



**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

A MARKET STUDY OF:

ARBOR LAKES APARTMENTS

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ARBOR LAKES

APARTMENTS

431 Kirkland Road
Covington, Newton County, Georgia, 30016

Effective Date: November 29, 2018
Report Date: December 10, 2018

Prepared for:
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CERTIFIED PUBLIC ACCOUNTANTS

December 10, 2018

Ms. Katessa Archer
Development Associate
Dominium
2905 Northwest Boulevard, Suite 150
Plymouth, MN 55441

Re: Application Market Study for Arbor Lakes Apartments, located in Covington, Newton County, Georgia

Dear Ms. Archer:

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

The purpose of this market study is to assess the viability of the proposed acquisition/rehabilitation of an existing 250-unit family LIHTC/market rate project. The Subject will be a newly renovated affordable bond/LIHTC project, with 250 revenue generating units, restricted to households earning 60 percent of the Area Median Income (AMI) or less. The Subject is currently a LIHTC/market rate property that is proposed for renovations with additional LIHTC equity. Post-renovation, all of the units will be restricted at the 60 percent AMI level. 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).

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

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assessment of the low-income housing rental market. This report is 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 Stated Purpose of this assignment is for tax credit application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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

Respectfully submitted,
Novogradac & Company LLP



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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Arbor Lakes Apartments will be the acquisition/rehabilitation of an existing LIHTC/market rate multifamily development located at 431 Kirkland Road in Covington, Newton County, Georgia, which consists of eight three-story garden-style residential buildings. The Subject currently offers 200 LIHTC units restricted at the 60 percent AMI level, in addition to 50 market rate units. The Subject was constructed in 2001, and is currently in the extended use period. The Subject is currently in average condition and contains 36 one, 166 two, and 48 three-bedroom units, respectively. According to a rent roll dated October 5, 2018, the Subject is currently 94.4 percent occupied. Post-renovation, all of the Subject's units will be restricted at the 60 percent AMI level.

The Subject is proposed for renovation with additional LIHTC equity. Total construction costs are estimated to be approximately \$11,875,000, or \$47,500 per unit. Renovations will include, but will not be limited to: Roof replacement, exterior paint of buildings and railings, select siding replacement, gutter and downspout replacement, exterior door replacement, landscaping, parking lot restripe and resealing, update playground equipment, sidewalk and curb replacement, new poured-in place splash blocks, trim trees near building, clubhouse renovation, new pavilion area with picnic tables and grills, and electric FOB key entry system to public access areas.

Post-renovation, the unit mix will remain the same, but all units will be LIHTC restricted at the 60 percent AMI level. There will no longer be 50 market rate units. The following table illustrates the proposed unit mix.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
				@60%			
1BR / 1BA	975	36	\$721	\$121	\$842	\$842	\$898
2BR / 2BA	1,150	166	\$879	\$132	\$1,011	\$1,011	\$1,031
3BR / 2BA	1,350	48	\$1,022	\$145	\$1,167	\$1,167	\$1,344
		250					

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

The Subject's proposed rents are set at the 2018 maximum allowable levels at 60 percent of AMI. Further, the Subject's current rents are also set at these levels. The renovated Subject will offer slightly inferior in-unit amenities in comparison to the LIHTC comparable properties and similar to slightly superior property amenities. Notable unit amenities offered by Subject include balconies/patios, walk-in closets, and washer/dryer hookups. However, the majority of the LIHTC comparable properties offer exterior storage, which the Subject will not offer. Overall, we believe the Subject's unit amenities will be competitive in the market. Notable property amenities offered by the Subject include a business center/computer lab, car wash, clubhouse/meeting room/community room, exercise facility, central laundry, playground, swimming pool, and tennis court. The surveyed LIHTC comparables offer similar to slightly inferior property amenities relative to the Subject. The majority of the comparable properties lack a business center and tennis court, which are included in the Subject's proposed amenity scheme. Overall, we believe the Subject's property amenities will continue to be competitive in the market.

2. Site Description/Evaluation

The Subject is located at 431 Kirkland Road. Land use to the north of the Subject consists of single-family homes in good condition. Land uses to the east and south of the Subject consist of undeveloped land. Directly west of the Subject, land uses consists a small pond and single-family homes in good condition. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car Dependent” by *Walk Score* with a rating of 2 out of 100. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site is located in close proximity to many desirable locational amenities, all of which are within 2.7 miles of the Subject.

3. Market Area Definition

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 Atlanta-Sandy Springs-Roswell, GA MSA are areas of growth or contraction.

The PMA is generally defined by Walton/Newton County line to the north, Morgan/Newton County line to the east, the Jasper/Newton County line to the south, and McDonough Highway to the west. This area encompasses Covington, as well as portions of Conyers and Social Circle. The approximate distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	10.1 miles
East:	13.8 miles
South:	6.5 miles
West:	7.1 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager. Of those residents coming from within Georgia, most are coming from the Covington area and surrounding rural communities. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 DCA market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The Secondary Market Area (SMA) is defined as the Atlanta- Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which is comprised of 30 counties in northwest Georgia and encompasses 8,726 square miles.

4. Community Demographic Data

Between 2010 and 2018, population growth in the PMA slowed to 1.1 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Population in the PMA is anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. The current population of the PMA is 124,397 and is expected to increase slightly to 133,354 by 2023. Between 2010 and 2018, household growth in the PMA increased by 1.0 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Households in the PMA are anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. Renter households are concentrated in the lowest income cohorts, with 75.8 percent of renter households in the PMA are earning incomes that are less than \$50,000. The Subject will target households earning between \$28,869 and \$48,480 for its units. Overall, population and household growth, as well as the concentration of renter households at the lowest income cohorts, indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 2,402 housing units nationwide was in some stage of foreclosure as of November 2018. Newton County is experiencing a foreclosure rate of one in every 785

homes, while Georgia experienced one foreclosure in every 2,504 housing units. Overall, Newton County is experiencing a higher foreclosure rate to the nation and state of Georgia, indicating a slightly weaker housing market. However, the Subject’s neighborhood does not have a significant amount of abandoned or vacant single-family homes that would impact the marketability of the Subject.

5. Economic Data

The largest industries in the PMA are healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 36.4 percent of local employment. The five largest employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. The manufacturing sector is historically volatile during periods of economic downturn, while healthcare/social assistance and educational services are typically more stable. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from August 2017 to August 2018, total employment in the MSA increased 2.8 percent, compared to a 1.3 percent increase in the nation as a whole. The unemployment rate has continued to decrease annually since 2011 to current rate 3.6 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate is below that of the nation. Overall, the economy has fully recovered from the most recent national recession and appears to be in an expansionary phase that has been ongoing since 2011. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
2BR @60%	\$24,994	\$29,160	21	318	0	318	6.6%	\$652
3BR @60%	\$28,834	\$34,980	9	392	0	392	2.3%	\$743
@60% Overall	\$24,994	\$34,980	30	710	0	710	4.2%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 11 “true” comparable properties containing 1,099 units.

The availability of LIHTC data is considered limited; there are four LIHTC properties in the PMA, three of which target families. It should be noted that although Village at Walkers Bend is a LIHTC family development located inside the Subject’s PMA, we have excluded it as a comparable in our rental analysis as it only offers three and four-bedroom units. We utilized five affordable developments located between 4.4 and 18.3 miles from the Subject site, three of which are located outside the PMA (Alexander Crossing Apartments, Ashley Woods Apartments, and Skyline Trace). These comparables are located between 16.5 and 18.3 miles from the Subject in Loganville, Stockbridge, and Monroe, and are reasonable proxies for the Subject as they are among the most proximate LIHTC properties that targets families and offer one, two, and

three-bedroom units at 60 percent of AMI, similar to the Subject. Loganville is a similar location compared to the Subject based on median household incomes and median rents. Stockbridge and Monroe are slightly inferior and inferior locations compared to the Subject based on median household incomes and median rents. All of the comparable properties target the general population and offer generally similar unit types in comparison to the Subject.

The availability of market rate data is considered good. The Subject is located in Covington and there are several market rate properties in the area. We included seven market rate properties located between 2.0 and 7.0 miles from the Subject site, six of which are located within the PMA. These comparables were built or renovated between the 1980s and 2018. Overall, we believe the market rate properties we used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, and unit mix.

When comparing the Subject’s rents to the average comparable rent, we do not include 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 do not include 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 MARKET RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR / 1BA	\$721	\$607	\$1,050	\$794	10%
2BR / 2BA	\$879	\$724	\$1,360	\$962	9%
3BR / 2BA	\$1,022	\$790	\$1,460	\$1,100	8%

As illustrated, the Subject’s proposed rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate.

Terraces At Fieldstone is achieving the highest one-bedroom unrestricted rents in the market. The Subject will be similar to Terraces At Fieldstone. Terraces At Fieldstone was built in 1997, underwent renovations in 2017, and exhibits good condition, which is similar to the anticipated good condition of the Subject, upon completion of renovations. Terraces At Fieldstone is located 4.0 miles from the Subject and offers a slightly inferior location with respect to median gross rents. Terraces At Fieldstone offers slightly inferior property amenities when compared to the Subject as it lacks a business center, which the Subject offers. Terraces At Fieldstone offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage, fireplaces, and vaulted ceilings, which the Subject does not offer, though it lacks hand rails and pull cords, which the Subject does offer. The lowest one-bedroom unrestricted rents at Terraces At Fieldstone are approximately 46 percent higher than the Subject’s one-bedroom rents at 60 percent of AMI.

Alexander Crossing Apartments is achieving the highest two and three-bedroom unrestricted rents in the market. The Subject will be slightly inferior to Alexander Crossing Apartments. Alexander Crossing Apartments was built in 2003, underwent renovations in 2017, and exhibits good condition, which is similar to the anticipated good condition of the Subject, upon completion of renovations. Alexander Crossing Apartments is located 16.5 miles from the Subject and offers a similar location with respect to median gross

rents. Alexander Crossing Apartments offers slightly inferior property amenities when compared to the Subject as it lacks a business center and tennis court, which the Subject offers. Alexander Crossing Apartments offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage and vaulted ceilings, which the Subject does not offer, though it lacks hand rails and pull cords, which the Subject does offer. The lowest two and three-bedroom unrestricted rents at Alexander Crossing Apartments are approximately 55 and 43 percent higher than the Subject’s two and three-bedroom rents at 60 percent of AMI.

8. Absorption/Stabilization Estimate

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

ABSORPTION

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

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 22 units per month, which equates to an absorption period of approximately ten to eleven months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 94.4 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. Additionally, seven of the 14 vacant units at the Subject are pre-leased. As such, we have assumed seven vacant unit will be need to be reabsorbed, which should take less than one month.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject is an existing property that currently exhibits average condition and is 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased. Therefore, the renovation of the Subject will help the preservation of existing units for which there is ample demand. The majority of the comparable properties are generally older and exhibit average condition. The renovated Subject will offer slightly inferior in-unit amenities in comparison to the LIHTC comparable properties and similar to slightly superior property amenities. Notable unit amenities offered by Subject include balconies/patios, walk-in closets, and washer/dryer hookups. Overall, we believe the Subject's unit

amenities will be competitive in the market. Notable property amenities offered by the Subject include a business center/computer lab, car wash, clubhouse/meeting room/community room, exercise facility, central laundry, playground, swimming pool, and tennis court. The surveyed LIHTC comparables offer similar to slightly inferior property amenities relative to the Subject. The majority of the comparable properties lack a business center and tennis court, which are included in the Subject's proposed amenity scheme. Overall, we believe the Subject's property amenities will continue to be competitive in the market. Based on the Subject's current performance, we believe that the renovated Subject is feasible as proposed. We believe that it will fill a void in the market and will continue to perform well.

ARBOR LAKES APARTMENTS – COVINGTON, GEORGIA – MARKET STUDY

Summary Table:

Development Name:	Arbor Lakes Apartments	Total # Units:	250
Location:	431 Kirkland Road Covington, GA 30016	# LIHTC Units:	250
PMA Boundary:	North: Walton/Newton County line; South: Jasper/Newton County line; East: Morgan/Newton County line; West: McDonough Highway		
	Farthest Boundary Distance to Subject:		13.8 miles

Rental Housing Stock (found on page 61)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	16	2,446	46	98.1%
Market-Rate Housing	10	1,818	41	97.7%
Assisted/Subsidized Housing not to include LIHTC	2	116	0	100.0%
LIHTC	4	512	5	99.0%
Stabilized Comps	16	2,446	46	98.1%
Properties in Construction & Lease Up	0	0	0	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
36	1BR at 60% AMI	1	975	\$721	\$794	\$0.81	10%	\$1,050	\$1.50
166	2BR at 60% AMI	2	1,150	\$879	\$962	\$0.84	9%	\$1,360	\$1.43
48	3BR at 60% AMI	2	1,350	\$1,022	\$1,100	\$0.81	8%	\$1,460	\$1.33

Demographic Data (found on page 28)

	2010		2018		March 2020	
Renter Households	10,750	27.1%	12,917	25.2%	12,900	24.6%
Income-Qualified Renter HHs (LIHTC)	2,527	23.5%	3,037	23.5%	3,011	23.3%

Targeted Income-Qualified Renter Household Demand (found on pages 41 to 59)

Type of Demand	@60%	-	-	-	-	-
Renter Household Growth	-26	-	-	-	-	-
Existing Households (Overburdened +)	1,320	-	-	-	-	-
Homeowner conversion (Seniors)	0	-	-	-	-	-
Total Primary Market Demand	1,294	-	-	-	-	-
Less Comparable/Competitive Supply	0	-	-	-	-	-
Adjusted Income-qualified Renter HHs**	1,294	-	-	-	-	-

Capture Rates (found on page 59)

Targeted Population	@60%	-	-	-	-	-
Capture Rate:	21.6%	-	-	-	-	-

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. **Project Address and Development Location:** The Subject is located at 431 Kirkland Road in Covington, Newton County, Georgia, 30016. The Subject is an existing LIHTC/market rate property that currently offers 60 percent AMI LIHTC units and market rate units; however, post-renovation, all of the Subject’s units will be LIHTC restricted at the 60 percent AMI level.
- 2. **Construction Type:** The Subject consists of eight three-story garden-style apartment buildings and one one-story leasing office. The Subject will be a rehabilitation of an existing property.
- 3. **Occupancy Type:** Families.
- 4. **Special Population Target:** None.
- 5. **Number of Units by Bedroom Type and AMI Level:** See following property profile.
- 6. **Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
- 7. **Rents and Utility Allowances:** See following property profile. It should be noted that the current asking rents differ from the proposed rents though both are set at the maximum allowable levels. This is due to differences in utility allowances in the current state and post renovation. Data in the property profile reflects the Subject’s proposed rents and utility allowances, post-renovations.
- 8. **Existing or Proposed Project-Based Rental Assistance:** See following property profile.
- 9. **Proposed Development Amenities:** See following property profile. Post renovations, the Subject will offer the same in-unit and property amenities.

ARBOR LAKES APARTMENTS – COVINGTON, GEORGIA – MARKET STUDY

Arbor Lakes Apartments (as Proposed)											
Location	431 Kirkland Road Covington, GA 30016 Newton County										
Units	250										
Vacant Units	14										
Vacancy Rate	5.6%										
Type	Garden (3 stories)										
Year Built / Renovated	2001 / n/a										
Marketing Began	10/1/2016										
Leasing Began	1/1/2017										
Last Unit Leased	12/31/2017										
Major Competitors	Brandon Glen, The Park at Arlington, Mag. Heights										
Tenant Characteristics	Majority families from Newton County										
Contact Name	Katessa										
Phone	770-385-6166										
Market											
Program	@60%			Leasing Pace	Within two weeks						
Annual Turnover Rate	19%			Change in Rent (Past Year)	Kept at max; Fluctuated 3-6% since 2Q 2017						
Units/Month Absorbed	21			Concession	None						
Section 8 Tenants	30%										
Utilities											
A/C	not included -- central			Other Electric	not included						
Cooking	not included -- electric			Water	not included						
Water Heat	not included -- electric			Sewer	not included						
Heat	not included -- electric			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?
1	1	Garden (3 stories)	36	975	\$721	\$0	@60%	No	3	8.3%	yes
2	2	Garden (3 stories)	166	1,150	\$879	\$0	@60%	No	10	6.0%	yes
3	2	Garden (3 stories)	48	1,350	\$1,022	\$0	@60%	No	1	2.1%	yes
Amenities											
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup			Security	Limited Access Perimeter Fencing Video Surveillance						
Property	Business Center/Computer Lab Car Wash Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas Sport Court Swimming Pool Tennis Court			Premium	none						
Services	Afterschool Program			Other	none						
Comments											
Arbor Lakes is proposed for resyndication and rehabilitation utilizing LIHTC equity. This property currently consists of LIHTC and market rate units. Post renovations, all units will be restricted to 60 percent of AMI. The utility allowances for the one, two, and three-bedroom units will be \$121, \$132, and \$145, respectively. According to a rent roll dated October 5, 2018, seven of the 14 vacant units are pre-leased.											

10. Scope of Renovations:

The Subject is an existing LIHTC/market rate property that will be renovated with additional LIHTC equity. Hard costs of renovations are expected to be \$11,875,000 or \$47,500 per unit. The scope of renovations is detailed as follows:

- Roof replacement
- Exterior paint of buildings and railings
- Select siding replacement
- Gutter and downspout replacement
- Exterior door replacement
- Landscaping
- Parking lot restripe and resealing
- Update playground equipment
- Sidewalk and curb replacement
- New poured-in place splash blocks
- Trim trees near building
- Clubhouse renovation
- New pavilion area with picnic tables and grills
- Electric FOB key entry system to public access areas

Current Rents:

The table on the following page illustrates the current rents at the Subject.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent	Post-renovation 60% AMI Asking Rents	Post-renovation Utility Allowance	
@60%								
1BR / 1BA	975	28	\$622	\$746	\$702	\$721	\$121	
2BR / 2BA	1,150	132	\$806	\$907	\$861	\$879	\$132	
3BR / 2BA	1,350	40	\$903	\$1,057	\$968	\$1,022	\$145	
Market								
1BR / 1BA	975	8	\$741	\$904	\$825	N/A	N/A	
2BR / 2BA	1,150	34	\$813	\$1,100	\$941	N/A	N/A	
3BR / 2BA	1,350	8	\$906	\$1,090	\$997	N/A	N/A	
		250						

Source: October 5, 2018 Rent Roll

The asking rents are set at the 2018 maximum allowable levels. The average tenant paid rents are below the current asking rents; however, the most recently signed leases are at the current asking rents. It should be noted that the current asking rents differ from the proposed rents though both are set at the maximum allowable levels. This is due to differences in utility allowances in the current state and post renovation.

Current Occupancy: The Subject is currently 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased.

Current Tenant Income: The Subject is currently a LIHTC/market rate multifamily development offering 200 LIHTC units restricted at 60 percent AMI levels, in addition to 50 unrestricted market rate units. Post-renovation, all of the Subject's units will be restricted at the 60 percent AMI level. As of the date of this report, a tenant income audit was unavailable; as such, we have assumed that tenants residing in the market rate units will not continue to income-qualify to reside at the Subject post-renovation. Given that all units will be LIHTC restricted at the 60 percent AMI level post-renovation, we assume all tenants currently residing in the Subject's 60 percent AMI units will continue to income-qualify post-renovation.

