



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:
SUTTON
TERRACE**

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: SUTTON TERRACE

5976 State Highway 115
Clarkesville, Habersham County, Georgia 30523

Effective Date: April 8, 2019
Report Date: May 23, 2019

Prepared for:
Josh Thomason
Principal
Piedmont Housing Group
295 W Crossville Road, Suite 720
Roswell, GA 30075

Prepared by:
Novogradac & Company LLP
2325 Lakeview Parkway, Suite 450
Alpharetta, Georgia 30009
678-867-2333



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS



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

May 23, 2019

Josh Thomason
Principal
Piedmont Housing Group
295 W Crossville Road, Suite 720
Roswell, GA 30075

Re: Application Market Study for Sutton Terrace, located in Clarkesville, Habersham County, Georgia

Dear Mr. Thomason:

At your request, Novogradac & Company LLP performed a study of the multifamily rental market in the Clarkesville, Habersham 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 72-unit family LIHTC project. It will be a newly constructed affordable LIHTC project, with 72 revenue generating units, restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. These consist of 20 one-bedroom, 40 two-bedroom, and 12 three-bedroom units at the 50 and 60 percent AMI levels. 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 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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP
Blair.Kincer@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



Travis Jorgenson
Analyst
Travis.Jorgenson@novoco.com

TABLE OF CONTENTS

A. Executive Summary	1
Executive Summary.....	2
B. Project Description.....	9
Project Description.....	10
C. Site Evaluation.....	14
D. Market Area	24
Primary Market Area	25
E. Community Demographic Data	27
Community Demographic Data	28
F. Employment Trends.....	36
G. Project-Specific Affordability and Demand Analysis	45
H. Competitive Rental Analysis.....	62
I. Absorption and Stabilization Rates.....	84
Absorption and Stabilization Rates.....	85
J. Interviews	86
K. Conclusions and Recommendations	89
Conclusions	90
L. Signed Statement Requirements.....	95

Addendum

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Property Name will be a newly constructed family property located at 5976 State Highway 115 in Clarkesville, Habersham County, Georgia, which will consist of three three-story, residential buildings in addition to one community building.

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	2019 HUD Fair Market Rents	
@50%								
1BR / 1BA	750	4	\$438	\$101	\$539	\$547	\$548	
2BR / 2BA	950	8	\$510	\$127	\$637	\$657	\$683	
3BR / 2BA	1,150	3	\$576	\$160	\$736	\$759	\$963	
@60%								
1BR / 1BA	750	16	\$514	\$101	\$615	\$657	\$548	
2BR / 2BA	950	32	\$617	\$127	\$744	\$789	\$683	
3BR / 2BA	1,150	9	\$699	\$160	\$859	\$911	\$963	
		72						

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

The Subject's proposed rents are set below the maximum allowable levels for each unit type and AMI level. The Subject's location is considered a rural area as determined by USDA. Therefore, the Subject is eligible to use the national non-metropolitan rent and income limits, which are higher than the published rent and income limits for Habersham County. The Subject will offer generally similar in-unit amenities in comparison to two of the LIHTC comparables, Fern Point Apartments and Heritage Gardens. The Subject will offer inferior in-unit amenities when compared to Peaks of Cornelia as this comparable offers in-unit washer/dryers, which the Subject will not offer. The Subject will offer slightly superior in-unit amenities when compared to Whitehall Commons as this comparable lacks balconies/patios, which the Subject will offer. Overall, the Subject will offer slightly superior to inferior in-unit amenities when compared to the LIHTC comparables. The Subject will offer similar property amenities when compared to Fern Point Apartments. The Subject will offer slightly inferior property amenities when compared to Heritage Gardens, Peaks of Cornelia, and Whitehall Commons as these properties offer swimming pools, which the Subject will not offer. Overall, the Subject is similar to slightly inferior to the LIHTC comparables in terms of property amenities. The Subject is considered similar to superior to the market-rate comparables with respect to property amenities and similar to slightly superior to the market rate properties in terms of in-unit amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

2. Site Description/Evaluation

The Subject site is located along the south side of State Highway 115. The Subject site is currently improved with two buildings set for demolition. Land uses to the north of the Subject site, across State Highway 115, are comprised of commercial uses and vacant land. East of the Subject site, land uses are comprised of a single-family home in average condition and wooded land. South of the Subject site is vacant land. Adjacent west of the Subject site is a commercial use 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 Walkscore with a rating of 17 out of 100. The total crime indices in the PMA are generally below that of the SMA and the nation. Personal crime in the PMA is below national personal crime levels. The Subject site is considered a desirable building site for rental housing with good visibility. The Subject's proximity to retail and other locational amenities, particularly Clarkesville Elementary School, as well as its surrounding uses, which are in

average to good condition, are considered positive attributes. We did not observe any negative attributes upon our inspection.

