9%	792	Market	\$775	N/A	Yes	0	0.0%	
					2BR / 2BA	14	10.0%	1,062	@50%	\$710	Yes	Yes	0	0.0%	
					2BR / 2BA	42	30.0%	1,062	@60%	\$855	Yes	Yes	0	0.0%	
					2BR / 2BA	10	7.1%	1,062	Market	\$885	N/A	Yes	0	0.0%	
					3BR / 2BA	40	28.6%	1,267	@50%	\$714	Yes	Yes	0	0.0%	
					3BR / 2BA	10	7.1%	1,267	Market	\$925	N/A	Yes	0	0.0%	
					4BR / 2BA	4	2.9%	1,428	@50%	\$785	Yes	Yes	0	0.0%	
						140	100.0%								
4	The Fields Moever 1245 Moever Road Gainesville, GA 30504 Hall County	3.4 miles	Garden (3 stories) 2004 / n/a Family	@60%	1BR / 1BA	36	16.4%	860	@60%	\$718	Yes	No	0	0.0%	
					2BR / 2BA	106	48.2%	1,119	@60%	\$852	Yes	No	0	0.0%	
					3BR / 2BA	78	35.5%	1,335	@60%	\$881	Yes	No	0	0.0%	
						220	100.0%								
5	The Retreat At Moever 1050 Eagle Eye Rd Gainesville, GA 30504 Hall County	2.6 miles	Garden (3 stories) 2002 / n/a Family	@60%	1BR / 1BA	80	35.7%	890	@60%	\$675	Yes	No	1	1.3%	
					2BR / 2BA	88	39.3%	1,120	@60%	\$802	Yes	No	2	2.3%	
					2BR / 2BA	32	14.3%	1,170	@60%	\$802	Yes	No	3	9.4%	
					3BR / 2BA	24	10.7%	1,350	@60%	\$916	Yes	Yes	0	0.0%	
						224	100.0%								
6	Carrington Park At Lake Lanier 150 Carrington Park Drive Gainesville, GA 30504 Hall County	1.9 miles	Garden (3 stories) 2000 / n/a Family	Market	1BR / 1BA	16	5.5%	595	Market	\$858	N/A	No	0	0.0%	
					1BR / 1BA	8	2.7%	874	Market	\$978	N/A	No	0	0.0%	
					1BR / 1BA	10	3.4%	894	Market	\$1,138	N/A	No	1	10.0%	
					1BR / 1.5BA	54	18.5%	840	Market	\$928	N/A	No	0	0.0%	
					2BR / 2BA	94	32.2%	1,056	Market	\$1,087	N/A	No	0	0.0%	
					2BR / 2BA	33	11.3%	1,255	Market	\$1,187	N/A	No	0	0.0%	
					2BR / 2BA	10	3.4%	1,255	Market	\$1,347	N/A	No	2	20.0%	
					3BR / 2BA	24	8.2%	1,431	Market	\$1,210	N/A	No	3	12.5%	
					3BR / 2BA	33	11.3%	1,499	Market	\$1,260	N/A	No	1	3.0%	
					3BR / 2BA	10	3.4%	1,499	Market	\$1,420	N/A	No	3	30.0%	
						292	100.0%								
7	Edgewater On Lanier Apartments 2419 Old Thompson Bridge Road Gainesville, GA 30501 Hall County	0.4 miles	Garden (3 stories) 1984 / 2017 Family	Market	1BR / 1BA	60	33.3%	808	Market	\$998	N/A	No	1	1.7%	
					2BR / 2BA	42	23.3%	1,200	Market	\$1,152	N/A	No	0	0.0%	
					2.5BR / 2BA	66	36.7%	1,200	Market	\$1,152	N/A	No	0	0.0%	
					3BR / 2BA	12	6.7%	1,300	Market	\$1,200	N/A	No	0	0.0%	
						180	100.0%								
8	Lake Lanier Club 1701 Dawsonville Hwy Gainesville, GA 30504 Hall County	1.7 miles	Garden (3 stories) 2000 / n/a Family	Market	1BR / 1BA	67	10.2%	686	Market	\$1,068	N/A	No	2	3.0%	