11. Placed in Service Date: The Subject was originally built in 2001. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to begin in May 2019 and be completed in March 2020.

Conclusion: The Subject is an existing apartment complex that consists of eight three-story garden-style residential buildings that will be renovated to good condition, slightly superior to superior 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 deterioration.

C. SITE EVALUATION

1. Date of Site Visit and Name of Inspector: Travis Jorgenson inspected the Subject on November 29, 2018.

2. Physical Features of the Site: The following illustrates the physical features of the site.

Frontage: The Subject has frontage along the south side of Kirkland Road.

Visibility/Views: The Subject has average visibility from Kirkland Road. Views to the north of the Subject consist of single-family homes in good condition. Views to the east of the Subject consist of undeveloped land. Views to the south of the Subject consist of undeveloped land. Views to the west of the Subject consist of a small pond followed by single-family homes in good condition.

Surrounding Uses: The following map illustrates the surrounding land uses.



Source: Google Earth, November 2018

The Subject is located at 431 Kirkland Road. Land use to the north of the Subject consists of single-family homes in good condition. Land uses to the east and south of the Subject consists of undeveloped land. Directly west of the Subject, land uses consists a small pond and single-family homes in good condition. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car Dependent” by *Walk Score* with a rating of 2 out of 100. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site is located in close proximity to many desirable locational amenities, all of which are within 2.7 miles of the Subject.

Positive/Negative Attributes of Site: We are unaware of any weaknesses of the site that would negatively impact the marketability of the Subject. The Subject’s close proximity to most locational amenities is considered a positive attribute of the site.

3. Physical Proximity to Locational Amenities: The Subject is located within 2.7 miles of all locational amenities.

4. Pictures of Site and Adjacent Uses: The following are pictures of the Subject site and adjacent uses.



Exterior view of Subject



Exterior view of Subject



Exterior view of Subject



Exterior view of Subject



Subject signage



Leasing office at Subject



View east along Kirkland Road



View west along Kirkland Road



Gazebo at Subject



Management office at Subject



Swimming pool at Subject



Exercise facility at Subject



Playground at Subject



Car wash at Subject



Community room at Subject



Laundry facility at Subject



Typical bedroom at Subject



Typical bedroom at Subject



Typical living room at Subject



Typical living room at Subject



Typical kitchen at Subject



Typical kitchen at Subject



Typical bathroom at Subject



Typical bathroom at Subject



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family home in Subject's neighborhood



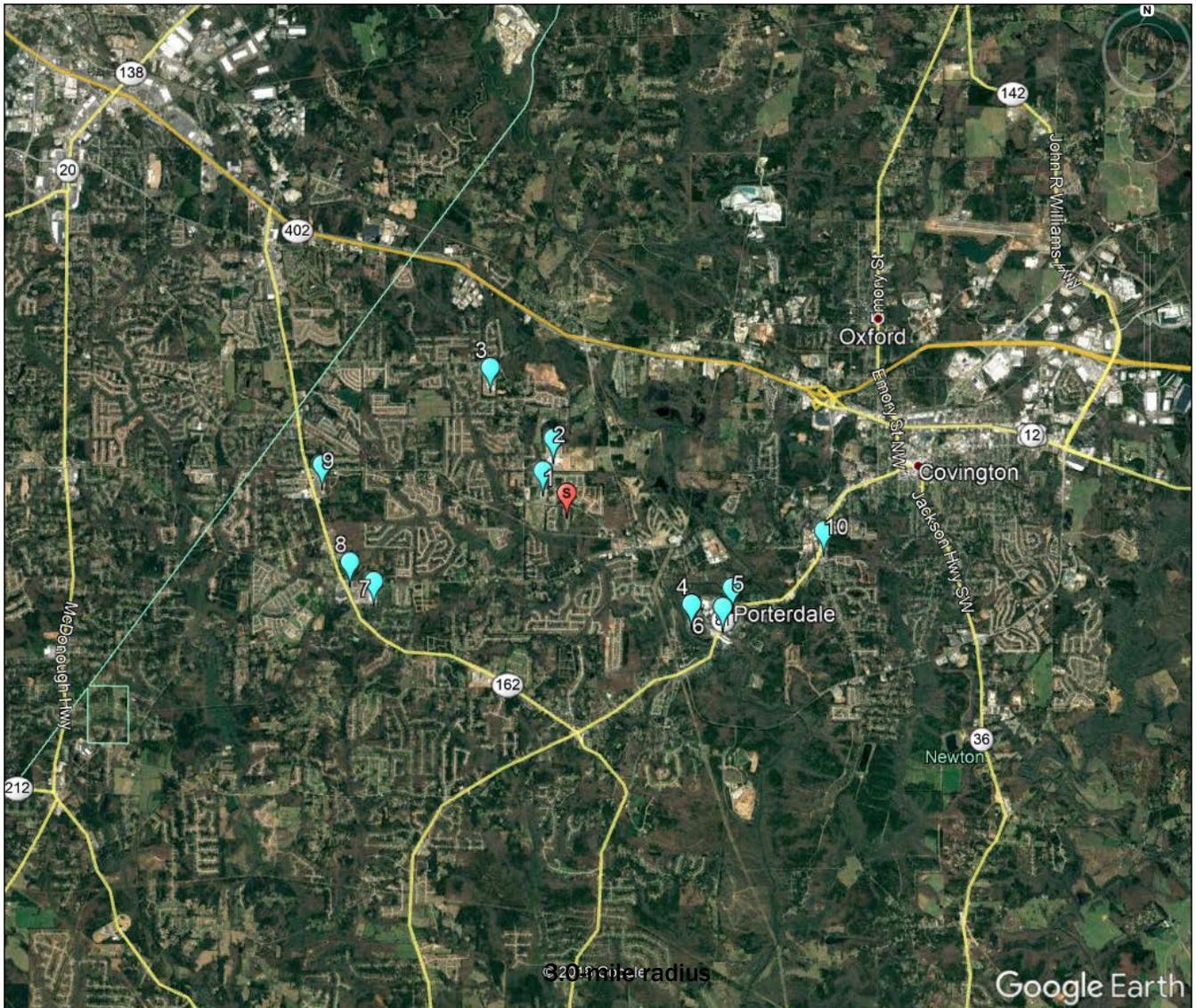
Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

5. Proximity to Locational Amenities:

The following map and table detail the Subject's distance from key locational amenities.



Source: Google Earth, November 2018

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Live Oak Elementary School	0.3 miles
2	Newton High School	0.6 miles
3	Clements Middle School	1.5 miles
4	Porterdale Yellow River Park	1.7 miles
5	US Post Office	1.7 miles
6	Porterdale Police Department	1.9 miles
7	Walmart Supercenter	2.2 miles
8	CVS Pharmacy	2.2 miles
9	Kroger	2.6 miles
10	Shell Gas Station	2.7 miles

6. Description of Land Uses

The Subject is located at 431 Kirkland Road. Land uses to the north of the Subject consists of single-family homes in good condition. Land uses further north of the Subject consists of Newton High School. Land use to the east of the Subject consists of undeveloped land. Land uses further east consist of commercial uses in average to good condition and single-family homes in average to good condition. Land uses to the south of the Subject consist of undeveloped land. Land uses further south consist of a single-family homes in good condition, a house of worship, and undeveloped land. Directly west of the Subject, land uses consists of a small pond. Further west are single-family homes in good condition. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car Dependent” by *Walk Score* with a rating of 2 out of 100. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site is located in close proximity to most desirable locational amenities, all of which are within 2.7 miles of the Subject.

7. Crime:

The following table illustrates crime statistics in the Subject’s PMA compared to the MSA and the nation, where an index of 100 is equal to that of the nation.

2018 CRIME INDICES

	PMA	Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area
Total Crime*	99	139
Personal Crime*	69	130
Murder	104	155
Rape	72	88
Robbery	63	163
Assault	71	118
Property Crime*	103	140
Burglary	119	147
Larceny	99	134
Motor Vehicle Theft	91	178

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

*Unweighted aggregations

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

8. Existing Assisted Rental Housing Property Map:

The map on the following page and list identify all assisted rental housing properties in the PMA.

- 9. Road, Infrastructure or Proposed Improvements:** No other road, infrastructure or proposed improvements were noticed during our fieldwork.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject site can be accessed and has average visibility from the south side of Kirkland Road. Kirkland Road provides access to Brown Bridge Road approximately 0.7 miles southeast of the Subject; Brown Bridge Road provides indirect access to downtown Covington approximately 3.6 miles east of the Subject. Additionally, Brown Bridge Road intersects with Crowell Road, which provides direct access to Interstate 20 approximately 1.8 miles north of the Subject. Interstate 20 provides access to Augusta, Georgia approximately 110 miles to the east and to Atlanta, Georgia approximately 25 miles to the west. Overall, access is considered good and visibility is considered average.
- 11. Conclusion:** The Subject is located at 431 Kirkland Road in Covington, Newton County, Georgia. The Subject site has good access but average visibility from Kirkland Road. The Subject is located in a mixed-use neighborhood that consists primarily of single-family homes, commercial uses, institutional uses, and undeveloped land. The Subject site is considered “Car-Dependent” by Walk Score with a rating of 2 out of 100. Crime risk indices in the Subject’s area are lower than the MSA and similar to the nation as a whole. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in average to good condition and the site is located in close proximity to most desirable locational amenities, all of which are within 2.7 miles of the Subject.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, November 2018.

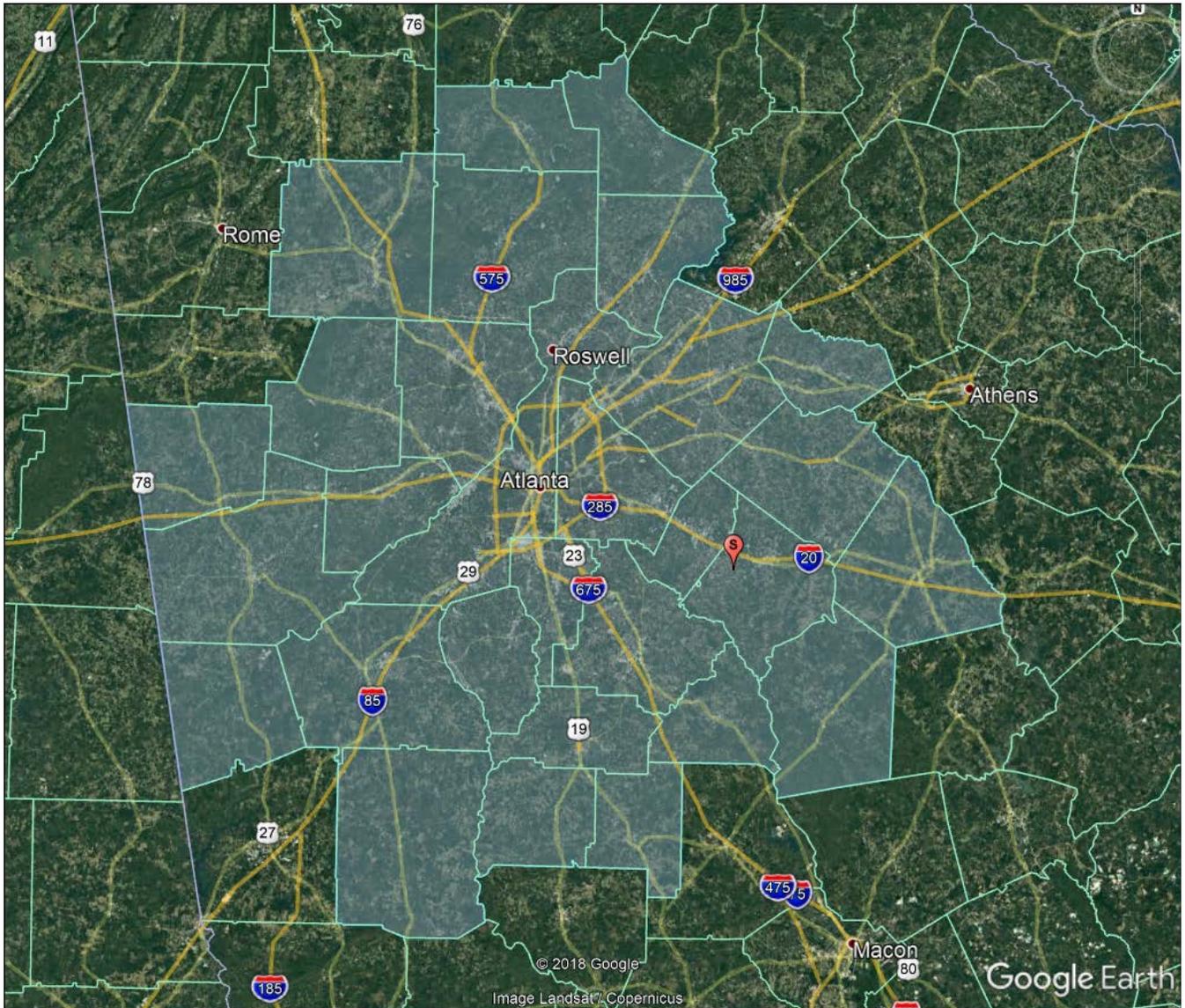
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Atlanta-Sandy Springs-Roswell, GA MSA are areas of growth or contraction.

The PMA is generally defined by Walton/Newton County line to the north, Morgan/Newton County line to the east, the Jasper/Newton County line to the south, and McDonough Highway to the west. This area encompasses Covington, as well as portions of Conyers and Social Circle. The approximate distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	10.1 miles
East:	13.8 miles
South:	6.5 miles
West:	7.1 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Of those residents coming from within Georgia, most are coming from the Covington area and surrounding rural communities. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2018 DCA market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The Secondary Market Area (SMA) is defined as the Atlanta- Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which is comprised of 30 counties in northwest Georgia and encompasses 8,726 square miles.

Secondary Market Area Map



Source: Google Earth, November 2018

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 Atlanta-Sandy Springs-Roswell, 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 Atlanta-Sandy Springs-Roswell, GA MSA.

1. Population Trends

The following tables illustrate (a) Total Population, and (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2023.

1a. Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2023.

POPULATION						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	75,431	-	4,261,895	-	281,038,168	-
2010	114,405	5.2%	5,286,728	2.4%	308,745,538	1.0%
2018	124,397	1.1%	5,891,925	1.4%	330,088,686	0.8%
Projected Mkt Entry March 2020	127,383	1.4%	6,041,287	1.5%	334,710,685	0.8%
2023	133,354	1.4%	6,340,010	1.5%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

Total population in the PMA increased by 5.2 annually between 2000 and 2010, while the MSA experienced a 2.4 percent increase. Both areas experienced population growth above that of the nation over the same time period. Between 2010 and 2018, population growth in the PMA slowed to 1.1 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Population in the PMA is anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. Overall, sustained population growth in the PMA and MSA is a positive indication of continued demand for the Subject.

1b. Total Population by Age Group

The tables on the following page illustrates the total population within the PMA and MSA from 2000 to 2023.

POPULATION BY AGE GROUP

PMA					
Age Cohort	2000	2010	2018	Projected Mkt Entry March 2020	2023
0-4	5,713	8,468	8,481	8,629	8,925
5-9	5,924	9,094	8,783	8,945	9,270
10-14	5,995	9,387	9,087	9,308	9,751
15-19	5,502	9,404	8,831	8,995	9,324
20-24	4,508	6,672	8,137	7,953	7,586
25-29	5,489	6,621	9,108	9,123	9,152
30-34	6,088	7,553	8,076	8,892	10,523
35-39	6,366	8,767	7,893	8,281	9,056
40-44	5,930	8,954	8,126	8,176	8,276
45-49	5,204	8,588	8,729	8,492	8,018
50-54	4,926	7,488	8,401	8,444	8,529
55-59	3,731	6,422	7,898	7,955	8,068
60-64	2,851	5,775	6,873	7,143	7,684
65-69	2,343	3,997	5,953	6,119	6,451
70-74	1,857	2,850	4,299	4,633	5,300
75-79	1,402	1,979	2,746	3,071	3,721
80-84	884	1,317	1,603	1,776	2,121
85+	717	1,069	1,372	1,448	1,599
Total	75,430	114,405	124,396	127,382	133,354

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

POPULATION BY AGE GROUP

Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area					
Age Cohort	2000	2010	2018	Projected Mkt Entry March 2020	2023
0-4	318,718	380,735	382,402	390,890	407,865
5-9	325,853	394,306	398,594	403,014	411,853
10-14	314,167	390,992	409,292	414,762	425,703
15-19	290,064	378,372	391,878	399,303	414,153
20-24	289,487	341,650	395,195	395,563	396,300
25-29	363,934	377,057	444,697	448,211	455,239
30-34	382,069	386,120	422,567	448,343	499,895
35-39	396,706	417,987	417,742	431,943	460,346
40-44	359,953	415,233	402,436	412,235	431,833
45-49	307,240	411,635	415,663	409,751	397,926
50-54	267,442	364,330	399,550	402,729	409,088
55-59	186,716	301,331	381,689	382,891	385,295
60-64	131,017	252,453	323,874	338,029	366,339
65-69	101,827	170,690	268,305	281,256	307,158
70-74	82,788	114,130	186,724	204,626	240,429
75-79	65,285	81,144	115,987	131,686	163,084
80-84	42,347	57,082	68,975	76,709	92,178
85+	36,257	51,481	66,355	69,345	75,326
Total	4,261,870	5,286,728	5,891,925	6,041,287	6,340,010

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

The largest age cohorts in the PMA in 2018 are between the ages of 25 through 29 and 10 through 14, which indicate the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size in the MSA, the PMA and nationally from 2000 through 2023.

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 2023.

HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	26,774	-	1,559,137	-	105,403,008	-
2010	39,595	4.8%	1,943,881	2.5%	116,716,296	1.1%
2018	42,719	1.0%	2,161,768	1.4%	124,110,017	0.8%
Projected Mkt Entry March 2020	43,634	1.3%	2,213,752	1.4%	125,691,988	0.8%
2023	45,464	1.3%	2,317,719	1.4%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.78	-	2.68	-	2.59	-
2010	2.85	0.3%	2.67	0.0%	2.58	-0.1%
2018	2.88	0.1%	2.69	0.1%	2.59	0.1%
Projected Mkt Entry March 2020	2.88	0.2%	2.69	0.1%	2.60	0.1%
2023	2.90	0.2%	2.70	0.1%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

The total number of households in the PMA increased at a rate of 4.8 percent per annum between 2000 and 2010, compared to an increase of 2.5 percent annually in the total number of households in the MSA. Both areas experienced household growth above that of the nation over the same time period. Between 2010 and 2018, household growth in the PMA slowed to 1.0 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Households in the PMA are anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. The average household size in the PMA is slightly higher at 2.88 than the national average at 2.59 persons in 2018. Over the next five years, the average household size is projected to increase slightly.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2023.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,990	74.7%	6,784	25.3%
2018	29,802	69.8%	12,917	30.2%
Projected Mkt Entry March 2020	30,734	70.4%	12,900	29.6%
2023	32,599	71.7%	12,865	28.3%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. 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 smaller percentage of renters in the PMA than the nation. This percentage is projected to decrease slightly over the next five years.