3. Market Area Definition

The PMA is defined by the Habersham County line to the north and west, State Route 184 and the Georgia/South Carolina border to the east, and the county line and Cannon Rd to the south. This area includes the Cities of Clarkesville, and Cornelia as well as portions of Toccoa. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 15 miles
East: 15 miles
South: 13 miles
West: 7 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from out of state. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2019 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 15 miles. The SMA includes Habersham, Banks, Franklin, Rabun, Stephens, and White counties.

4. Community Demographic Data

Between 2010 and 2018 there was approximately 0.6 and 0.5 percent annual growth in the PMA and SMA, respectively, which was positive for a rural area but slightly lagged the national population growth. Household growth during this same time period was approximately 0.5 and 0.4 percent annual growth in the PMA and SMA, respectively, which lagged the national household growth. The rate of population and household growth is projected to continue at slightly greater rates through 2021. The current population of the PMA is 50,115 and is expected to be 51,145 in 2021. Renter households are concentrated in the lowest income cohorts, with 55.9 percent of renters in the PMA earning between \$10,000 and \$39,999 annually. The Subject will target tenants earning between \$18,480 and \$37,860; therefore, the Subject should be well-positioned to service this market. Overall, while population growth has been modest, 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 2,471 housing units nationwide was in some stage of foreclosure as of April 2019. Habersham County is experiencing foreclosure rate of one in every 2,854 homes, while Georgia experienced one foreclosure in every 3,075 housing units. Overall, Habersham County is experiencing a higher foreclosure rate than Georgia as a whole, and a lower rate than the nation, indicating a healthy housing market. The Subject's neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

5. Economic Data

Employment in the PMA is concentrated in five industries which represent approximately 50.0 percent of total local employment. Two of these four, manufacturing and retail trade can be volatile resilient during periods of economic downturn while educational services and healthcare/social assistance are more resilient. Furthermore, Fieldale Farms is the area's largest employer and is one of the largest privately owned poultry producers in the world. Fieldale Farms recently announced an expansion of 200 jobs to the area. It was incorporated in 1972 and has long been a staple of the community.

Overall, the SMA experienced moderate to strong total employment growth from 2011 through February 2019. As of February 2019, total employment in the SMA is approaching a post-recessionary record, and increasing

at an annualized rate of 0.3 percent, compared to 1.1 percent across the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 3.7 percent, slightly lower than the current national unemployment rate of 4.1 percent. There has only been one Worker Adjustment and Retraining Notification (WARN) of notice since 2015 in which 71 layoffs occurred, because Navitor Southeast, a commercial printing company, shut down its base of operations in Habersham County. However, there have been several additions in a variety of industries including manufacturing, accommodation/food services, and professional services. Fieldale Farms recently completed a \$50-million expansion of its processing plant and added 200 jobs. Between 2015 and 2019, there were a total of 248 jobs created, which helps to counteract the 71 layoffs in the county during the same period. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase. The growing local economy is a positive indicator of demand for rental housing and the Subject’s proposed units.

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
1BR @50%	\$18,480	\$23,350	4	125	0	125	3.2%	\$438
1BR @60%	\$21,086	\$28,020	16	163	0	163	9.8%	\$514
1BR Overall	\$18,480	\$28,020	20	189	0	189	10.6%	-
2BR @50%	\$21,840	\$26,300	8	128	0	128	6.3%	\$510
2BR @60%	\$25,509	\$31,560	32	167	0	167	19.1%	\$617
2BR Overall	\$21,840	\$31,560	40	193	0	193	20.7%	-
3BR @50%	\$25,234	\$31,550	3	67	0	67	4.5%	\$576
3BR @60%	\$29,451	\$37,860	9	87	0	87	10.3%	\$699
3BR Overall	\$25,234	\$37,860	12	101	0	101	11.9%	-
@50% Overall	\$18,480	\$31,550	15	320	0	320	4.7%	-
@60% Overall	\$21,086	\$37,860	57	418	0	418	13.6%	-
Overall	\$18,480	\$37,860	72	483	0	483	14.9%	-

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 eight “true” comparable properties containing 492 units.