					1BR / 1BA	3	0.5%	750	Market	\$1,090	N/A	No	0	0.0%	
					1BR / 1BA	77	11.8%	857	Market	\$1,125	N/A	No	1	1.3%	
					1BR / 1BA	82	12.5%	985	Market	\$1,095	N/A	No	1	1.2%	
					2BR / 2BA	61	9.3%	1,192	Market	\$1,226	N/A	No	2	3.3%	
					2BR / 2BA	107	16.3%	1,252	Market	\$1,294	N/A	No	6	5.6%	
					2BR / 2BA	156	23.8%	1,363	Market	\$1,244	N/A	No	0	0.0%	
					3BR / 2BA	13	2.0%	1,571	Market	\$1,353	N/A	No	0	0.0%	
					3BR / 2BA	55	8.4%	1,417	Market	\$1,276	N/A	No	2	3.6%	
					3BR / 2.5BA	34	5.2%	1,431	Market	\$1,356	N/A	No	2	5.9%	
						655	100.0%								
9	Park Hill Apartments 1567 Park Hill Drive Gainesville, GA 30501 Hall County	1.8 miles	Garden (2 stories) 1984 / 2000's Family	Market	0BR / 1BA	59	14.3%	300	Market	\$640	N/A	No	0	0.0%	
					0BR / 1BA	59	14.3%	400	Market	\$550	N/A	No	0	0.0%	
					1BR / 1BA	30	7.3%	480	Market	\$630	N/A	No	0	0.0%	
					1BR / 1BA	29	7.0%	645	Market	\$685	N/A	No	0	0.0%	
					2BR / 1BA	59	14.3%	798	Market	\$790	N/A	No	0	0.0%	
					2BR / 1BA	59	14.3%	845	Market	\$820	N/A	No	0	0.0%	
					2BR / 1BA	59	14.3%	865	Market	\$880	N/A	No	4	6.8%	
3BR / 1.5BA	59	14.3%	975	Market	\$890	N/A	No	3	5.1%						
						413	100.0%								
10	The Fields Lake Lanier 150 Orchard Brook Road Gainesville, GA 30504 Hall County	4.2 miles	Garden (3 stories) 2001 / n/a Family	Market	2BR / 2BA	56	52.3%	1,119	Market	\$950	Yes	No	0	0.0%	
					2BR / 2BA	15	14.0%	1,178	Market	\$1,083	N/A	No	0	0.0%	
					3BR / 2BA	28	26.2%	1,320	Market	\$1,065	Yes	No	0	0.0%	
					3BR / 2BA	8	7.5%	1,365	Market	\$1,100	N/A	No	0	0.0%	
						107	100.0%								
11	Vista Ridge At Lake Lanier 2363 N Cliff Colony Dr. Gainesville, GA 30501 Hall County	0.5 miles	Various (2 stories) 1970 / 2000's Family	Market	1BR / 1BA	8	4.6%	800	Market	\$918	N/A	No	0	0.0%	
					2BR / 1.5BA	60	34.3%	1,124	Market	\$1,077	N/A	No	0	0.0%	
					2BR / 2BA	10	5.7%	1,128	Market	\$1,127	N/A	No	1	10.0%	
					2BR / 2BA	10	5.7%	1,229	Market	\$1,127	N/A	No	1	10.0%	
					2BR / 2.5BA	47	26.9%	1,175	Market	\$1,277	N/A	No	0	0.0%	
					3BR / 2BA	14	8.0%	1,250	Market	\$1,200	N/A	No	0	0.0%	
					3BR / 2BA	20	11.4%	1,280	Market	\$1,175	N/A	No	0	0.0%	
3BR / 2.5BA	6	3.4%	1,500	Market	\$1,300	N/A	No	0	0.0%						
						175	100.0%								

ADDENDUM E
Subject Floor Plans

Linwood Apartments