2c. Household Income

The following tables depict renter household income in the PMA and MSA in 2018, market entry, and 2023.

Income Cohort	2018		Projected Mkt Entry March 2020		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,791	13.9%	1,758	13.6%	1,693	13.2%
\$10,000-19,999	3,320	25.7%	3,254	25.2%	3,121	24.3%
\$20,000-29,999	1,601	12.4%	1,609	12.5%	1,626	12.6%
\$30,000-39,999	1,648	12.8%	1,623	12.6%	1,573	12.2%
\$40,000-49,999	1,424	11.0%	1,422	11.0%	1,417	11.0%
\$50,000-59,999	799	6.2%	810	6.3%	831	6.5%
\$60,000-74,999	675	5.2%	688	5.3%	714	5.5%
\$75,000-99,999	782	6.1%	790	6.1%	805	6.3%
\$100,000-124,999	409	3.2%	432	3.4%	479	3.7%
\$125,000-149,999	138	1.1%	144	1.1%	157	1.2%
\$150,000-199,999	183	1.4%	191	1.5%	208	1.6%
\$200,000+	147	1.1%	178	1.4%	241	1.9%
Total	12,917	100.0%	12,900	100.0%	12,865	100.0%

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA Metropolitan

Income Cohort	2018		Projected Mkt Entry March 2020		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	96,676	12.1%	95,596	11.8%	93,435	11.3%
\$10,000-19,999	114,132	14.3%	111,932	13.9%	107,532	13.1%
\$20,000-29,999	111,698	14.0%	110,392	13.7%	107,780	13.1%
\$30,000-39,999	101,667	12.7%	101,037	12.5%	99,776	12.1%
\$40,000-49,999	83,543	10.4%	83,663	10.4%	83,902	10.2%
\$50,000-59,999	64,734	8.1%	65,717	8.1%	67,683	8.2%
\$60,000-74,999	71,271	8.9%	72,906	9.0%	76,176	9.2%
\$75,000-99,999	65,820	8.2%	68,527	8.5%	73,940	9.0%
\$100,000-124,999	35,891	4.5%	38,025	4.7%	42,294	5.1%
\$125,000-149,999	19,141	2.4%	20,804	2.6%	24,131	2.9%
\$150,000-199,999	18,229	2.3%	19,880	2.5%	23,183	2.8%
\$200,000+	17,057	2.1%	19,355	2.4%	23,951	2.9%
Total	799,859	100.0%	807,834	100.0%	823,783	100.0%

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

The Subject will target tenants earning between \$28,869 and \$48,480. As the table above depicts, approximately 75.8 percent of renter households in the PMA are earning incomes that are less than \$50,000. Approximately 63.5 percent of renter households in the MSA are also earning less than \$50,000. For the projected market entry date of March 2020, these percentages are projected to decrease slightly to 74.9 percent in the PMA, and decrease slightly in the MSA to 62.3 percent.

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

The following table illustrates household size for all households in 2018, market entry and 2023. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2018		Projected Mkt Entry March 2020		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	3,650	28.3%	3,622	28.1%	3,566	27.7%
2 Persons	2,912	22.5%	2,876	22.3%	2,803	21.8%
3 Persons	2,288	17.7%	2,309	17.9%	2,350	18.3%
4 Persons	1,744	13.5%	1,757	13.6%	1,782	13.9%
5+ Persons	2,323	18.0%	2,337	18.1%	2,364	18.4%
Total Households	12,917	100%	12,900	100%	12,865	100%

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

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

Conclusion

Between 2010 and 2018, population growth in the PMA slowed to 1.1 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Population in the PMA is anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and

above the nation. The current population of the PMA is 124,397 and is expected to increase slightly to 133,354 by 2023. Between 2010 and 2018, household growth in the PMA increased by 1.0 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Households in the PMA is anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. Renter households are concentrated in the lowest income cohorts, with 75.8 percent of renter households in the PMA are earning incomes that are less than \$50,000. The Subject will target households earning between \$28,869 and \$48,480 for its units. Overall, population and household growth, as well as the concentration of renter households at the lowest income cohorts, indicates significant demand for affordable rental housing in the market.

F. EMPLOYMENT TRENDS

Employment Trends

The PMA is economically reliant on the healthcare/social assistance and manufacturing sectors. Employment levels decreased during the national recession. However, total employment in Newton County has increased modestly each year since 2010. Total employment surpassed pre-recession highs in 2014 and has shown consistent year-over-year growth.

1. Total Jobs

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

Total Jobs in Newton County, Georgia

Year	Total Employment	% Change
2007	43,991	-
2008	43,889	-0.23%
2009	41,386	-6.05%
2010	41,903	1.23%
2011	42,641	1.73%
2012	43,208	1.31%
2013	43,659	1.04%
2014	44,689	2.30%
2015	46,362	3.61%
2016	48,393	4.20%
2017	50,000	3.21%
2018 YTD Average	50,148	3.50%
Aug-17	48,763	-
Aug-18	50,084	2.64%

Source: U.S. Bureau of Labor Statistics

YTD as of Feb 2018

Newton County has experienced strong total job growth in the past decade. During the national recession, Newton County experienced only two years of employment decline, which indicates that the economy was less impacted than the nation overall during this time. Total jobs in Newton County are currently 13.9 percent above the pre-recession high level of 2007, which is indicative of a strong economy that has successfully recovered from the national recession.

2. Total Jobs by Industry

The following table illustrates the total jobs (also known as “covered employment”) in Newton County as of the first quarter of 2018, the most recent data available. Note that the data below was the most recent data available.

**Q1 2018 Covered Employment
Newton County, Georgia**

	Number	Percent
Total, all industries	21,368	-
Goods-producing	6,295	-
Natural resources and mining	43	0.20%
Construction	1,435	6.72%
Manufacturing	4,817	22.54%
Service-providing	15,073	-
Trade, transportation, and utilities	5,084	23.79%
Information	396	1.85%
Financial activities	604	2.83%
Professional and business services	3,483	16.30%
Education and health services	2,514	11.77%
Leisure and hospitality	2,520	11.79%
Other services	399	1.87%
Unclassified	73	0.34%

Source: Bureau of Labor Statistics, 2018

Employment in Newton County is largely concentrated in the manufacturing and trade, transportation, and utilities sectors, which account for 46.3 percent of total employment in the county. Manufacturing is a relatively volatile industry during times of economic downturn while the trade, transportation, and utilities sector is considered a stable sector during times of economic uncertainty. The following table illustrates employment by industry for the PMA as of 2018 (most recent year available).

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	7,876	13.3%	22,154,439	14.0%
Manufacturing	7,273	12.3%	15,694,985	9.9%
Educational Services	6,382	10.8%	14,568,337	9.2%
Retail Trade	6,184	10.5%	17,381,607	11.0%
Construction	4,467	7.6%	10,333,928	6.5%
Accommodation/Food Services	3,930	6.6%	11,958,374	7.6%
Transportation/Warehousing	3,705	6.3%	6,660,099	4.2%
Prof/Scientific/Tech Services	3,468	5.9%	11,673,939	7.4%
Public Administration	3,410	5.8%	7,345,537	4.7%
Admin/Support/Waste Mgmt Svcs	3,357	5.7%	6,943,459	4.4%
Other Services	2,515	4.3%	7,758,801	4.9%
Finance/Insurance	1,746	3.0%	7,284,572	4.6%
Wholesale Trade	1,252	2.1%	4,028,405	2.6%
Information	1,247	2.1%	2,881,691	1.8%
Utilities	739	1.3%	1,433,069	0.9%
Real Estate/Rental/Leasing	729	1.2%	3,165,171	2.0%
Arts/Entertainment/Recreation	565	1.0%	3,672,444	2.3%
Agric/Forestry/Fishing/Hunting	239	0.4%	2,273,158	1.4%
Mgmt of Companies/Enterprises	11	0.0%	87,511	0.1%
Mining	9	0.0%	591,596	0.4%
Total Employment	59,104	100.0%	157,891,122	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 36.4 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the healthcare and educational services industries, which are historically known to offer greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, educational services, and construction industries. Conversely, the PMA is underrepresented in the finance/insurance, professional/scientific/technical services, and arts/entertainment/recreation industries.

3. Major Employers

The table below shows the largest employers in Covington, GA according to the Covington Newton County Chamber of Commerce.

MAJOR EMPLOYERS - COVINGTON, GA

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

Source: Covington Newton County Chamber of Commerce, November 2018.

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

Expansions/Contractions

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

We were unable to reach a representative with the Newton County Economic Development Department regarding any recent business expansions in the area. However, in June 2018 we spoke with Ms. Serra Hall, Director of Commercial Development with the Newton County Economic Development Department. According to Ms. Hall, Baxter Pharmaceutical began construction on a manufacturing plant in 2014 and production at the plant began in October 2018. The manufacturing plant represents a \$1 billion investment and created 1,500 new full-time jobs to the area and an additional 500 more in support roles. We conducted additional online research and learned that Nisshinbo Automotive Manufacturing, Inc. (NAMI) will create 100 jobs and invest \$72 million in an expansion of its Covington, GA facility. New jobs at the facility will include positions in production and administration.

4. Employment and Unemployment Trends

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

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Atlanta-Sandy Springs-Roswell, GA MSA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	2,324,880	-	-19.7%	136,485,000	-	-11.0%
2003	2,347,173	1.0%	-19.0%	137,736,000	0.9%	-10.2%
2004	2,382,163	1.5%	-17.8%	139,252,000	1.1%	-9.2%
2005	2,445,674	2.7%	-15.6%	141,730,000	1.8%	-7.6%
2006	2,538,141	3.8%	-12.4%	144,427,000	1.9%	-5.8%
2007	2,618,825	3.2%	-9.6%	146,047,000	1.1%	-4.7%
2008	2,606,822	-0.5%	-10.0%	145,363,000	-0.5%	-5.2%
2009	2,452,057	-5.9%	-15.4%	139,878,000	-3.8%	-8.8%
2010	2,440,037	-0.5%	-15.8%	139,064,000	-0.6%	-9.3%
2011	2,486,895	1.9%	-14.1%	139,869,000	0.6%	-8.8%
2012	2,545,474	2.4%	-12.1%	142,469,000	1.9%	-7.1%
2013	2,572,589	1.1%	-11.2%	143,929,000	1.0%	-6.1%
2014	2,619,531	1.8%	-9.6%	146,305,000	1.7%	-4.6%
2015	2,684,742	2.5%	-7.3%	148,833,000	1.7%	-2.9%
2016	2,794,326	4.1%	-3.5%	151,436,000	1.7%	-1.2%
2017	2,896,736	3.7%	0.0%	153,308,000	1.2%	0.0%
2018 YTD Average*	2,978,169	2.8%	-	155,303,000	1.3%	-
Aug-2017	2,895,101	-	-	153,576,000	-	-
Aug-2018	2,975,023	2.8%	-	155,539,000	1.3%	-

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>Atlanta-Sandy Springs-Roswell, GA MSA</u>			<u>USA</u>		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2002	5.0%	-	0.6%	5.8%	-	1.4%
2003	4.9%	-0.2%	0.5%	6.0%	0.2%	1.6%
2004	4.8%	-0.1%	0.4%	5.5%	-0.5%	1.1%
2005	5.4%	0.6%	0.9%	5.1%	-0.5%	0.7%
2006	4.7%	-0.7%	0.2%	4.6%	-0.5%	0.2%
2007	4.4%	-0.2%	0.0%	4.6%	0.0%	0.2%
2008	6.2%	1.7%	1.7%	5.8%	1.2%	1.4%
2009	9.9%	3.8%	5.5%	9.3%	3.5%	4.9%
2010	10.3%	0.4%	5.9%	9.6%	0.3%	5.2%
2011	9.9%	-0.4%	5.5%	9.0%	-0.7%	4.5%
2012	8.8%	-1.1%	4.4%	8.1%	-0.9%	3.7%
2013	7.8%	-1.0%	3.4%	7.4%	-0.7%	3.0%
2014	6.8%	-1.0%	2.3%	6.2%	-1.2%	1.8%
2015	5.7%	-1.1%	1.3%	5.3%	-0.9%	0.9%
2016	5.1%	-0.6%	0.7%	4.9%	-0.4%	0.5%
2017	4.6%	-0.6%	0.1%	4.4%	-0.5%	0.0%
2018 YTD Average*	3.9%	-0.7%	-	4.0%	-0.5%	-
Aug-2017	4.7%	-	-	4.5%	-	-
Aug-2018	3.6%	-1.1%	-	3.9%	-0.6%	-

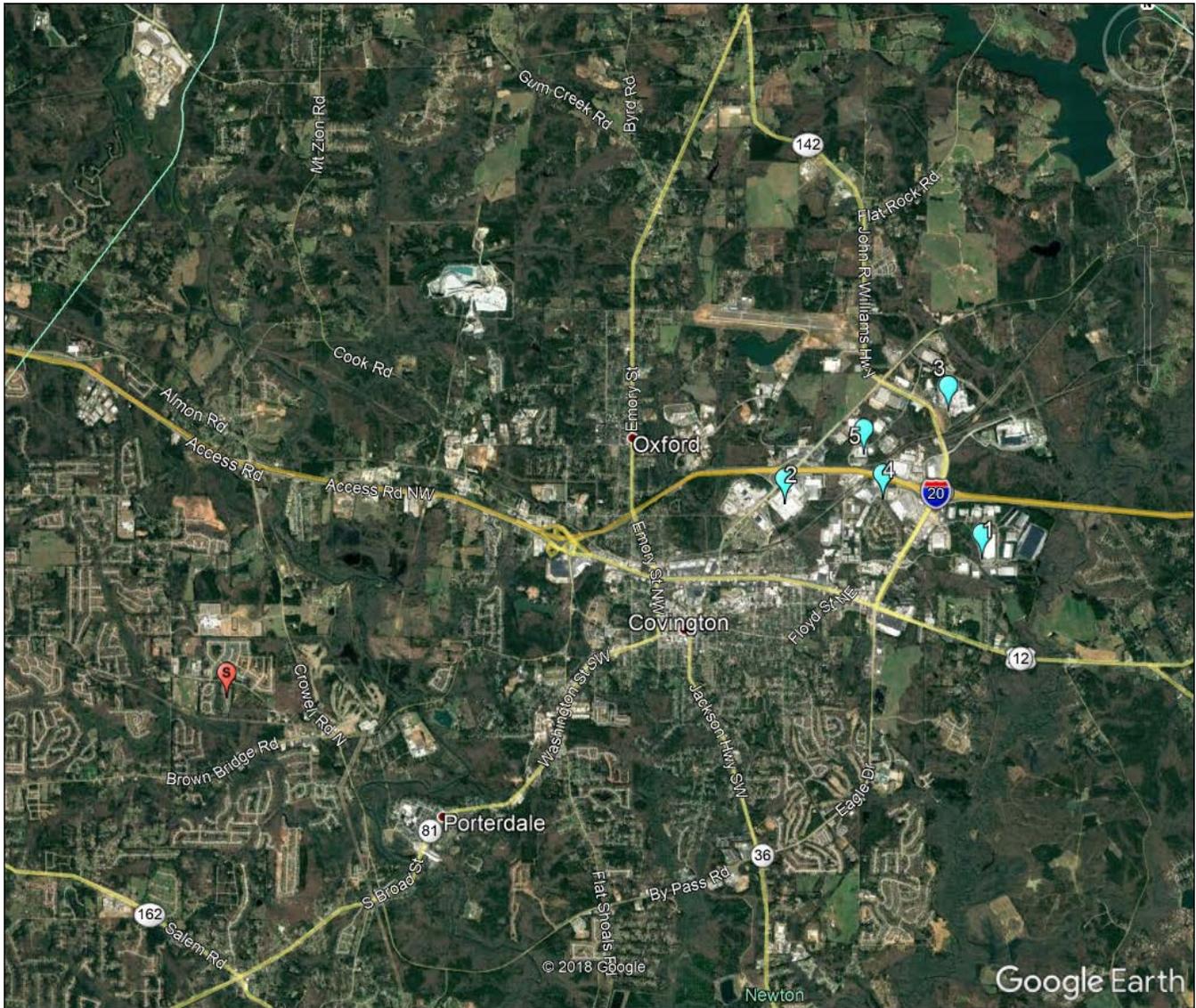
Source: U.S. Bureau of Labor Statistics November 2018

The MSA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn from 2008 to 2010. The most significant loss occurred in 2009. However, the MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from August 2017 to August 2018, total employment in the MSA increased 2.8 percent, compared to a 1.3 percent increase in the nation as a whole.

Historically, the unemployment rate in the MSA has been lower than the national unemployment rate. During the recession, the MSA's unemployment rate increased at a slightly greater rate than national unemployment rate. The MSA's unemployment rate peaked in 2010 at 10.3 percent, which was higher than the national unemployment rate during this same year at 9.6 percent. The unemployment rate has continued to decrease annually since 2011 to its current rate of 3.6 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate is below that of the nation. Overall, the economy has fully recovered from the most recent national recession and appears to be in an expansionary phase that has been ongoing since 2011. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, November 2018.

MAJOR EMPLOYERS - COVINGTON, GA

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

Source: Covington Newton County Chamber of Commerce, November 2018.

6. Conclusion

The largest industries in the PMA are healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 36.4 percent of local employment. The five largest employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. The manufacturing sector is historically volatile during periods of economic downturn, while healthcare/social assistance and educational services are typically more stable. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from August 2017 to August 2018, total employment in the MSA increased 2.8 percent, compared to a 1.3 percent increase in the nation as a whole. The unemployment rate has continued to decrease annually since 2011 to current rate 3.6 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate is below that of the nation. Overall, the economy has fully recovered from the most recent national recession and appears to be in an expansionary phase that has been ongoing since 2011. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

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 35 percent of its household income at the appropriate AMI level.

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

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. We will use these guidelines to set the minimum income levels for the demand analysis.

We provide a demand analysis for the as proposed scenario. We assume the maximum allowable rents.

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

3. Demand

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. 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 utilized 2020, the anticipated date of market entry, as the base year for the analysis. Therefore, 2018 household population estimates are inflated to 2020 by interpolation of the difference between 2018 estimates and 2023 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 2020. This number takes the overall growth from 2018 to 2023 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 of their income in housing costs. This data is interpolated using ACS data based on appropriate income levels.

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

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

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. As such, we have not accounted for any senior conversion to rentership.

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 do not account 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 do not account for household turnover in our demand analysis.

We calculated all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. Our capture rates incorporate household size adjustments for all of the Subject's units.

4. Net 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 2016 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 deduct the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that were funded, are under construction, or placed in service in 2016 through the present.

- Vacancies in projects placed in service prior to 2016 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 entered the market from 2016 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. At the time of the report, there have been no recently allocated, placed in service, or stabilizing affordable rate developments between 2016 and present.

PMA Occupancy

Per DCA’s guidelines, we determine the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. The following table illustrates a combined average occupancy level for the PMA based on the total competitive units in the PMA.