The availability of LIHTC data is considered average; there are four LIHTC properties in the PMA. We included one LIHTC and three mixed-income properties in our analysis. These comparables were built or renovated between 2006 and 2018. Two of the comparable LIHTC properties, Heritage Gardens and Peaks of Cornelia, are located within the PMA in Cornelia approximately 6.1 and 7.2 miles south of the Subject, respectively. The remaining LIHTC comparables are located 14.4 and 12.3 miles from the Subject site in Toccoa and Cleveland, respectively. These comparables are considered reasonable proxies for the Subject as they are the most proximate LIHTC properties similar in age and condition. Toccoa is an inferior location to the Subject in terms of median household incomes and median rent while Cleveland is considered a similar location to the Subject in terms of median household income and median rent. Manor Place and Green Mountain Village are located within the PMA and have been excluded as they both target senior tenancy.

The availability of market rate data is considered average. The Subject is located in Clarkesville and there are several market-rate properties in the area. We included four conventional properties in our analysis of the competitive market. All but one of the market rate properties are located in the PMA, between 3.7 and 8.2 miles from the Subject site. The remaining market-rate comparable is located 13.0 miles from the Subject site in Cleveland. These comparables were built or renovated between 1982 and 2014. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity and unit types.

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 COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$438	\$400	\$800	\$538	23%
2 BR @ 50%	\$510	\$455	\$945	\$665	30%
3 BR @ 50%	\$576	\$506	\$1,020	\$711	23%
1 BR @ 60%	\$514	\$460	\$800	\$588	14%
2 BR @ 60%	\$617	\$550	\$945	\$720	17%
3 BR @ 60%	\$699	\$630	\$1,020	\$783	12%

As illustrated, the Subject’s proposed one, two, and three-bedroom rents at 50 and 60 percent AMI are below the surveyed average when compared to the comparables, both LIHTC and market-rate.

Cameron at Clarkesville is achieving the highest one and three-bedroom unrestricted rents in the market, while Crown Point Apartments is achieving the highest two-bedroom unrestricted rents. The Subject will be slightly superior to Cameron at Clarkesville as a market-rate property upon completion. Cameron at Clarkesville was built in 2005 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Cameron at Clarkesville is located 3.7 miles from the Subject site and offers a similar location. Cameron at Clarkesville offers similar property amenities on balance when compared to the Subject as it offers a swimming pool, which the Subject will not offer, though it lacks a business center, exercise facility, playground, library, picnic areas, and recreational areas, which the Subject will offer. Cameron at Clarkesville offers similar in-unit amenities in comparison to the Subject as it offers walk-in closets, which the Subject will not offer, though it lacks a microwave oven, which the Subject will offer. The Subject will be superior to Crown Point Apartments as a market-rate property upon completion. Crown Point Apartments was built in 1996 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Crown Point Apartments is located 7.5 miles from the Subject site and offers a slightly inferior location. Crown Point Apartments offers inferior property amenities when compared to the Subject as it lacks a business center, community room, central laundry facility, exercise facility, playground, library, picnic areas, and recreational areas, which the Subject will offer. Crown Point Apartments offers similar in-unit amenities in comparison to the Subject. The lowest one and three-bedroom unrestricted rents at Cameron at Clarkesville are approximately 56 and 46 percent higher than the Subject’s one and three-bedroom rents at 60 percent

AMI. The lowest two-bedroom unrestricted rents at Crown Point Apartments are approximately 45 percent higher than the Subject’s two-bedroom rents at 60 percent AMI. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

We were able to obtain absorption information from one of the comparable properties and three other LIHTC comparables in the region, which is illustrated in the following table.