PMA OCCUPANCY

Property Name	Program	Location	Tenancy	# of Units	Occupancy
Arbor Lake Apartments	LIHTC	Covington	Family	250	94.4%
Harristown Park	LIHTC	Covington	Senior	60	100.0%
Magnolia Heights	LIHTC/Market	Covington	Family	200	98.0%
Village at Walkers Bend	LIHTC	Covington	Family	32	100.0%
Wellington Ridge	LIHTC	Covington	Family	220	99.5%
Leaf Stone Apartments	Market	Covington	Family	232	100.0%
Oxford Apartments	Market	Covington	Family	240	89.2%
Park View Apartments	Market	Covington	Family	100	98.0%
Porterdale Mill Lofts	Market	Covington	Family	154	100.0%
Salem Glen I, II, III	Market	Conyers	Family	256	98.4%
Willow Creek Apartments	Market	Covington	Family	41	100.0%
Terraces At Fieldstone	Market	Conyers	Family	316	99.1%
Park at Arlington (FKA Orchard Cove)	Market	Covington	Family	188	100.0%
Fieldcrest Walk	Market	Covington	Family	250	97.6%
Clover Bridge	Market	Covington	Supportive Housing	41	100.0%
TFH Consolidated	Section 8	Covington	Senior	3	100.0%
Covington Square	Section 8	Covington	Senior	113	100.0%
Average PMA Occupancy					98.1%

The average occupancy rate of competitive developments in the PMA is 98.1 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. The Subject is a proposed rehab development that is currently 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. As of the date of this report, a tenant income audit was unavailable; as such, we have assumed that tenants residing in the 60 percent AMI LIHTC units will continue to income-qualify to reside at the property and the developer noted that they will not need to be re-certified.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates. According to the Georgia DCA market study guidelines, capture rate calculations for proposed renovation developments will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet provided by the applicant. Tenants who are income qualified to remain in the property at the proposed stabilized renovated rents will be deducted from the property unit count prior to determining the applicable capture rates. The Subject is an existing LIHTC development and we have provided one capture rate assuming all units will be need to be reabsorbed. At the time of this report an income audit was not available and it is likely that the majority of the tenants will income-qualify; however, for the purpose of this report we have assumed all LIHTC units will be need to reabsorbed. The Subject currently has 14 vacant unit, seven of which are pre-leased.

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 2020 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2018		Projected Mkt Entry March 2020		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,791	13.9%	1,758	13.6%	1,693	13.2%
\$10,000-19,999	3,320	25.7%	3,254	25.2%	3,121	24.3%
\$20,000-29,999	1,601	12.4%	1,609	12.5%	1,626	12.6%
\$30,000-39,999	1,648	12.8%	1,623	12.6%	1,573	12.2%
\$40,000-49,999	1,424	11.0%	1,422	11.0%	1,417	11.0%
\$50,000-59,999	799	6.2%	810	6.3%	831	6.5%
\$60,000-74,999	675	5.2%	688	5.3%	714	5.5%
\$75,000-99,999	782	6.1%	790	6.1%	805	6.3%
\$100,000-124,999	409	3.2%	432	3.4%	479	3.7%
\$125,000-149,999	138	1.1%	144	1.1%	157	1.2%
\$150,000-199,999	183	1.4%	191	1.5%	208	1.6%
\$200,000+	147	1.1%	178	1.4%	241	1.9%
Total	12,917	100.0%	12,900	100.0%	12,865	100.0%

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

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$28,869		Maximum Income Limit		\$48,480	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2018 to Prj Mrkt Entry March 2020						
\$0-9,999	-33	188.5%	\$0	0.0%	0		
\$10,000-19,999	-66	382.7%	\$0	0.0%	0		
\$20,000-29,999	8	-48.1%	\$1,130	11.3%	1		
\$30,000-39,999	-25	144.2%	\$9,999	100.0%	-25		
\$40,000-49,999	-2	13.5%	\$8,480	84.8%	-2		
\$50,000-59,999	11	-61.5%	\$0	0.0%	0		
\$60,000-74,999	13	-75.0%	\$0	0.0%	0		
\$75,000-99,999	8	-44.2%	\$0	0.0%	0		
\$100,000-124,999	23	-134.6%	\$0	0.0%	0		
\$125,000-149,999	6	-36.5%	\$0	0.0%	0		
\$150,000-199,999	8	-48.1%	\$0	0.0%	0		
\$200,000+	31	-180.8%	\$0	0.0%	0		
Total	-17	100.0%		150.2%	-26		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$28,869		Maximum Income Limit		\$48,480	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,791	13.9%	\$0	0.0%	0		
\$10,000-19,999	3,320	25.7%	\$0	0.0%	0		
\$20,000-29,999	1,601	12.4%	\$1,130	11.3%	181		
\$30,000-39,999	1,648	12.8%	\$9,999	100.0%	1,648		
\$40,000-49,999	1,424	11.0%	\$8,480	84.8%	1,208		
\$50,000-59,999	799	6.2%	\$0	0.0%	0		
\$60,000-74,999	675	5.2%	\$0	0.0%	0		
\$75,000-99,999	782	6.1%	\$0	0.0%	0		
\$100,000-124,999	409	3.2%	\$0	0.0%	0		
\$125,000-149,999	138	1.1%	\$0	0.0%	0		
\$150,000-199,999	183	1.4%	\$0	0.0%	0		
\$200,000+	147	1.1%	\$0	0.0%	0		
Total	12,917	100.0%		23.5%	3,037		

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%					
Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Urban		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	70%	30%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	70%	30%	0%
4	0%	0%	0%	90%	10%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2018 to March 2020

Income Target Population	@60%
New Renter Households PMA	-17
Percent Income Qualified	150.2%
New Renter Income Qualified Households	-26

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	12,917
Income Qualified	23.5%
Income Qualified Renter Households	3,037
Percent Rent Overburdened Prj Mrkt Entry March 2020	42.4%
Rent Overburdened Households	1,289

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,037
Percent Living in Substandard Housing	1.0%
Households Living in Substandard Housing	31

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	1,320
Total New Demand	-26
Total Demand (New Plus Existing Households)	1,294

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	28.1%	363
Two Persons	22.3%	288
Three Persons	17.9%	232
Four Persons	13.6%	176
Five Persons	18.1%	234
Total	100.0%	1,294

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
<hr/>		
Of one-person households in 1BR units	70%	254
Of two-person households in 1BR units	20%	58
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
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Of one-person households in 2BR units	30%	109
Of two-person households in 2BR units	80%	231
Of three-person households in 2BR units	70%	162
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
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Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	30%	69
Of four-person households in 3BR units	90%	159
Of five-person households in 3BR units	50%	117
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Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	10%	18
Of five-person households in 4BR units	50%	117
<hr/>		
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		1,294

	Total Demand (Subject Unit Types)		Additions to Supply	=	Net Demand
0 BR	-	-	-	=	-
1 BR	312	-	0	=	312
2 BR	502	-	0	=	502
3 BR	345	-	0	=	345
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	1,159		0		1,159

	Developer's Unit Mix		Net Demand	=	Capture Rate
0 BR	-	/	-	=	-
1 BR	36	/	312	=	11.5%
2 BR	166	/	502	=	33.1%
3 BR	48	/	345	=	13.9%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	250		1,159		21.6%

Conclusions

Our demand analysis is used to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 1.3 percent between 2018 and the date of market entry.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

DEMAND AND NET DEMAND

HH at @60% AMI (\$28,869 to \$48,480)	
Demand from New Households (age and income appropriate)	-26
PLUS	+
Demand from Existing Renter Housholds - Rent Overburdened Households	1,289
PLUS	+
Demand from Existing Renter Households - Substandard Housing	31
=	=
Sub Total	1,294
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0
Equals Total Demand	1,294
Less	-
New Supply	0
Equals Net Demand	1,294

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR @60%	\$28,869	\$35,940	36	312	0	312	11.5%	10 to 11 months	\$794	\$607	\$1,050	\$721
2BR @60%	\$34,663	\$40,440	166	502	0	502	33.1%	10 to 11 months	\$962	\$724	\$1,360	\$879
3BR @60%	\$40,011	\$48,480	48	345	0	345	13.9%	10 to 11 months	\$1,100	\$790	\$1,460	\$1,022
@60% Overall	\$28,869	\$48,480	250	1,159	0	1,159	21.6%	10 to 11 months	-	-	-	-

As the analysis illustrates, as proposed, the Subject’s capture rates at the 60 percent AMI level will range from 11.5 to 33.1 percent, with an overall capture rate of 21.6 percent. The Subject’s capture rates are within the DCA thresholds. Further, the capture rates are moderate and indicate that sufficient demand exists for the Subject. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 12 “true” comparable properties containing 2,366 units.

The availability of LIHTC data is considered limited; there are four LIHTC properties in the PMA, three of which target families. It should be noted that although Village at Walkers Bend is a LIHTC family development located inside the Subject’s PMA, we have excluded it as a comparable in our rental analysis as it only offers three and four-bedroom units. We utilized five affordable developments located between 4.4 and 18.3 miles from the Subject site, three of which are located outside the PMA (Alexander Crossing Apartments, Ashley Woods Apartments, and Skyline Trace). These comparables are located between 16.5 and 18.3 miles from the Subject in Loganville, Stockbridge, and Monroe, and are reasonable proxies for the Subject as they are among the most proximate LIHTC properties that targets families and offer one, two, and three-bedroom units at 60 percent of AMI, similar to the Subject. Loganville is a similar location compared to the Subject based on median household incomes and median rents. Stockbridge and Monroe are slightly inferior and inferior locations compared to the Subject based on median household incomes and median rents. All of the comparable properties target the general population and offer generally similar unit types in comparison to the Subject.

The availability of market rate data is considered good. The Subject is located in Covington and there are several market rate properties in the area. We included seven market rate properties located between 2.0 and 7.0 miles from the Subject site, six of which are located within the PMA. These comparables were built or renovated between the 1980s and 2018. Overall, we believe the market rate properties we used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, and unit mix.

A detailed matrix describing the individual competitive properties as well as the 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.

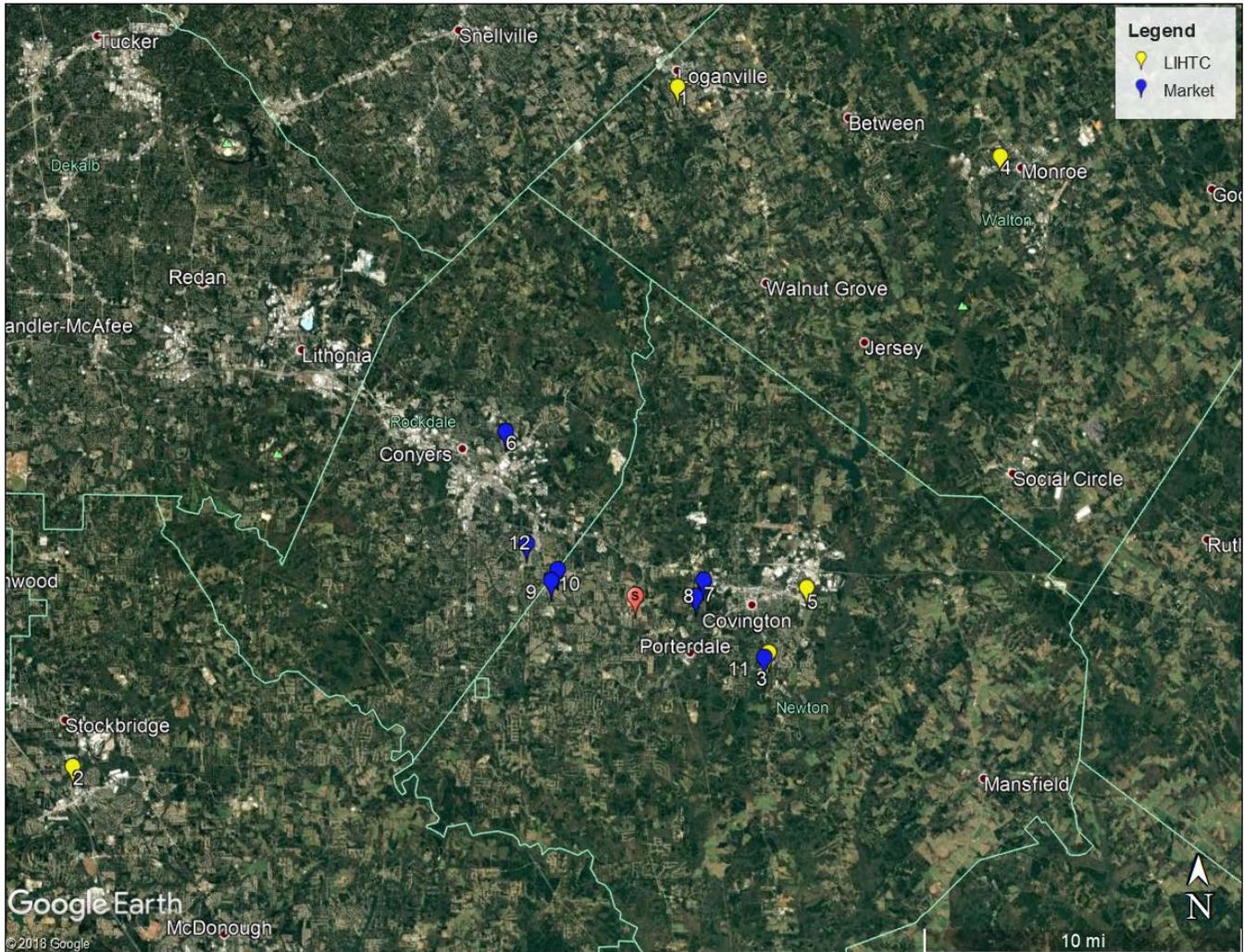
Excluded Properties

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

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Arbor Lake Apartments	LIHTC	Covington	Family	250	N/Ap
Harristown Park	LIHTC	Covington	Senior	60	Dissimilar tenancy
Village at Walkers Bend	LIHTC	Covington	Family	32	Only 3 & 4BR units
Porterdale Mill Lofts	Market	Covington	Family	154	More comparable properties
Salem Glen I, II, III	Market	Conyers	Family	256	Former LIHTC; more comparable mkt properties available
Willow Creek Apartments	Market	Covington	Family	41	More comparable properties
Clover Bridge	Market	Covington	Supportive Housing	41	More comparable properties
TFH Consolidated	Section 8	Covington	Senior	3	Subsidized
Covington Square	Section 8	Covington	Senior	113	Subsidized

Comparable Rental Property Map



Source: Google Earth, December 2018

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Arbor Lakes Apartments	Covington	LIHTC/ Market	-
1	Alexander Crossing Apartments*	Loganville	LIHTC/ Market	16.5 miles
2	Ashley Woods Apartments*	Stockbridge	LIHTC/ HOME	18.3 miles
3	Magnolia Heights	Covington	LIHTC/ Market	4.4 miles
4	Skyline Trace*	Monroe	LIHTC/ Market/ Non-rental	18.3 miles
5	Wellington Ridge	Covington	LIHTC	5.4 miles
6	Brandon Glen Apartments*	Conyers	Market	7.0 miles
7	Fieldcrest Walk	Covington	Market	2.4 miles
8	Leaf Stone Apartments	Covington	Market	2.0 miles
9	Oxford Apartments	Conyers	Market	2.8 miles
10	Park At Arlington (FKA Orchard Cove Apartments)	Covington	Market	2.8 miles
11	Park View Apartments	Covington	Market	4.3 miles
12	Terraces At Fieldstone	Conyers	Market	4.0 miles

*Located outside PMA

ARBOR LAKES APARTMENTS – COVINGTON, GEORGIA – MARKET STUDY

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

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Arbor Lakes Apartments 431 Kirkland Road Covington, GA 30016 Newton County	-	Garden 3-stories 2001 / n/a Family	@60%	1BR / 1BA	36	14.4%	975	@60%	\$721	Yes	No	3	8.3%
					2BR / 2BA	166	66.4%	1,150	@60%	\$879	Yes	No	10	6.0%
					3BR / 2BA	48	19.2%	1,350	@60%	\$1,022	Yes	No	1	2.1%
					250	100.0%								14
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	16.5 miles	Townhouse 2-stories 2003 / 2017 Family	@60%, Market	2BR / 2.5BA	120	50.0%	1,256	@60%	\$895	Yes	Yes	2	1.7%
					2BR / 2.5BA	48	20.0%	1,256	Market	\$1,360	N/A	Yes	0	0.0%
					3BR / 2BA	48	20.0%	1,506	@60%	\$1,024	Yes	Yes	4	8.3%
					3BR / 2BA	24	10.0%	1,506	Market	\$1,460	N/A	Yes	0	0.0%
					240	100.0%								6
2	Ashley Woods Apartments 1050 Rock Quarry Road Stockbridge, GA 30281 Henry County	18.3 miles	Garden 3-stories 1991 / 2008 Family	@50% (HOME), @60%, @60% (HOME)	1BR / 1BA	1	0.8%	748	@50%	\$549	Yes	Yes	0	0.0%
					1BR / 1BA	13	10.2%	748	@60%	\$762	No	Yes	0	0.0%
					1BR / 1BA	2	1.6%	748	@60%	\$715	Yes	Yes	0	0.0%
					2BR / 2BA	1	0.8%	1,010	@50%	\$661	Yes	Yes	0	0.0%
					2BR / 2BA	60	46.9%	1,010	@60%	\$915	No	Yes	1	1.7%
					2BR / 2BA	3	2.3%	1,010	@60%	\$711	Yes	Yes	0	0.0%
					3BR / 2BA	45	35.2%	1,134	@60%	\$1,051	No	Yes	0	0.0%
					3BR / 2BA	3	2.3%	1,039	@60%	\$830	Yes	Yes	0	0.0%
					128	100.0%								1
3	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	4.4 miles	Garden 3-stories 2001 / n/a Family	@60%, Market	1BR / 1BA	22	11.0%	975	@60%	\$607	No	Yes	0	0.0%
					1BR / 1BA	10	5.0%	975	Market	\$682	N/A	Yes	0	0.0%
					2BR / 2BA	103	51.5%	1,150	@60%	\$724	No	Yes	1	1.0%
					2BR / 2BA	41	20.5%	1,150	Market	\$764	N/A	Yes	2	4.9%
					3BR / 2BA	16	8.0%	1,350	@60%	\$825	No	Yes	1	6.3%
					3BR / 2BA	8	4.0%	1,350	Market	\$852	N/A	Yes	0	0.0%
					200	100.0%								4
4	Skyline Trace 600 Ridge Road Monroe, GA 30655 Walton County	18.3 miles	Garden 2-stories 2010 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	4.7%	808	@50%	\$590	No	Yes	0	0.0%
					1BR / 1BA	3	4.7%	808	@60%	\$645	No	Yes	0	0.0%
					1BR / 1BA	2	3.1%	808	Market	\$675	N/A	Yes	0	0.0%
					2BR / 2BA	10	15.6%	1,056	@50%	\$680	No	Yes	0	0.0%
					2BR / 2BA	19	29.7%	1,056	@60%	\$740	No	Yes	1	5.3%
					2BR / 2BA	2	3.1%	1,056	Market	\$750	N/A	Yes	0	0.0%
					2BR / 2BA	1	1.6%	1,056	Non-Rental	\$0	N/A	Yes	0	0.0%
					3BR / 2BA	8	12.5%	1,211	@50%	\$745	No	Yes	0	0.0%
					3BR / 2BA	16	25.0%	1,211	@60%	\$790	No	Yes	1	6.3%
					64	100.0%								2
5	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	5.4 miles	Garden 3-stories 2003 / n/a Family	@60%	1BR / 1BA	70	31.8%	784	@60%	\$748	Yes	Yes	0	0.0%
					2BR / 2BA	122	55.5%	1,182	@60%	\$896	Yes	Yes	1	0.8%
					3BR / 2BA	28	12.7%	1,394	@60%	\$1,025	Yes	Yes	0	0.0%
220	100.0%										1	0.5%		
6	Brandon Glen Apartments 1500 East View Road Conyers, GA 30012 Rockdale County	7.0 miles	Garden 2-stories 1997 / 2018 Family	Market	1BR / 1BA	32	17.8%	792	Market	\$759	N/A	No	2	6.3%
					2BR / 2BA	96	53.3%	1,032	Market	\$885	N/A	No	3	3.1%
					3BR / 2BA	52	28.9%	1,234	Market	\$1,031	N/A	No	1	1.9%
					180	100.0%								6
7	Fieldcrest Walk 10238 Fieldcrest Walk Covington, GA 30014 Newton County	2.4 miles	Garden 2-stories 1980s / n/a Family	Market	1BR / 1BA	104	40.3%	864	Market	\$835	N/A	Yes	3	2.9%
					2BR / 1BA	20	7.8%	930	Market	\$860	N/A	Yes	3	15.0%
					2BR / 2BA	67	26.0%	980	Market	\$910	N/A	Yes	0	0.0%
					2BR / 2BA	67	26.0%	1,200	Market	\$1,035	N/A	Yes	0	0.0%
258	100.0%										6	2.3%		
8	Leaf Stone Apartments 10100 Brown Bridge Road Covington, GA 30014 Newton County	2.0 miles	Garden 3-stories 2000 / n/a Family	Market	1BR / 1BA	63	27.2%	816	Market	\$1,025	N/A	No	0	0.0%
					2BR / 2BA	136	58.6%	1,072	Market	\$1,186	N/A	No	0	0.0%
					3BR / 2BA	33	14.2%	1,292	Market	\$1,400	N/A	No	0	0.0%
					232	100.0%								
9	Oxford Apartments 50 Greenleaf Road Conyers, GA 30013 Newton County	2.8 miles	Garden 3-stories 1999 / Ongoing Family	Market	1BR / 1BA	18	7.5%	636	Market	\$860	N/A	No	N/A	N/A
					1BR / 1BA	42	17.5%	722	Market	\$885	N/A	No	N/A	N/A
					2BR / 1BA	48	20.0%	894	Market	\$884	N/A	No	N/A	N/A
					2BR / 2BA	114	47.5%	1,051	Market	\$915	N/A	No	N/A	N/A
					3BR / 2BA	18	7.5%	1,304	Market	\$1,060	N/A	No	N/A	N/A
240	100.0%										26	10.8%		
10	Park At Arlington 30 Grosslake Parkway Covington, GA 30016 Newton County	2.8 miles	Garden 2-stories 2001 / n/a Family	Market	1BR / 1BA	22	11.7%	795	Market	\$835	N/A	No	0	0.0%
					1BR / 1BA	22	11.7%	850	Market	\$835	N/A	No	0	0.0%
					2BR / 2BA	54	28.7%	1,119	Market	\$935	N/A	No	0	0.0%
					2BR / 2BA	54	28.7%	1,176	Market	\$960	N/A	No	0	0.0%
					3BR / 2BA	18	9.6%	1,320	Market	\$1,085	N/A	No	0	0.0%
					3BR / 2BA	18	9.6%	1,365	Market	\$1,185	N/A	No	0	0.0%
188	N/A										0	0.0%		
11	Park View Apartments 10920 Covington Bypass Road Covington, GA 30014 Newton County	4.3 miles	Garden 3-stories 1993 / 2011 Family	Market	1BR / 1BA	10	10.0%	735	Market	\$701	N/A	No	0	0.0%
					2BR / 1BA	9	9.0%	880	Market	\$731	N/A	No	1	11.1%
					2BR / 2BA	46	46.0%	880	Market	\$801	N/A	No	0	0.0%
					3BR / 2BA	35	35.0%	1,152	Market	\$901	N/A	No	1	2.9%
100	100.0%										2	2.0%		
12	Terraces At Fieldstone 50 Loch Haven Drive Conyers, GA 30013 Rockdale County	4.0 miles	Garden 2-stories 1997 / 2018 Family	Market	1BR / 1BA	48	15.2%	823	Market	\$1,050	N/A	None	N/A	N/A
					2BR / 1BA	60	19.0%	1,155	Market	\$1,160	N/A	None	N/A	N/A
					2BR / 2BA	96	30.4%	1,186	Market	\$1,244	N/A	None	N/A	N/A
					2BR / 2BA	40	12.7%	1,212	Market	\$1,285	N/A	None	N/A	N/A
					2BR / 2BA	16	5.1%	1,236	Market	\$1,285	N/A	None	N/A	N/A
					3BR / 2BA	40	12.7%	1,367	Market	\$1,224	N/A	None	N/A	N/A
					3BR / 2BA	8	2.5%	1,429	Market	\$1,345	N/A	None	N/A	N/A
					3BR / 2BA	8	2.5%	1,470	Market	\$1,345	N/A	None	N/A	N/A
316	100.0%										3	0.9%		

ARBOR LAKES APARTMENTS – COVINGTON, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	2,366	Weighted Occupancy:	97.6%		
	Market Rate	1,514	Market Rate	97.2%		
	Tax Credit	852	Tax Credit	98.4%		
	One-Bedroom One Bath Property	Average	Two-Bedroom Two Bath Property	Average	Three-Bedroom Two Bath Property	Average
RENT	Terraces At Fieldstone (Market)	\$1,050	Alexander Crossing Apartments (Market)(2.5BA)	\$1,360	Alexander Crossing Apartments (Market)	\$1,460
	Leaf Stone Apartments (Market)	\$1,025	Terraces At Fieldstone (Market)	\$1,285	Leaf Stone Apartments (Market)	\$1,400
	Oxford Apartments (Market)	\$885	Terraces At Fieldstone (Market)	\$1,285	Terraces At Fieldstone (Market)	\$1,345
	Oxford Apartments (Market)	\$860	Terraces At Fieldstone (Market)	\$1,244	Terraces At Fieldstone (Market)	\$1,345
	Fieldcrest Walk (Market)	\$835	Leaf Stone Apartments (Market)	\$1,186	Terraces At Fieldstone (Market)	\$1,224
	Park At Arlington (Market)	\$835	Terraces At Fieldstone (Market)(1BA)	\$1,160	Park At Arlington (Market)	\$1,185
	Park At Arlington (Market)	\$835	Fieldcrest Walk (Market)	\$1,035	Park At Arlington (Market)	\$1,085
	Ashley Woods Apartments (@60%)	\$762	Park At Arlington (Market)	\$960	Oxford Apartments (Market)	\$1,060
	Brandon Glen Apartments (Market)	\$759	Park At Arlington (Market)	\$935	Ashley Woods Apartments (@60%)	\$1,051
	Wellington Ridge (@60%)	\$748	Ashley Woods Apartments (@60%)	\$915	Brandon Glen Apartments (Market)	\$1,031
	Arbor Lakes Apartments (@60%)	\$721	Oxford Apartments (Market)	\$915	Wellington Ridge (@60%)	\$1,025
	Ashley Woods Apartments (@60%)	\$715	Fieldcrest Walk (Market)	\$910	Alexander Crossing Apartments (@60%)	\$1,024
	Park View Apartments (Market)	\$701	Wellington Ridge (@60%)	\$896	Arbor Lakes Apartments (@60%)	\$1,022
	Magnolia Heights (Market)	\$682	Alexander Crossing Apartments (@60%)(2.5BA)	\$895	Park View Apartments (Market)	\$901
	Skyline Trace (Market)	\$675	Brandon Glen Apartments (Market)	\$885	Magnolia Heights (Market)	\$852
	Skyline Trace (@60%)	\$645	Oxford Apartments (Market)(1BA)	\$884	Ashley Woods Apartments (@60%)	\$830
	Magnolia Heights (@60%)	\$607	Arbor Lakes Apartments (@60%)	\$879	Magnolia Heights (@60%)	\$825
	Skyline Trace (@50%)	\$590	Fieldcrest Walk (Market)(1BA)	\$860	Skyline Trace (@60%)	\$790
	Ashley Woods Apartments (@50%)	\$549	Park View Apartments (Market)	\$801	Skyline Trace (@50%)	\$745
				Magnolia Heights (Market)	\$764	
			Skyline Trace (Market)	\$750		
			Skyline Trace (@60%)	\$740		
			Park View Apartments (Market)(1BA)	\$731		
			Magnolia Heights (@60%)	\$724		
			Ashley Woods Apartments (@60%)	\$711		
			Skyline Trace (@50%)	\$680		
			Ashley Woods Apartments (@50%)	\$661		
SQUARE FOOTAGE	Arbor Lakes Apartments (@60%)	975	Alexander Crossing Apartments (@60%)(2.5BA)	1,256	Alexander Crossing Apartments (@60%)	1,506
	Magnolia Heights (@60%)	975	Alexander Crossing Apartments (Market)(2.5BA)	1,256	Alexander Crossing Apartments (Market)	1,506
	Magnolia Heights (Market)	975	Terraces At Fieldstone (Market)	1,236	Terraces At Fieldstone (Market)	1,470
	Fieldcrest Walk (Market)	864	Terraces At Fieldstone (Market)	1,212	Terraces At Fieldstone (Market)	1,429
	Park At Arlington (Market)	850	Fieldcrest Walk (Market)	1,200	Wellington Ridge (@60%)	1,394
	Terraces At Fieldstone (Market)	823	Terraces At Fieldstone (Market)	1,186	Terraces At Fieldstone (Market)	1,367
	Leaf Stone Apartments (Market)	816	Wellington Ridge (@60%)	1,182	Park At Arlington (Market)	1,365
	Skyline Trace (@50%)	808	Park At Arlington (Market)	1,176	Magnolia Heights (@60%)	1,350
	Skyline Trace (@60%)	808	Terraces At Fieldstone (Market)(1BA)	1,155	Magnolia Heights (Market)	1,350
	Skyline Trace (Market)	808	Magnolia Heights (@60%)	1,150	Arbor Lakes Apartments (@60%)	1,350
	Park At Arlington (Market)	795	Magnolia Heights (Market)	1,150	Park At Arlington (Market)	1,320
	Brandon Glen Apartments (Market)	792	Arbor Lakes Apartments (@60%)	1,150	Oxford Apartments (Market)	1,304
	Wellington Ridge (@60%)	784	Park At Arlington (Market)	1,119	Leaf Stone Apartments (Market)	1,292
	Ashley Woods Apartments (@60%)	748	Leaf Stone Apartments (Market)	1,072	Brandon Glen Apartments (Market)	1,234
	Ashley Woods Apartments (@50%)	748	Skyline Trace (@60%)	1,056	Skyline Trace (@50%)	1,211
	Ashley Woods Apartments (@60%)	748	Skyline Trace (Market)	1,056	Skyline Trace (@60%)	1,211
	Park View Apartments (Market)	735	Skyline Trace (@50%)	1,056	Park View Apartments (Market)	1,152
	Oxford Apartments (Market)	722	Skyline Trace (Non-Rental)	1,056	Ashley Woods Apartments (@60%)	1,134
	Oxford Apartments (Market)	636	Oxford Apartments (Market)	1,051	Ashley Woods Apartments (@60%)	1,039
				Brandon Glen Apartments (Market)	1,032	
			Ashley Woods Apartments (@60%)	1,010		
			Ashley Woods Apartments (@50%)	1,010		
			Ashley Woods Apartments (@60%)	1,010		
			Fieldcrest Walk (Market)	980		
			Fieldcrest Walk (Market)(1BA)	930		
			Oxford Apartments (Market)(1BA)	894		
			Park View Apartments (Market)	880		
			Park View Apartments (Market)(1BA)	880		
RENT PER SQUARE FOOT	Oxford Apartments (Market)	\$1.35	Leaf Stone Apartments (Market)	\$1.11	Leaf Stone Apartments (Market)	\$1.08
	Terraces At Fieldstone (Market)	\$1.28	Alexander Crossing Apartments (Market)(2.5BA)	\$1.08	Alexander Crossing Apartments (Market)	\$0.97
	Leaf Stone Apartments (Market)	\$1.26	Terraces At Fieldstone (Market)	\$1.06	Terraces At Fieldstone (Market)	\$0.94
	Oxford Apartments (Market)	\$1.23	Terraces At Fieldstone (Market)	\$1.05	Ashley Woods Apartments (@60%)	\$0.93
	Park At Arlington (Market)	\$1.05	Terraces At Fieldstone (Market)	\$1.04	Terraces At Fieldstone (Market)	\$0.91
	Ashley Woods Apartments (@60%)	\$1.02	Terraces At Fieldstone (Market)(1BA)	\$1.00	Terraces At Fieldstone (Market)	\$0.90
	Park At Arlington (Market)	\$0.98	Oxford Apartments (Market)(1BA)	\$0.99	Park At Arlington (Market)	\$0.87
	Fieldcrest Walk (Market)	\$0.97	Fieldcrest Walk (Market)	\$0.93	Brandon Glen Apartments (Market)	\$0.84
	Brandon Glen Apartments (Market)	\$0.96	Fieldcrest Walk (Market)(1BA)	\$0.92	Park At Arlington (Market)	\$0.82
	Ashley Woods Apartments (@60%)	\$0.96	Park View Apartments (Market)	\$0.91	Oxford Apartments (Market)	\$0.81
	Wellington Ridge (@60%)	\$0.95	Ashley Woods Apartments (@60%)	\$0.91	Ashley Woods Apartments (@60%)	\$0.80
	Park View Apartments (Market)	\$0.95	Oxford Apartments (Market)	\$0.87	Park View Apartments (Market)	\$0.78
	Skyline Trace (Market)	\$0.84	Fieldcrest Walk (Market)	\$0.86	Arbor Lakes Apartments (@60%)	\$0.76
	Skyline Trace (@60%)	\$0.80	Brandon Glen Apartments (Market)	\$0.86	Wellington Ridge (@60%)	\$0.74
	Arbor Lakes Apartments (@60%)	\$0.74	Park At Arlington (Market)	\$0.84	Alexander Crossing Apartments (@60%)	\$0.68
	Ashley Woods Apartments (@50%)	\$0.73	Park View Apartments (Market)(1BA)	\$0.83	Skyline Trace (@60%)	\$0.65
	Skyline Trace (@50%)	\$0.73	Park At Arlington (Market)	\$0.82	Magnolia Heights (Market)	\$0.63
	Magnolia Heights (Market)	\$0.70	Arbor Lakes Apartments (@60%)	\$0.76	Skyline Trace (@50%)	\$0.62
	Magnolia Heights (@60%)	\$0.62	Wellington Ridge (@60%)	\$0.76	Magnolia Heights (@60%)	\$0.61
			Alexander Crossing Apartments (@60%)(2.5BA)	\$0.71		
		Skyline Trace (Market)	\$0.71			
		Ashley Woods Apartments (@60%)	\$0.70			
		Skyline Trace (@60%)	\$0.70			
		Magnolia Heights (Market)	\$0.66			
		Ashley Woods Apartments (@50%)	\$0.65			
		Skyline Trace (@50%)	\$0.64			
		Magnolia Heights (@60%)	\$0.63			

PROPERTY PROFILE REPORT

Alexander Crossing Apartments

Effective Rent Date	11/07/2018
Location	100 Alexander Crossing Loganville, GA 30052 Walton County
Distance	16.5 miles
Units	240
Vacant Units	6
Vacancy Rate	2.5%
Type	Townhouse (2 stories)
Year Built/Renovated	2003 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cambridge, The Muses
Tenant Characteristics	Mixed tenancy, families
Contact Name	Jessica
Phone	770-466-2281



Market Information

Program	@60%, Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	17%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes; ten households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	120	1,256	\$910	\$0	@60%	Yes	2	1.7%	yes	None
2	2.5	Townhouse (2 stories)	48	1,256	\$1,375	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	48	1,506	\$1,039	\$0	@60%	Yes	4	8.3%	yes	None
3	2	Townhouse (2 stories)	24	1,506	\$1,475	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$910	\$0	\$910	-\$15	\$895	2BR / 2.5BA	\$1,375	\$0	\$1,375	-\$15	\$1,360
3BR / 2BA	\$1,039	\$0	\$1,039	-\$15	\$1,024	3BR / 2BA	\$1,475	\$0	\$1,475	-\$15	\$1,460

Alexander Crossing Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The contact reported strong demand for affordable housing in the area. All six vacant units at this property are pre-leased. Non-renovated market rate two and three-bedroom units rents are rented for a monthly discount of \$100 and \$150 less than renovated units, respectively. Rents for the renovated market rate units are reflected in the property profile. Renovations include new appliances, hardwood floors, granite countertops, light fixtures, and blinds.

Photos



PROPERTY PROFILE REPORT

Ashley Woods Apartments

Effective Rent Date	11/08/2018
Location	1050 Rock Quarry Road Stockbridge, GA 30281 Henry County
Distance	18.3 miles
Units	128
Vacant Units	1
Vacancy Rate	0.8%
Type	Garden (3 stories)
Year Built/Renovated	1991 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	North Park, Hyde Park, Mable Chase
Tenant Characteristics	Mixed tenancy
Contact Name	Ava
Phone	770-474-8444



Market Information

Program	@50% (HOME), @60%, @60% (HOME)
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	See comments
Concession	None
Waiting List	Yes: 60 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	1	748	\$607	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	13	748	\$820	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	2	748	\$773	\$0	@60% (HOME)	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	1	1,010	\$727	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	60	1,010	\$981	\$0	@60%	Yes	1	1.7%	yes	None
2	2	Garden (3 stories)	3	1,010	\$777	\$0	@60% (HOME)	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	45	1,134	\$1,129	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	3	1,039	\$908	\$0	@60% (HOME)	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$607	\$0	\$607	-\$58	\$549	1BR / 1BA	\$773 - \$820	\$0	\$773 - \$820	-\$58	\$715 - \$762
2BR / 2BA	\$727	\$0	\$727	-\$66	\$661	2BR / 2BA	\$777 - \$981	\$0	\$777 - \$981	-\$66	\$711 - \$915
						3BR / 2BA	\$908 - \$1,129	\$0	\$908 - \$1,129	-\$78	\$830 - \$1,051

Ashley Woods Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The one vacant unit is pre-leased. According to the contact, there is strong demand for affordable housing in the area. Each unit offers in-unit washer/dryer.