ABSORPTION					
Property Name	Type	Tenancy	Year	Number of Units	Units Absorbed / Month
Walton Summit	LIHTC	Family	2018	175	33
Peaks Of Cornelia	LIHTC	Family	2018	80	20
Myrtle Terraces	LIHTC	Senior	2015	84	16
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Only one of the rent comparables was able to report absorption. Therefore, we expanded our search to include other LIHTC comparables in the region. The Subject will be a new construction tax credit property. Walton Summit was built in 2018 in Gainesville, Georgia approximately 29 miles from the Subject site. The property experienced an absorption rate of 33 units per month upon opening. Peaks of Cornelia was built in 2018 in Cornelia, Georgia approximately seven miles from the Subject site. The property began pre-leasing its units in April 2018 prior to opening in July 2018. The property was fully leased by August 2018, which equates to an absorption rate of 20 units per month. Myrtle Terraces was built in 2015 in Gainesville, Georgia approximately 28 miles from the Subject site. The property experienced an absorption rate of 16 units per month upon opening. Heather Highlands was constructed in 2015 in Royston, Georgia approximately 36 miles from the Subject site. The property began leasing in October 2015 and was fully-occupied by February 2016, which equates to an absorption rate of ten units per month. Peaks at Cornelia is currently fully-occupied and maintains a waiting list that consists of 89 households, demonstrating strong demand for the property’s affordable units. We believe the Subject will experience an absorption rate most similar to Peaks of Cornelia as it is the most proximate family property reporting absorption data. We anticipate that the Subject will absorb 20 units per month, for an absorption period of three to four months.

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 comparables demonstrate an average vacancy of 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, one of which is pre-leased. The contact stated the property currently maintains a waiting list that consists of nine households and the property receives interest from prospective tenants daily. Heritage Gardens, Peaks of Cornelia, and Whitehall Commons also maintain extensive waiting lists that consists of up to 89 households. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicates strong demand for affordable housing in the area. The Subject will offer generally similar in-unit amenities in comparison to two of the LIHTC comparables, Fern Point Apartments and Heritage Gardens. The Subject will offer inferior in-unit amenities when compared to Peaks of Cornelia as this comparable offers in-unit washer/dryers, which the Subject will not offer. The Subject will offer slightly superior in-unit amenities when compared to Whitehall Commons as this comparable lacks balconies/patios, which the Subject has. Overall, the Subject will offer slightly superior to inferior in-unit amenities when compared to the LIHTC comparables. The Subject will offer similar property amenities when compared to Fern Point Apartments. The Subject will offer slightly inferior property amenities when compared to Heritage Gardens, Peaks of Cornelia, and Whitehall Commons as these properties offer swimming pools, which the Subject will not offer. The Subject is considered similar to superior

to all of the market-rate comparables with respect to property amenities and similar to slightly superior to all of the market rate properties in terms of in-unit amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to all of the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low capture rates, waiting lists, and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

SUTTON TERRACE – CLARKESVILLE, GEORGIA – MARKET STUDY

Summary Table:										
Development Name:		Sutton Terrace					Total # Units:			72
Location:		5976 State Highway 115 Clarkesville, GA 30523					# LIHTC Units:			72
PMA Boundary:		North: Habersham County line; East: State Route 184 and the Georgia/South Carolina border; South: Habersham County line and Cannon Road; West: Habersham County line								
						Farthest Boundary Distance to Subject:		15 miles		
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	18	1,196	9	99.3%						
Market-Rate Housing	6	243	2	99.2%						
Assisted/Subsidized Housing not to include LIHTC	8	694	4	99.4%						
LIHTC	4	259	3	98.8%						
Stabilized Comps	18	1,196	9	99.3%						
Properties in Construction & Lease Up	N / A	N / A	N / A	N / A						
*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	
4	1BR at 50% AMI	1	750	\$438	\$538	\$0.72	23%	\$800	\$1.07	
8	2BR at 50% AMI	2	950	\$510	\$665	\$0.70	30%	\$945	\$0.99	
3	3BR at 50% AMI	2	1,150	\$576	\$711	\$0.62	23%	\$1,020	\$0.89	
16	1BR at 60% AMI	1	750	\$514	\$588	\$0.78	14%	\$800	\$1.07	
32	2BR at 60% AMI	2	950	\$617	\$720	\$0.76	17%	\$945	\$0.99	
9	3BR at 60% AMI	2	1,150	\$699	\$783	\$0.68	12%	\$1,020	\$0.89	
Capture Rates (found on page 59)										
Targeted Population				@50%	@60%	-	-	-	Overall	
Capture Rate:				4.7%	13.6%	-	-	-	14.9%	