Photos



PROPERTY PROFILE REPORT

Magnolia Heights

Effective Rent Date	8/21/2018
Location	10156 Magnolia Heights Circle Covington, GA 30014 Newton County
Distance	4.4 miles
Units	200
Vacant Units	4
Vacancy Rate	2.0%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wellington Ridge Parkview
Tenant Characteristics	None identified
Contact Name	Clare
Phone	770-786-0458



Market Information

Program	@60%, Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased near max
Concession	None
Waiting List	Yes; 40 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	10	975	\$725	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	22	975	\$650	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	41	1,150	\$815	\$0	Market	Yes	2	4.9%	N/A	None
2	2	Garden (3 stories)	103	1,150	\$775	\$0	@60%	Yes	1	1.0%	no	None
3	2	Garden (3 stories)	8	1,350	\$915	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	16	1,350	\$888	\$0	@60%	Yes	1	6.2%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	-\$43	\$607	1BR / 1BA	\$725	\$0	\$725	-\$43	\$682
2BR / 2BA	\$775	\$0	\$775	-\$51	\$724	2BR / 2BA	\$815	\$0	\$815	-\$51	\$764
3BR / 2BA	\$888	\$0	\$888	-\$63	\$825	3BR / 2BA	\$915	\$0	\$915	-\$63	\$852

Magnolia Heights, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	Ice-maker in units
Courtyard	Exercise Facility		
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Playground		
Swimming Pool			

Comments

There is a \$15 premium for affordable units that have been remodeled and a \$25 premium for market rate units that have been remodeled. Renovated rents have been reflected in the property profile. The contact reported that rents have increased to just below 2018 maximum allowable levels.

Photos



PROPERTY PROFILE REPORT

Skyline Trace

Effective Rent Date	11/08/2018
Location	600 Ridge Road Monroe, GA 30655 Walton County
Distance	18.3 miles
Units	64
Vacant Units	2
Vacancy Rate	3.1%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Johnathon
Phone	678-635-8808



Market Information

Program	@50%, @60%, Market, Non-Rental
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased \$20
Concession	None
Waiting List	Yes; 25 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	808	\$590	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	3	808	\$645	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	2	808	\$675	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	10	1,056	\$680	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	19	1,056	\$740	\$0	@60%	Yes	1	5.3%	no	None
2	2	Garden (2 stories)	2	1,056	\$750	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	1	1,056	\$0	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Garden (2 stories)	8	1,211	\$745	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	16	1,211	\$790	\$0	@60%	Yes	1	6.2%	no	None

Photos



PROPERTY PROFILE REPORT

Wellington Ridge

Effective Rent Date	11/07/2018
Location	9145 Wellington Drive Covington, GA 30014 Newton County
Distance	5.4 miles
Units	220
Vacant Units	1
Vacancy Rate	0.5%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Magnolia Heights
Tenant Characteristics	Mostly families from surrounding counties
Contact Name	Caroline
Phone	678-625-2777



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	14
HCV Tenants	20%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at Max
Concession	None
Waiting List	Yes; 64 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	70	784	\$748	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	122	1,182	\$896	\$0	@60%	Yes	1	0.8%	yes	None
3	2	Garden (3 stories)	28	1,394	\$1,025	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$748	\$0	\$748	\$0	\$748
2BR / 2BA	\$896	\$0	\$896	\$0	\$896
3BR / 2BA	\$1,025	\$0	\$1,025	\$0	\$1,025

Wellington Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Library
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$30.00)	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Sport Court	Swimming Pool		

Comments

The contact reported current occupancy has been typical so far in 2018. The one vacant unit at this property is pre-leased. Garage parking is available to tenants for an additional \$30 per month; the contact stated there are 25 garages available but could not provide a current utilization rate.

Photos



PROPERTY PROFILE REPORT

Brandon Glen Apartments

Effective Rent Date 10/08/2018
Location 1500 East View Road
 Conyers, GA 30012
 Rockdale County
Distance 7 miles
Units 180
Vacant Units 6
Vacancy Rate 3.3%
Type Garden (2 stories)
Year Built/Renovated 1997 / 2018
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Mainstreet
Tenant Characteristics Mixed tenancy
Contact Name Allison
Phone 770-922-1834



Market Information

Program Market
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 2%
Leasing Pace Within one week
Annual Chg. in Rent Increased 3-4% since 3Q18
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 (2 stories)	32	792	\$759	\$0	Market	No	2	6.2%	N/A	None
2	2	Garden (2 stories)	96	1,032	\$885	\$0	Market	No	3	3.1%	N/A	None
3	2	Garden (2 stories)	52	1,234	\$1,031	\$0	Market	No	1	1.9%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$759	\$0	\$759	\$0	\$759
2BR / 2BA	\$885	\$0	\$885	\$0	\$885
3BR / 2BA	\$1,031	\$0	\$1,031	\$0	\$1,031

Brandon Glen Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		

Comments

The contact reported that the property converted from a LIHTC property to a conventional property in January 2018. Renovated units rent for a premium of \$75, which is reflected in the property profile. Washer/dyer hook ups are available in each unit.

Photos



PROPERTY PROFILE REPORT

Fieldcrest Walk

Effective Rent Date	11/07/2018
Location	10238 Fieldcrest Walk Covington, GA 30014 Newton County
Distance	2.4 miles
Units	258
Vacant Units	6
Vacancy Rate	2.3%
Type	Garden (2 stories)
Year Built/Renovated	1980s / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly local tenants, families and some college students
Contact Name	Jordan
Phone	770-786-0445



Market Information

Program	Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increase 3 percent
Concession	None
Waiting List	Yes; 7 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	104	864	\$850	\$0	Market	Yes	3	2.9%	N/A	None
2	1	Garden (2 stories)	20	930	\$875	\$0	Market	Yes	3	15.0%	N/A	None
2	2	Garden (2 stories)	67	980	\$925	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	67	1,200	\$1,050	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$850	\$0	\$850	-\$15	\$835
2BR / 1BA	\$875	\$0	\$875	-\$15	\$860
2BR / 2BA	\$925 - \$1,050	\$0	\$925 - \$1,050	-\$15	\$910 - \$1,035

Fieldcrest Walk, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Car Wash	Commercial/Retail	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Swimming Pool		
Tennis Court			

Comments

This property does not accept Housing Choice Vouchers. The contact stated all six vacant units are pre-leased.

Photos



PROPERTY PROFILE REPORT

Leaf Stone Apartments

Effective Rent Date	11/07/2018
Location	10100 Brown Bridge Road Covington, GA 30014 Newton County
Distance	2 miles
Units	232
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fieldcrest Walk; Wellington Ridge; Summerset
Tenant Characteristics	None identified
Contact Name	Rachel
Phone	770-784-8044



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	one month
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	63	816	\$1,025	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	136	1,072	\$1,186	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	33	1,292	\$1,400	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,025	\$0	\$1,025	\$0	\$1,025
2BR / 2BA	\$1,186	\$0	\$1,186	\$0	\$1,186
3BR / 2BA	\$1,400	\$0	\$1,400	\$0	\$1,400

Leaf Stone Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$75.00)	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

This property does not accept Housing Choice Vouchers. The property utilizes a LRO pricing system, and rents change daily. The property offers garage parking for an additional \$75 per month.

Photos



PROPERTY PROFILE REPORT

Oxford Apartments

Effective Rent Date	10/08/2018
Location	50 Greenleaf Road Conyers, GA 30013 Newton County
Distance	2.8 miles
Units	240
Vacant Units	26
Vacancy Rate	10.8%
Type	Garden (3 stories)
Year Built/Renovated	1999 / Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Terraces at Fieldstone, Orchard Cove, Arbor Lake
Tenant Characteristics	Majority families from the county
Contact Name	Lori
Phone	770-788-1165



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Inc. 0-12% 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	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)	18	636	\$860	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	42	722	\$885	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	48	894	\$884	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	114	1,051	\$915	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	18	1,304	\$1,060	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$860 - \$885	\$0	\$860 - \$885	\$0	\$860 - \$885
2BR / 1BA	\$884	\$0	\$884	\$0	\$884
2BR / 2BA	\$915	\$0	\$915	\$0	\$915
3BR / 2BA	\$1,060	\$0	\$1,060	\$0	\$1,060

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		

Comments

The property has recently changed management and is now Oxford Apartments as of May 30th, 2018. The property was previously called Sommerset Apartments. The contact could not provide breakdown of vacancies, but did note the high turnover rate is due to new management since they are upgrading units and tenants are moving out. The property is currently 89% occupied. The rent increase is due to unit upgrades, which include new appliances, cabinets, new fixtures, and wood flooring. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Park At Arlington

Effective Rent Date	11/07/2018
Location	30 Grosslake Parkway Covington, GA 30016 Newton County
Distance	2.8 miles
Units	188
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Arbor Lakes, Wellington Ridge, Summerset
Tenant Characteristics	20% seniors
Contact Name	Property manager
Phone	678-342-7144



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased six percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	22	795	\$850	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	22	850	\$850	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	54	1,119	\$950	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	54	1,176	\$975	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	18	1,320	\$1,100	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	18	1,365	\$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	\$850	\$0	\$850	-\$15	\$835
2BR / 2BA	\$950 - \$975	\$0	\$950 - \$975	-\$15	\$935 - \$960
3BR / 2BA	\$1,100 - \$1,200	\$0	\$1,100 - \$1,200	-\$15	\$1,085 - \$1,185

Park At Arlington, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	In-Unit Alarm	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage	Patrol	
Ceiling Fan	Garbage Disposal	Perimeter Fencing	
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$50.00)		
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Playground	Recreation Areas		
Swimming Pool	Tennis Court		

Comments

The property has recently changed management and its name in the past year. It was formerly known as Orchard Cove Apartments. The property does not accept Housing Choice Vouchers. The property offers garage parking and tenant storage for an additional \$50 per month. Contact reported utilization rate of 100 percent for garages.

Photos



PROPERTY PROFILE REPORT

Park View Apartments

Effective Rent Date	11/07/2018
Location	10920 Covington Bypass Road Covington, GA 30014 Newton County
Distance	4.3 miles
Units	100
Vacant Units	2
Vacancy Rate	2.0%
Type	Garden (3 stories)
Year Built/Renovated	1993 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge
Tenant Characteristics	Majority families from Newton County
Contact Name	Ritchie
Phone	770-786-8500



Market Information

Program	Market
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 4-9%
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)	10	735	\$701	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	9	880	\$731	\$0	Market	No	1	11.1%	N/A	None
2	2	Garden (3 stories)	46	880	\$801	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	35	1,152	\$901	\$0	Market	No	1	2.9%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$701	\$0	\$701	\$0	\$701
2BR / 1BA	\$731	\$0	\$731	\$0	\$731
2BR / 2BA	\$801	\$0	\$801	\$0	\$801
3BR / 2BA	\$901	\$0	\$901	\$0	\$901

Park View Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Patrol	Daycare
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact noted both of the vacant units are pre-leased. This property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Terraces At Fieldstone

Effective Rent Date	11/09/2018
Location	50 Loch Haven Drive Conyers, GA 30013 Rockdale County
Distance	4 miles
Units	316
Vacant Units	3
Vacancy Rate	0.9%
Type	Garden (2 stories)
Year Built/Renovated	1997 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lake St. James
Tenant Characteristics	Average age 30, average household size 3
Contact Name	Krystal
Phone	888.942.4213



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased three to five percent
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 (2 stories)	48	823	\$1,050	\$0	Market	None	N/A	N/A	N/A	None
2	1	Garden (2 stories)	60	1,155	\$1,160	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (2 stories)	96	1,186	\$1,244	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (2 stories)	40	1,212	\$1,285	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (2 stories)	16	1,236	\$1,285	\$0	Market	None	N/A	N/A	N/A	None
3	2	Garden (2 stories)	40	1,367	\$1,224	\$0	Market	None	N/A	N/A	N/A	None
3	2	Garden (2 stories)	8	1,429	\$1,345	\$0	Market	None	N/A	N/A	N/A	None
3	2	Garden (2 stories)	8	1,470	\$1,345	\$0	Market	None	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,050	\$0	\$1,050	\$0	\$1,050
2BR / 1BA	\$1,160	\$0	\$1,160	\$0	\$1,160
2BR / 2BA	\$1,244 - \$1,285	\$0	\$1,244 - \$1,285	\$0	\$1,244 - \$1,285
3BR / 2BA	\$1,224 - \$1,345	\$0	\$1,224 - \$1,345	\$0	\$1,224 - \$1,345

Terraces At Fieldstone, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Garage(\$100.00)	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Sauna		
Swimming Pool	Tennis Court		

Comments

This property is currently undergoing renovations as units become vacant. Renovations include new flooring, paint, lighting, appliances, and cabinetry. Renovated units reflect a \$20 to \$50 premium over non-renovated units. Rents in the profile reflect renovated units. There are 48 detached garages available for an additional \$100 per month. The contact reported a utilization rate of 91.7 percent for garages. Two of the three vacant units at this property are pre-leased. The contact was not able to provide breakdown on vacancy by bedroom type.

Photos



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

Housing Choice Vouchers

We were unable to reach a representative of the Georgia Department of Community Affairs, but in April 2017, we spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there were 758 Housing Choice Vouchers in Newton County. The DCA closed the waiting list in March 2017, and Ms. Dove reported that there were 913 households on the waiting list. Ms. Dove also indicated that there are no plans to open the waiting list back up in the foreseeable future. The following table illustrates voucher usage at the comparable properties.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Alexander Crossing Apartments*	LIHTC/ Market	Family	17%
Ashley Woods Apartments*	LIHTC/HOME	Family	40%
Magnolia Heights	LIHTC/ Market	Family	10%
Skyline Trace*	LIHTC/ Market	Family	5%
Wellington Ridge	LIHTC	Family	20%
Brandon Glen Apartments*	Market	Family	2%
Fieldcrest Walk	Market	Family	0%
Leaf Stone Apartments	Market	Family	0%
Oxford Apartments	Market	Family	0%
Park At Arlington	Market	Family	0%
Park View Apartments	Market	Family	0%
Terraces At Fieldstone	Market	Family	0%

*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from zero to 40 percent. The LIHTC properties surveyed report a low to moderate reliance on tenants with vouchers. The Subject is a LIHTC and market rate property that will continue to operate with LIHTC restrictions for all units post-renovation. We believe the Subject would maintain a voucher usage of approximately 20 percent following renovations.

Lease Up History

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

ABSORPTION

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

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 22 units per month, which equates to an absorption period of approximately ten to eleven months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 94.4 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. Additionally, seven of the 14 vacant units at the Subject are pre-leased. As such, we have assumed seven vacant unit will be need to be reabsorbed, which should take less than one month.

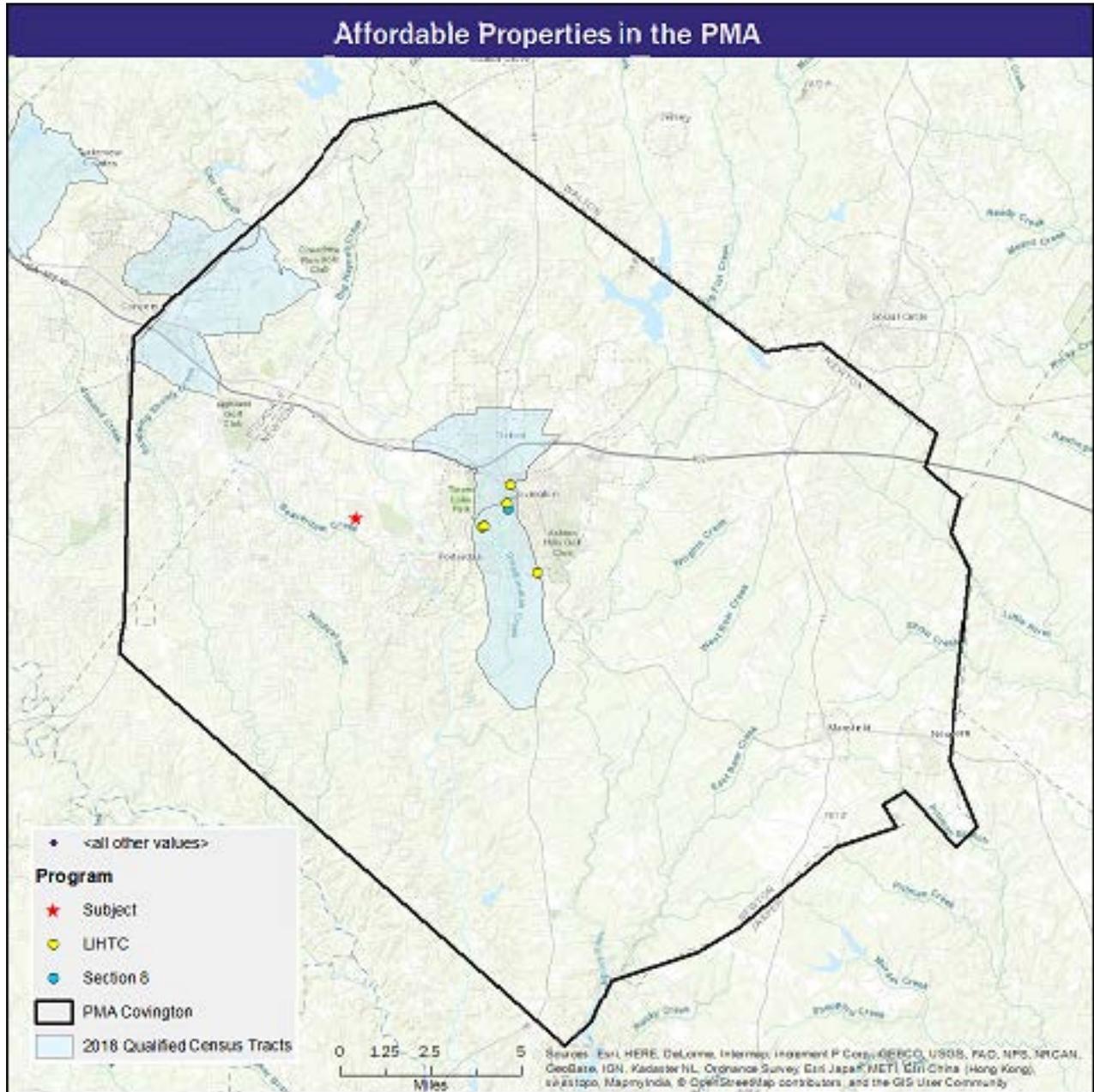
Phased Developments

The Subject is not part of a multi-phase development.

Rural Areas

The Subject is not located in a rural area.