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- 1. Project Address and Development Location:** The Subject site is located at 5976 State Highway 115 in Clarkesville, Habersham, Georgia 30523. The Subject site is currently improved with two structures set for demolition.
- 2. Construction Type:** The Subject will consist of three three-story, residential buildings in addition to one community building. The Subject will be new construction.
- 3. Occupancy Type:** Families.
- 4. Special Population Target:** None.
- 5. Number of Units by Bedroom Type and AMI Level:** See following property profile.
- 6. Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
- 7. Rents and Utility Allowances:** See following property profile.
- 8. Existing or Proposed Project-Based Rental Assistance:** See following property profile.
- 9. Proposed Development Amenities:** See following property profile.

SUTTON TERRACE – CLARKESVILLE, GEORGIA – MARKET STUDY

Sutton Terrace	
Location	5976 State Highway 115 Clarkesville, GA 30523 Habersham County
Units	72
Type	Garden (3 stories)
Year Built / Renovated	Proposed 2021



Market			
Program	@50%, @60%	Leasing Pace	n/a
Annual Turnover Rate	n/a	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	n/a
Section 8 Tenants	n/a		

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	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)	4	750	\$438	\$0	@50%	No	N/A	N/A	N/A
1	1	Garden (3 stories)	16	750	\$514	\$0	@60%	No	N/A	N/A	N/A
2	2	Garden (3 stories)	8	950	\$510	\$0	@50%	No	N/A	N/A	N/A
2	2	Garden (3 stories)	32	950	\$617	\$0	@60%	No	N/A	N/A	N/A
3	2	Garden (3 stories)	3	1,150	\$576	\$0	@50%	No	N/A	N/A	N/A
3	2	Garden (3 stories)	9	1,150	\$699	\$0	@60%	No	N/A	N/A	N/A

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas	Premium	none
Services	none	Other	Crafts Room, Library

Comments
Construction is proposed to begin in June 2020 and be completed in June 2021. The utility allowances are \$101, \$127 and \$160 for the one, two, an three-bedroom units, respectively.

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in June 2020 and be completed in June 2021. Therefore, we have utilized 2021 as the market entry year for demographic purposes according to the DCA Market Study Manual.
- Conclusion:** The Subject will be an excellent-quality brick and vinyl siding three-story walk-up, garden style apartment complex, comparable to superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