2. Competitive Project Map



COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Arbor Lake Apartments	LIHTC	Covington	Family	250	-	Star
Harristown Park	LIHTC	Covington	Senior	60	0.7 miles	Yellow
Magnolia Heights	LIHTC/Market	Covington	Family	200	4.4 miles	Yellow
Village at Walkers Bend	LIHTC	Covington	Family	32	0.7 miles	Yellow
Wellington Ridge	LIHTC	Covington	Family	220	5.4 miles	Yellow
TFH Consolidated	Section 8	Covington	Senior	3	4.2 miles	Blue
Covington Square	Section 8	Covington	Senior	113	1.1 miles	Blue

3. Amenities

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

	Subject	Alexander Crossing Apartments	Ashley Woods Apartments	Magnolia Heights	Skyline Trace	Wellington Ridge	Brandon Glen Apartments	Fieldcrest Walk	Leaf Stone Apartments	Oxford Apartments	Park At Arlington	Park View Apartments	Terraces At Fieldstone
Rent Structure	LIHTC	LIHTC/Market	LIHTC/HOME	LIHTC/Market	LIHTC/Market	LIHTC	Market	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building													
Property Type	Garden	Townhouse	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# of Stories	3-stories	2-stories	3-stories	3-stories	2-stories	3-stories	2-stories	2-stories	3-stories	3-stories	2-stories	3-stories	2-stories
Year Built	2001	2003	1991	2001	2010	2003	1997	1980s	2000	1999	2001	1993	1997
Year Renovated	n/a	2017	2008	n/a	n/a	n/a	2018	n/a	n/a	Ongoing	n/a	2011	2018
Commercial	no	no	no	no	no	no	no	yes	no	no	no	no	no
Courtyard	no	no	no	yes	no	no	no	no	no	no	no	no	no
Utility Structure													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	yes	yes	no	no	no	no	no	no	no	no	no
Sewer	no	no	yes	yes	no	no	no	no	no	no	no	no	no
Trash	no	yes	yes	no	no	no	no	yes	no	no	yes	no	no
Unit Amenities													
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Blinds	yes	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	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	yes	yes	no	yes	no	no	no	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	yes	yes	yes	no	yes	yes	yes	no	yes
Fireplace	no	no	no	no	no	no	no	no	no	no	no	no	yes
Vaulted Ceilings	no	yes	no	no	no	no	yes	no	yes	no	no	no	yes
Walk-In Closet	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Washer/Dryer	no	no	yes	no	no	no	no	no	no	no	no	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen													
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Microwave	yes	yes	no	no	yes	yes	no	no	no	no	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community													
Business Center	yes	no	no	no	yes	yes	no	no	yes	no	yes	no	no
Community Room	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation													
Basketball Court	no	no	no	yes	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Swimming Pool	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	no	no	yes	no	no	yes	yes	yes	yes	no
Sport Court	yes	no	no	no	no	yes	no	no	no	no	no	no	no
Tennis Court	yes	no	no	no	no	no	no	yes	no	yes	yes	no	yes
Sauna	no	no	no	no	no	no	no	no	no	no	no	no	yes
Recreational Area	yes	no	no	no	no	no	no	no	no	no	yes	no	no
Daycare	no	no	no	no	no	no	no	no	no	no	no	yes	no
Security													
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	no	yes	no	no
Limited Access	yes	no	no	yes	no	yes	no	no	no	yes	yes	no	yes
Patrol	no	yes	yes	yes	no	no	no	no	yes	yes	yes	yes	no
Perimeter Fencing	yes	no	yes	yes	no	yes	no	no	no	no	yes	no	yes
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no	no
Parking													
Garage	no	no	no	no	no	yes	no	no	yes	no	yes	no	yes
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$30	\$0	\$0	\$75	\$0	\$50	\$0	\$100
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The renovated Subject will offer slightly inferior in-unit amenities in comparison to the LIHTC comparable properties and similar to slightly superior property amenities. Notable unit amenities offered by Subject include balconies/patios, walk-in closets, and washer/dryer hookups. However, the majority of the LIHTC comparable properties offer exterior storage, which the Subject will not offer. Overall, we believe the Subject's unit amenities will be competitive in the market. Notable property amenities offered by the Subject include a business center/computer lab, car wash, clubhouse/meeting room/community room, exercise facility, central laundry, playground, swimming pool, and tennis court. The surveyed LIHTC comparables offer similar to slightly inferior property amenities relative to the Subject. The majority of the comparable

properties lack a business center and tennis court, which are included in the Subject's proposed amenity scheme. Overall, we believe the Subject's property amenities will be competitive in the market.

4. Comparable Tenancy

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

5. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments*	LIHTC/ Market	240	6	2.5%
Ashley Woods Apartments*	LIHTC/HOME	128	1	0.8%
Magnolia Heights	LIHTC/ Market	200	4	2.0%
Skyline Trace*	LIHTC/ Market	64	2	3.1%
Wellington Ridge	LIHTC	220	1	0.5%
Brandon Glen Apartments*	Market	180	6	3.3%
Fieldcrest Walk	Market	258	6	2.3%
Leaf Stone Apartments	Market	232	0	0.0%
Oxford Apartments	Market	240	26	10.8%
Park At Arlington	Market	188	0	0.0%
Park View Apartments	Market	100	2	2.0%
Terraces At Fieldstone	Market	316	3	0.9%
Total LIHTC		852	14	1.6%
Total Market Rate		1,514	43	2.8%
Overall Total		2,366	57	2.4%

*Located outside of the PMA

Overall vacancy in the market is very low at 2.4 percent. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Our contacts at Alexander Crossing Apartments, Ashley Woods Apartments, Skyline Trace, and Wellington Ridge report that all of the vacant units are pre-leased. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

The vacancy rates among the market rate comparable properties range from zero to 10.8 percent, averaging 2.8 percent, which is considered very low. Oxford Apartments exhibits the highest vacancy rate among the market rate comparables at 10.8 percent. According to our contact at Oxford Apartments, the high turnover and vacancy rates at this property can be attributed to new management taking over in May 2018. Typical occupancy has historically ranged from one to three percent. The low vacancy rates among the other market rate comparables indicates strong demand for conventional housing in the area. The Subject is currently 94.4 percent occupied. It should be noted that all seven of the 14 vacant units are pre-leased. As a newly renovated property, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on the low vacancy rates among the LIHTC and market rate comparables, as well as the presence of waiting lists among the LIHTC comparables and current performance at the Subject property, we believe that there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

6. Properties Under Construction and Proposed

We attempted to contact the City of Covington Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. Further, we searched CoStar to identify any proposed, planned, or under construction multifamily developments within the PMA. According to CoStar, there are no proposed, planned, or under construction multifamily developments in the PMA.

7. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Alexander Crossing Apartments	LIHTC/Market	Family	Slightly Inferior	Slightly Superior	Similar	Similar	Slightly Superior	5
2	Ashley Woods Apartments	LIHTC/HOME	Family	Inferior	Slightly Superior	Slightly Inferior	Slightly Inferior	Slightly Inferior	-20
3	Magnolia Heights	LIHTC/Market	Family	Slightly Inferior	Slightly Superior	Slightly Inferior	Slightly Inferior	Similar	-10
4	Skyline Trace	LIHTC/Market	Family	Similar	Slightly Superior	Slightly Inferior	Similar	Slightly Inferior	-5
5	Wellington Ridge	LIHTC	Family	Similar	Slightly Superior	Slightly Inferior	Slightly Inferior	Similar	-5
6	Brandon Glen Apartments	Market	Family	Slightly Inferior	Slightly Superior	Slightly Inferior	Similar	Slightly Inferior	-10
7	Fieldcrest Walk	Market	Family	Inferior	Slightly Inferior	Slightly Inferior	Inferior	Slightly Inferior	-35
8	Leaf Stone Apartments	Market	Family	Similar	Slightly Superior	Slightly Inferior	Slightly Inferior	Similar	-5
9	Oxford Apartments	Market	Family	Slightly Inferior	Slightly Superior	Slightly Inferior	Similar	Slightly Inferior	-10
10	Park At Arlington	Market	Family	Similar	Similar	Similar	Slightly Inferior	Similar	-5
11	Park View Apartments	Market	Family	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Superior	-15
12	Terraces At Fieldstone	Market	Family	Slightly Inferior	Slightly Superior	Slightly Inferior	Similar	Slightly Superior	0

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

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

LIHTC RENT COMPARISON @60%

Property Name	County	1BR	2BR	3BR	Rents at Max?
Arbor Lakes Apartments	Newton	\$721	\$879	\$1,022	Yes
2018 LIHTC Maximum Rent (Net)	Newton	\$721	\$879	\$1,022	
2018 LIHTC Maximum Rent (Net)	Henry	\$721	\$879	\$1,022	
2018 LIHTC Maximum Rent (Net)	Walton	\$721	\$879	\$1,022	
Alexander Crossing Apartments	Walton	-	\$895	\$1,024	Yes
Ashley Woods Apartments	Henry	\$715	\$915	\$1,051	Yes
Magnolia Heights	Newton	\$607	\$724	\$825	No
Skyline Trace	Walton	\$645	\$740	\$790	No
Wellington Ridge	Newton	\$748	\$896	\$1,025	Yes
Average		\$679	\$834	\$943	

Newton County, Henry County, and Walton County all experienced peak AMI levels in 2018. Therefore, none of the comparable properties are “held harmless”. It should be noted that the 2018 maximum allowable levels in Henry County and Walton County are equal to the 2018 maximum allowable levels in Newton County. As such, all of the comparable LIHTC properties will operate with the same maximum allowable income and rent limits as the Subject’s proposed income and rent limits.

Three of the five surveyed LIHTC and mixed-income properties report achieving rents at the 2018 maximum allowable levels for their one, two, and three-bedroom units at 60 percent of AMI. However, the rents at these properties appear to be slightly above the maximum allowable levels. This is most likely due to differences in these properties utility structures and allowances from the Subject’s proposed utility structure. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates maximum allowable rents are achievable in the area.

Magnolia Heights is located 4.4 miles from the Subject in Covington and offers a slightly inferior location to the Subject. Magnolia Heights was constructed in 2001 and exhibits average condition, which is considered slightly inferior to the anticipated good condition of the Subject upon completion of renovations. Magnolia Heights offers slightly inferior property amenities compared to the Subject as it lacks a business center, picnic area, tennis court, and recreational area, which the Subject does offer. This property offers slightly superior in-unit amenities compared to the Subject as it offers exterior storage, which the Subject does not offer, though it lacks hand rails and pull cords, which the Subject does offer. Magnolia Heights offers similar unit sizes compared to the Subject. Overall, Magnolia Heights is considered inferior to the Subject.

Wellington Ridge is located 5.4 miles from the Subject in Covington and offers a slightly inferior location to the Subject. Wellington Ridge was constructed in 2003 and exhibits average condition, which is considered slightly inferior to the anticipated good condition of the Subject upon completion of renovations. Wellington Ridge offers similar property amenities compared to the Subject as it offers a business center, community room, central laundry, on-site management, exercise facility, playground, and swimming pool, which the Subject also offers. This property offers slightly superior in-unit amenities compared to the Subject as it offers exterior storage, which the Subject does not offer, though it lacks hand rails and pull cords, which the Subject does offer. Wellington Ridge offers similar unit sizes compared to the Subject. Overall, Wellington Ridge is considered slightly inferior to the Subject. Wellington Ridge is currently 99.5 percent occupied and the one vacant unit at the property is pre-leased. Further, this property maintains a waiting list 64 households in length. Wellington Ridge is achieving the maximum allowable rents in Newton County.

The Subject’s current and proposed rents are set at the 2018 maximum allowable levels. Three of the five comparable LIHTC and mixed-income properties reported achieving rents at the maximum allowable rent levels. Given the Subject is an existing property that has historically performed well, as well as the Subject’s anticipated superior condition upon completion, we believe the Subject’s 60 percent AMI rents, which are set at maximum allowable levels, are achievable.

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 do not include 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 do not include 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 MARKET RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR / 1BA	\$721	\$607	\$1,050	\$794	10%
2BR / 2BA	\$879	\$724	\$1,360	\$962	9%
3BR / 2BA	\$1,022	\$790	\$1,460	\$1,100	8%

As illustrated, the Subject’s proposed rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate.

Terraces At Fieldstone is achieving the highest one-bedroom unrestricted rents in the market. The Subject will be similar to Terraces At Fieldstone. Terraces At Fieldstone was built in 1997, underwent renovations in 2017, and exhibits good condition, which is similar to the anticipated good condition of the Subject, upon completion of renovations. Terraces At Fieldstone is located 4.0 miles from the Subject and offers a slightly inferior location with respect to median gross rents. Terraces At Fieldstone offers slightly inferior property amenities when compared to the Subject as it lacks a business center, which the Subject offers. Terraces At Fieldstone offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage, fireplaces, and vaulted ceilings, which the Subject does not offer, though it lacks hand rails and pull cords, which the Subject does offer. The lowest one-bedroom unrestricted rents at Terraces At Fieldstone are approximately 46 percent higher than the Subject’s one-bedroom rents at 60 percent of AMI.

Alexander Crossing Apartments is achieving the highest two and three-bedroom unrestricted rents in the market. The Subject will be slightly inferior to Alexander Crossing Apartments. Alexander Crossing Apartments was built in 2003, underwent renovations in 2017, and exhibits good condition, which is similar to the anticipated good condition of the Subject, upon completion of renovations. Alexander Crossing Apartments is located 16.5 miles from the Subject and offers a similar location with respect to median gross rents. Alexander Crossing Apartments offers slightly inferior property amenities when compared to the Subject as it lacks a business center and tennis court, which the Subject offers. Alexander Crossing Apartments offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage and vaulted ceilings, which the Subject does not offer, though it lacks hand rails and pull cords, which the Subject does offer. The lowest two and three-bedroom unrestricted rents at Alexander Crossing Apartments are approximately 55 and 43 percent higher than the Subject’s two and three-bedroom rents at 60 percent of AMI.

8. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered moderate for all bedroom types. If allocated, the Subject will be slightly superior to superior in comparison to the majority of the existing LIHTC housing stock. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Additionally, all of the LIHTC and mixed-income comparables maintain waiting lists, ranging from ten to 64 households in length. Further, the Subject is 94.4 percent occupied and will only present a limited number of new tax credit units to the market as an existing LIHTC and market rate property. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

There have been no tax credit allocations within the PMA within the last three years. In our research, we found there to be no new, planned, or under construction affordable rate properties within the PMA.

9. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2023.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,990	74.7%	6,784	25.3%
2018	29,802	69.8%	12,917	30.2%
Projected Mkt Entry March 2020	30,734	70.4%	12,900	29.6%
2023	32,599	71.7%	12,865	28.3%

Source: Esri Demographics 2018, Novogradac & Company LLP, December 2018

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. 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 smaller percentage of renters in the PMA than the nation. This percentage is projected to decrease slightly over the next five years.

Historical Vacancy

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

Comparable Property	Total Units	2QTR 2014	1QTR 2015	2QTR 2016	1QTR 2017	2QTR 2018	3QTR 2018	4QTR 2018
Alexander Crossing Apartments*	240	N/A	1.3%	0.0%	0.0%	1.7%	0.4%	2.5%
Ashley Woods Apartments*	128	N/A	4.7%	0.0%	N/A	0.0%	0.0%	0.8%
Magnolia Heights	200	10.0%	9.5%	0.5%	1.0%	N/A	2.0%	2.0%
Skyline Trace*	64	N/A	N/A	N/A	3.1%	1.6%	1.6%	3.1%
Wellington Ridge	220	5.0%	5.0%	0.9%	N/A	0.5%	1.8%	0.5%
Brandon Glen Apartments*	180	N/A	11.1%	5.0%	N/A	5.6%	6.1%	3.3%
Fieldcrest Walk	258	8.1%	N/A	N/A	N/A	0.8%	0.0%	2.3%
Leaf Stone Apartments	232	0.9%	3.9%	3.4%	2.2%	0.4%	3.9%	0.0%
Oxford Apartments	240	0.4%	2.1%	2.1%	1.3%	N/A	N/A	10.8%
Park At Arlington	188	N/A	5.3%	N/A	0.0%	1.6%	1.1%	0.0%
Park View Apartments	100	1.0%	6.0%	0.0%	4.0%	0.0%	0.0%	2.0%
Terraces At Fieldstone	316	N/A	4.1%	N/A	N/A	N/A	N/A	0.9%
	2,616	4.4%	5.5%	1.9%	2.1%	1.5%	1.7%	2.4%

*Located outside PMA

As illustrated in the table, we were able to obtain historical vacancy rates at several of the comparable properties for several quarters in the past five years. In general, vacancy rates at the comparable properties have decreased slightly since 2014. Overall, we believe that the current performance of the LIHTC and mixed-income 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
Alexander Crossing Apartments*	LIHTC/ Market	Family	Increased to maximum allowable levels
Ashley Woods Apartments*	LIHTC/HOME	Family	Increased to maximum allowable levels
Magnolia Heights	LIHTC/ Market	Family	Increased near maximum allowable levels
Skyline Trace*	LIHTC/ Market	Family	Increased \$20
Wellington Ridge	LIHTC	Family	Increased to maximum allowable levels
Brandon Glen Apartments*	Market	Family	Increased three to four percent
Fieldcrest Walk	Market	Family	Increased three percent
Leaf Stone Apartments	Market	Family	Changes daily
Oxford Apartments	Market	Family	No change to 12 percent increase
Park At Arlington	Market	Family	Increased six percent
Park View Apartments	Market	Family	Increased four to nine percent
Terraces At Fieldstone	Market	Family	Increased three to five percent

*Located outside of the PMA

Three of the five surveyed affordable properties report increasing rents to 2018 maximum allowable levels. The market rate properties reported rent growth up to 12 percent. We anticipate that the Subject would be able to achieve moderate rent growth in the future as a LIHTC property, limited by the increase in AMI growth.

10. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 2,402 housing units nationwide was in some stage of foreclosure as of November 2018. Newton County is experiencing a foreclosure rate of one in every 785 homes, while Georgia experienced one foreclosure in every 2,504 housing units. Overall, Newton County is experiencing a higher foreclosure rate to the nation and state of Georgia, indicating a slightly weaker housing market. However, the Subject’s neighborhood does not have a significant amount of abandoned or vacant single-family homes that would impact the marketability of the Subject.

11. Primary Housing Void

The Subject is an existing property that currently exhibits average condition. The Subject is currently 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased. Therefore, the renovation of the Subject will help the preservation of existing units for which there is ample demand. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. Based on the historical performance of the Subject and the current performance of the comparable properties, we believe that the Subject will continue to fill a void in the market by providing affordable units restricted to households earning 60 percent of the AMI or less.

12. Effect of Subject on Other Affordable Units in Market

We are unaware of any LIHTC developments located in the PMA that have been allocated tax credits within the last three years. Given the performance of the comparable LIHTC properties and the Subject, we believe there is ample demand for the Subject in the market. The Subject is currently 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased. We do not believe that the renovation of the Subject will impact the existing LIHTC properties that are in overall average condition and currently performing well. In summary, the performance of the comparable LIHTC properties, the existence of waiting lists for affordable units, and the fact that the Subject will not add new units to the market all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject is an existing property that currently exhibits average condition and is 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased. Therefore, the renovation of the Subject will help the preservation of existing units for which there is ample demand. The majority of the comparable properties are generally older and exhibit average condition. The renovated Subject will offer slightly inferior in-unit amenities in comparison to the LIHTC comparable properties and similar to slightly superior property amenities. Notable unit amenities offered by Subject include balconies/patios, walk-in closets, and washer/dryer hookups. Overall, we believe the Subject's unit amenities will be competitive in the market. Notable property amenities offered by the Subject include a business center/computer lab, car wash, clubhouse/meeting room/community room, exercise facility, central laundry, playground, swimming pool, and tennis court. The surveyed LIHTC comparables offer similar to slightly inferior property amenities relative to the Subject. The majority of the comparable properties lack a business center and tennis court, which are included in the Subject's proposed amenity scheme. Overall, we believe the Subject's property amenities will continue to be competitive in the market. Based on the Subject's current performance, we believe that the renovated Subject is feasible as proposed. We believe that it will fill a void in the market and will continue to perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

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

ABSORPTION

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

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 22 units per month, which equates to an absorption period of approximately ten to eleven months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 94.4 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. Additionally, seven of the 14 vacant units at the Subject are pre-leased. As such, we have assumed seven vacant unit will be need to be reabsorbed, which should take less than one month.

J. INTERVIEWS

Georgia Department of Community Affairs

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

PAYMENT STANDARDS

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

Source: GA Department of Community Affairs, effective January 1, 2018

The Subject’s proposed rents are set below the current payment standards. The maximum allowable LIHTC rents are below the 2018 payment standards and tenants with Housing Choice Vouchers would be able to reside at the Subject without paying additional rent out of pocket.

Planning

We attempted to contact the City of Covington Planning Department multiple times in order to gather information on multifamily project either in the planning stages or currently under construction. At this time none of our phone calls have been returned. Further, we searched CoStar to identify any proposed, planned, or under construction multifamily developments within the PMA. According to CoStar, there are no proposed, planned, or under construction multifamily developments in the PMA.

Covington-Newton Development Authority

We were unable to reach a representative with the Newton County Economic Development Department regarding any recent business expansions in the area. However, in June 2018 we spoke with Ms. Serra Hall, Director of Commercial Development with the Newton County Economic Development Department. According to Ms. Hall, Baxter Pharmaceutical began construction on a manufacturing plant in 2014 and production at the plant began in October 2018. The manufacturing plant represents a \$1 billion investment and created 1,500 new full-time jobs to the area and an additional 500 more in support roles. We conducted additional online research and learned that Nisshinbo Automotive Manufacturing, Inc. (NAMI) will create 100 jobs and invest \$72 million in an expansion of its Covington, GA facility. New jobs at the facility will include positions in production and administration.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Between 2010 and 2018, population growth in the PMA slowed to 1.1 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Population in the PMA is anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. The current population of the PMA is 124,397 and is expected to increase slightly to 133,354 by 2023. Between 2010 and 2018, household growth in the PMA increased by 1.0 percent annually, which is slightly below the rate experienced by the MSA and above the nation over the same time period. Households in the PMA are anticipated to continue to grow through 2023 at a pace generally in line with that of the MSA and above the nation. Renter households are concentrated in the lowest income cohorts, with 75.8 percent of renter households in the PMA are earning incomes that are less than \$50,000. The Subject will target households earning between \$28,869 and \$48,480 for its units. Overall, population and household growth, as well as the concentration of renter households at the lowest income cohorts, indicates significant demand for affordable rental housing in the market.

Employment Trends

The largest industries in the PMA are healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 36.4 percent of local employment. The five largest employers in Covington include C.R. Bard Inc., Pactiv Corporation, General Mills Inc., Guardian Automotive Corporation, and Clarion Metals, which are located within close proximity of the Subject site. The manufacturing sector is historically volatile during periods of economic downturn, while healthcare/social assistance and educational services are typically more stable. This may help mitigate future job losses should the economy enter another period of instability.

The MSA has experienced annual employment growth from 2011 through 2018 year-to-date. In addition, from August 2017 to August 2018, total employment in the MSA increased 2.8 percent, compared to a 1.3 percent increase in the nation as a whole. The unemployment rate has continued to decrease annually since 2011 to current rate 3.6 percent. Total employment surpassed pre-recession levels in 2014 and the unemployment rate is below that of the nation. Overall, the economy has fully recovered from the most recent national recession and appears to be in an expansionary phase that has been ongoing since 2011. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

Capture Rates

The following table illustrates the demand and capture rates for the Subject’s proposed units. It should be noted that, per the DCA market study guide, we have only accounted for units that will need to be re-tenanted.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
2BR @60%	\$24,994	\$29,160	21	318	0	318	6.6%	\$652
3BR @60%	\$28,834	\$34,980	9	392	0	392	2.3%	\$743
@60% Overall	\$24,994	\$34,980	30	710	0	710	4.2%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover.

Absorption

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

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Henry Gardens	LIHTC	Family	2017	60	20
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The Point On Scott	Market	Family	2016	250	13
The Reserve At Decatur	Market	Family	2016	298	14
Mills Creek Crossing	LIHTC	Family	2015	200	17
Columbia Mill	LIHTC	Family	2014	100	20
Parkside At Mechanicsville	LIHTC	Family	2012	196	60
Average				201	22

As illustrated, absorption rates range from 13 to 60 units per month, with an overall average of 22 units per month. Per DCA guidelines, we have calculated the absorption rate for the Subject to achieve 93 percent occupancy. If the Subject were 100 percent vacant following the renovations, we would expect the Subject to experience an absorption pace of 22 units per month, which equates to an absorption period of approximately ten to eleven months for the Subject to reach 93 percent occupancy. It should be noted that the Subject is currently 94.4 percent occupied and all existing LIHTC tenants are anticipated to remain income qualified. Additionally, seven of the 14 vacant units at the Subject are pre-leased. As such, we have assumed seven vacant unit will be need to be reabsorbed, which should take less than one month.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments*	LIHTC/ Market	240	6	2.5%
Ashley Woods Apartments*	LIHTC/HOME	128	1	0.8%
Magnolia Heights	LIHTC/ Market	200	4	2.0%
Skyline Trace*	LIHTC/ Market	64	2	3.1%
Wellington Ridge	LIHTC	220	1	0.5%
Brandon Glen Apartments*	Market	180	6	3.3%
Fieldcrest Walk	Market	258	6	2.3%
Leaf Stone Apartments	Market	232	0	0.0%
Oxford Apartments	Market	240	26	10.8%
Park At Arlington	Market	188	0	0.0%
Park View Apartments	Market	100	2	2.0%
Terraces At Fieldstone	Market	316	3	0.9%
Total LIHTC		852	14	1.6%
Total Market Rate		1,514	43	2.8%
Overall Total		2,366	57	2.4%

*Located outside of the PMA

Overall vacancy in the market is very low at 2.4 percent. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Our contacts at Alexander Crossing Apartments, Ashley Woods Apartments, Skyline Trace, and Wellington Ridge report that all of the vacant units are pre-leased. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

The vacancy rates among the market rate comparable properties range from zero to 10.8 percent, averaging 2.8 percent, which is considered very low. Oxford Apartments exhibits the highest vacancy rate among the market rate comparables at 10.8 percent. According to our contact at Oxford Apartments, the high turnover and vacancy rates at this property can be attributed to new management taking over in May 2018. Typical occupancy has historically ranged from one to three percent. The low vacancy rates among the other market rate comparables indicates strong demand for conventional housing in the area. The Subject is currently 94.4 percent occupied. It should be noted that all seven of the 14 vacant units are pre-leased. As a newly renovated property, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on the low vacancy rates among the LIHTC and market rate comparables, as well as the presence of waiting lists among the LIHTC comparables and current performance at the Subject property, we believe that there is sufficient demand for additional affordable housing in the market. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

Strengths of the Subject

There are no apparent significant issues with the proposed concept. The majority of the comparable properties are older and generally exhibit average condition. The Subject will undergo an extensive renovation and will exhibit good condition, post-renovation. The slightly superior condition of the Subject will be a strength of the development. Additionally, The Subject will offer competitive amenity packages, which will include a business center and tennis court, which many of the LIHTC comparables lack.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC and mixed-income comparables demonstrate an average vacancy of 1.6 percent, which is considered very low. Further, all of the LIHTC and mixed-income comparables report waiting lists, ranging from ten to 64 households in length. The low vacancy rates and presence of waiting lists among the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject is an existing property that currently exhibits average condition and is 94.4 percent occupied. It should be noted that seven of the 14 vacant units are pre-leased. Therefore, the renovation of the Subject will help the preservation of existing units for which there is ample demand. The majority of the comparable properties are generally older and exhibit average condition. The renovated Subject will offer slightly inferior in-unit amenities in comparison to the LIHTC comparable properties and similar to slightly superior property amenities. Notable unit amenities offered by Subject include balconies/patios, walk-in closets, and washer/dryer hookups. Overall, we believe the Subject's unit amenities will be competitive in the market. Notable property amenities offered by the Subject include a business center/computer lab, car wash, clubhouse/meeting room/community room, exercise facility, central laundry, playground, swimming pool, and tennis court. The surveyed LIHTC comparables offer similar to slightly inferior property amenities relative to the Subject. The majority of the comparable properties lack a business center and tennis court, which are included in the Subject's proposed amenity scheme. Overall, we believe the Subject's property amenities will continue to be competitive in the market. Based on the Subject's current performance, we believe that the renovated Subject is feasible as proposed. We believe that it will fill a void in the market and will continue to perform well.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



Rebecca S. Arthur, MAI
Partner
Rebecca.Arthur@novoco.com
913-312-4615

December 10, 2018



Brian Neukam
Manager
Brian.Neukam@novoco.com

December 10, 2018



Travis Jorgenson
Jr. Analyst
Travis.Jorgenson@novoco.com

December 10, 2018

M. MARKET STUDY REPRESENTATION

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



Rebecca S. Arthur, MAI
Partner
Rebecca.Arthur@novoco.com
913-312-4615

December 10, 2018



Travis Jorgenson
Jr. Analyst
Travis.Jorgenson@novoco.com

December 10, 2018



Brian Neukam
Manager
Brian.Neukam@novoco.com

December 10, 2018

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 AND NEIGHBORHOOD



Exterior view of Subject



Exterior view of Subject



Exterior view of Subject



Exterior view of Subject



Subject signage



Leasing office at Subject



View east along Kirkland Road



View west along Kirkland Road



Gazebo at Subject



Management office at Subject



Swimming pool at Subject



Exercise facility at Subject



Playground at Subject



Car wash at Subject



Community room at Subject



Laundry facility at Subject



Typical bedroom at Subject



Typical bedroom at Subject



Typical living room at Subject



Typical living room at Subject



Typical kitchen at Subject



Typical kitchen at Subject



Typical bathroom at Subject



Typical bathroom at Subject



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

ADDENDUM C
Qualifications

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

I. Education

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

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with

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

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

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

State of North Carolina Certified General Appraiser No. A8284

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

Travis Jorgenson

I. Education

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

II. Professional Experience

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

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM D
Summary Matrix

SUMMARY 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	Arbor Lakes Apartments 431 Kirkland Road Covington, GA 30016 Newton County	-	Garden 3-stories 2001 / n/a Family	@60%	1BR / 1BA	36	14.4%	975	@60%	\$721	Yes	No	3	8.3%
					2BR / 2BA	166	66.4%	1,150	@60%	\$879	Yes	No	10	6.0%
					3BR / 2BA	48	19.2%	1,350	@60%	\$1,022	Yes	No	1	2.1%
						250	100.0%							
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	16.5 miles	Townhouse 2-stories 2003 / 2017 Family	@60%, Market	2BR / 2.5BA	120	50.0%	1,256	@60%	\$895	Yes	Yes	2	1.7%
					2BR / 2.5BA	48	20.0%	1,256	Market	\$1,360	N/A	Yes	0	0.0%
					3BR / 2BA	48	20.0%	1,506	@60%	\$1,024	Yes	Yes	4	8.3%
					3BR / 2BA	24	10.0%	1,506	Market	\$1,024	N/A	Yes	0	0.0%
	240	100.0%									6	2.5%		
2	Ashley Woods Apartments 1050 Rock Quarry Road Stockbridge, GA 30281 Henry County	18.3 miles	Garden 3-stories 1991 / 2008 Family	@50% (HOME), @60%, @60% (HOME)	1BR / 1BA	1	0.8%	748	@50%	\$549	Yes	Yes	0	0.0%
					1BR / 1BA	13	10.2%	748	@60%	\$762	Yes	Yes	0	0.0%
					1BR / 1BA	2	1.6%	748	@60%	\$715	Yes	Yes	0	0.0%
					2BR / 2BA	1	0.8%	1,010	@50%	\$661	Yes	Yes	0	0.0%
					2BR / 2BA	60	46.9%	1,010	@60%	\$915	Yes	Yes	1	1.7%
					2BR / 2BA	3	2.3%	1,010	@60%	\$711	Yes	Yes	0	0.0%
					3BR / 2BA	45	35.2%	1,134	@60%	\$1,051	Yes	Yes	0	0.0%
					3BR / 2BA	3	2.3%	1,039	@60%	\$830	Yes	Yes	0	0.0%
						128	100.0%							
3	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	4.4 miles	Garden 3-stories 2001 / n/a Family	@60%, Market	1BR / 1BA	22	11.0%	975	@60%	\$607	No	Yes	0	0.0%
					1BR / 1BA	10	5.0%	975	Market	\$682	N/A	Yes	0	0.0%
					2BR / 2BA	103	51.5%	1,150	@60%	\$724	No	Yes	1	1.0%
					2BR / 2BA	41	20.5%	1,150	Market	\$764	N/A	Yes	2	4.9%
					3BR / 2BA	16	8.0%	1,350	@60%	\$825	No	Yes	1	6.3%
					3BR / 2BA	8	4.0%	1,350	Market	\$852	N/A	Yes	0	0.0%
	200	100.0%									4	2.0%		
4	Skyline Trace 600 Ridge Road Monroe, GA 30655 Walton County	18.3 miles	Garden 2-stories 2010 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	4.7%	808	@50%	\$590	No	Yes	0	0.0%
					1BR / 1BA	3	4.7%	808	@60%	\$645	No	Yes	0	0.0%
					1BR / 1BA	2	3.1%	808	Market	\$675	N/A	Yes	0	0.0%
					2BR / 2BA	10	15.6%	1,056	@50%	\$680	No	Yes	0	0.0%
					2BR / 2BA	19	29.7%	1,056	@60%	\$740	No	Yes	1	5.3%
					2BR / 2BA	2	3.1%	1,056	Market	\$750	N/A	Yes	0	0.0%
					2BR / 2BA	1	1.6%	1,056	Non-Rental	\$0	N/A		0	0.0%
					3BR / 2BA	8	12.5%	1,211	@50%	\$745	No	Yes	0	0.0%
					3BR / 2BA	16	25.0%	1,211	@60%	\$790	No	Yes	1	6.3%
						64	100.0%							
5	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	5.4 miles	Garden 3-stories 2003 / n/a Family	@60%	1BR / 1BA	70	31.8%	784	@60%	\$748	Yes	Yes	0	0.0%
					2BR / 2BA	122	55.5%	1,182	@60%	\$896	Yes	Yes	1	0.8%
					3BR / 2BA	28	12.7%	1,394	@60%	\$1,025	Yes	Yes	0	0.0%
	220	100.0%									1	0.5%		
6	Brandon Glen Apartments 1500 East View Road Conyers, GA 30012 Rockdale County	7.0 miles	Garden 2-stories 1997 / 2018 Family	Market	1BR / 1BA	32	17.8%	792	Market	\$759	N/A	No	2	6.3%
					2BR / 2BA	96	53.3%	1,032	Market	\$885	N/A	No	3	3.1%
					3BR / 2BA	52	28.9%	1,234	Market	\$1,031	N/A	No	1	1.9%
	180	100.0%									6	3.3%		
7	Fieldcrest Walk 10238 Fieldcrest Walk Covington, GA 30014 Newton County	2.4 miles	Garden 2-stories 1980s / n/a Family	Market	1BR / 1BA	104	40.3%	864	Market	\$835	N/A	Yes	3	2.9%
					2BR / 1BA	20	7.8%	930	Market	\$860	N/A	Yes	3	15.0%
					2BR / 2BA	67	26.0%	980	Market	\$910	N/A	Yes	0	0.0%
					2BR / 2BA	67	26.0%	1,200	Market	\$1,035	N/A	Yes	0	0.0%
	258	100.0%									6	2.3%		
8	Leaf Stone Apartments 10100 Brown Bridge Road Covington, GA 30014 Newton County	2.0 miles	Garden 3-stories 2000 / n/a Family	Market	1BR / 1BA	63	27.2%	816	Market	\$1,025	N/A	No	0	0.0%
					2BR / 2BA	136	58.6%	1,072	Market	\$1,186	N/A	No	0	0.0%
					3BR / 2BA	33	14.2%	1,292	Market	\$1,400	N/A	No	0	0.0%
	232	100.0%									0	0.0%		
9	Oxford Apartments 50 Greenleaf Road Conyers, GA 30013 Newton County	2.8 miles	Garden 3-stories 1999 / Ongoing Family	Market	1BR / 1BA	18	7.5%	636	Market	\$860	N/A	No	N/A	N/A
					1BR / 1BA	42	17.5%	722	Market	\$885	N/A	No	N/A	N/A
					2BR / 1BA	48	20.0%	894	Market	\$884	N/A	No	N/A	N/A
					2BR / 2BA	114	47.5%	1,051	Market	\$915	N/A	No	N/A	N/A
					3BR / 2BA	18	7.5%	1,304	Market	\$1,060	N/A	No	N/A	N/A
	240	100.0%									26	10.8%		
10	Park At Arlington 30 Grosslake Parkway Covington, GA 30016 Newton County	2.8 miles	Garden 2-stories 2001 / n/a Family	Market	1BR / 1BA	22	11.7%	795	Market	\$835	N/A	No	0	0.0%
					1BR / 1BA	22	11.7%	850	Market	\$835	N/A	No	0	0.0%
					2BR / 2BA	54	28.7%	1,119	Market	\$935	N/A	No	0	0.0%
					2BR / 2BA	54	28.7%	1,176	Market	\$960	N/A	No	0	0.0%
					3BR / 2BA	18	9.6%	1,320	Market	\$1,085	N/A	No	0	0.0%
					3BR / 2BA	18	9.6%	1,365	Market	\$1,185	N/A	No	0	0.0%
	188	N/A									0	0.0%		
11	Park View Apartments 10920 Covington Bypass Road Covington, GA 30014 Newton County	4.3 miles	Garden 3-stories 1993 / 2011 Family	Market	1BR / 1BA	10	10.0%	735	Market	\$701	N/A	No	0	0.0%
					2BR / 1BA	9	9.0%	880	Market	\$731	N/A	No	1	11.1%
					2BR / 2BA	46	46.0%	880	Market	\$801	N/A	No	0	0.0%
					3BR / 2BA	35	35.0%	1,152	Market	\$901	N/A	No	1	2.9%
	100	100.0%									2	2.0%		
12	Terraces At Fieldstone 50 Loch Haven Drive Conyers, GA 30013 Rockdale County	4.0 miles	Garden 2-stories 1997 / 2018 Family	Market	1BR / 1BA	48	15.2%	823	Market	\$1,050	N/A	None	N/A	N/A
					2BR / 1BA	9	9.0%	1,155	Market	\$1,160	N/A	None	N/A	N/A
					2BR / 2BA	96	30.4%	1,186	Market	\$1,244	N/A	None	N/A	N/A
					2BR / 2BA	40	12.7%	1,212	Market	\$1,285	N/A	None	N/A	N/A
					2BR / 2BA	16	5.1%	1,236	Market	\$1,285	N/A	None	N/A	N/A
					3BR / 2BA	40	12.7%	1,367	Market	\$1,224	N/A	None	N/A	N/A
					3BR / 2BA	8	2.5%	1,429	Market	\$1,345	N/A	None	N/A	N/A
					3BR / 2BA	8	2.5%	1,470	Market	\$1,345	N/A	None	N/A	N/A
	316	100.0%									3	0.9%		

ADDENDUM E
Floor Plan

a. 1 Bed 1 Bath



b. 2 Bed 2 Bath



c. 3 Bed 2 Bath