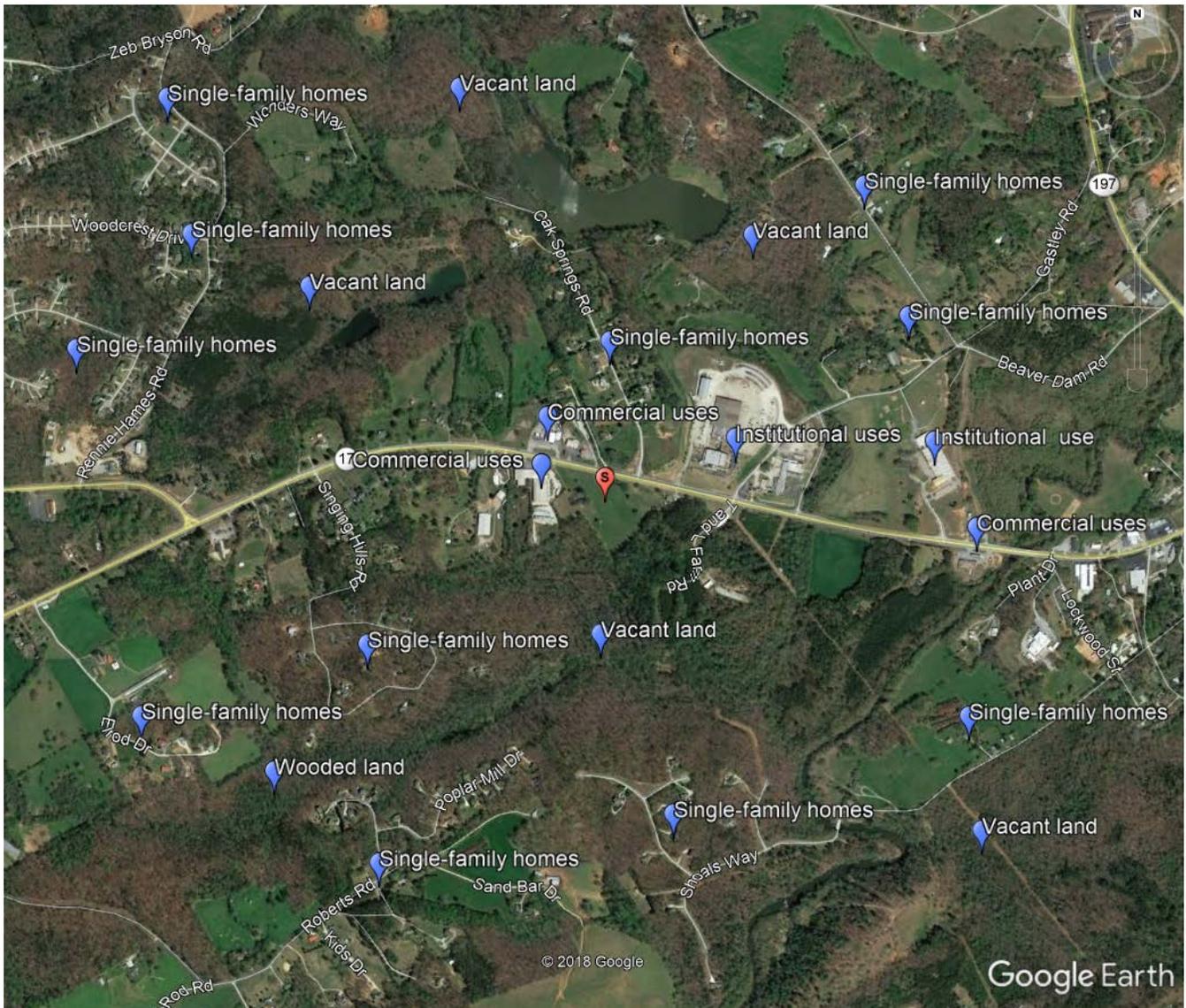
C. SITE EVALUATION

1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on April 8, 2019.
2. **Physical Features of the Site:** The following illustrates the physical features of the site.

Frontage: The Subject site has frontage along State Highway 115.

Visibility/Views: The Subject will be located along the southern side of State Highway 115. Visibility and views from the site will be good and initially will include commercial uses, vacant land, and a single family home in average condition.

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



Source: Google Earth, April 2019.

The Subject site is located along the south side of State Highway 115. The Subject site is currently improved with two buildings set for demolition. Land uses to the north of the Subject site, across State Highway 115, are comprised of commercial uses and vacant land. East of the Subject site, land uses are comprised of a single-family home in average condition and wooded land. South of the Subject site is vacant land. Adjacent west of the Subject site is a commercial use 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 *Walkscore* with a rating of 17 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, many of which are within two miles of the Subject site.

Positive/Negative Attributes of Site:

The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. We did not observe any negative attributes upon our inspection.

3. Physical Proximity to Locational Amenities:

The Subject is located within 6.5 miles of all locational amenities. Additionally, it is within three miles of the Habersham County School Board and North Georgia Technical College, which are two of the area’s largest employers.

4. Pictures of Site and Adjacent Uses:

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



View of the Subject site from State Highway 115



View of the Subject site from State Highway 115



View of the Subject site from State Highway 115



View of the Subject site from State Highway 115



View east on State Highway 115



View west on State Highway 115



Walgreen's Pharmacy in Subject's neighborhood



Habersham Hardware in Subject's neighborhood



Ingle's in Subject's neighborhood



Dollar General in Subject's neighborhood



Gas Station in Subject's neighborhood



Wendy's in Subject's neighborhood



Clarkesville Elementary School in Subject's neighborhood



Habersham EMC in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



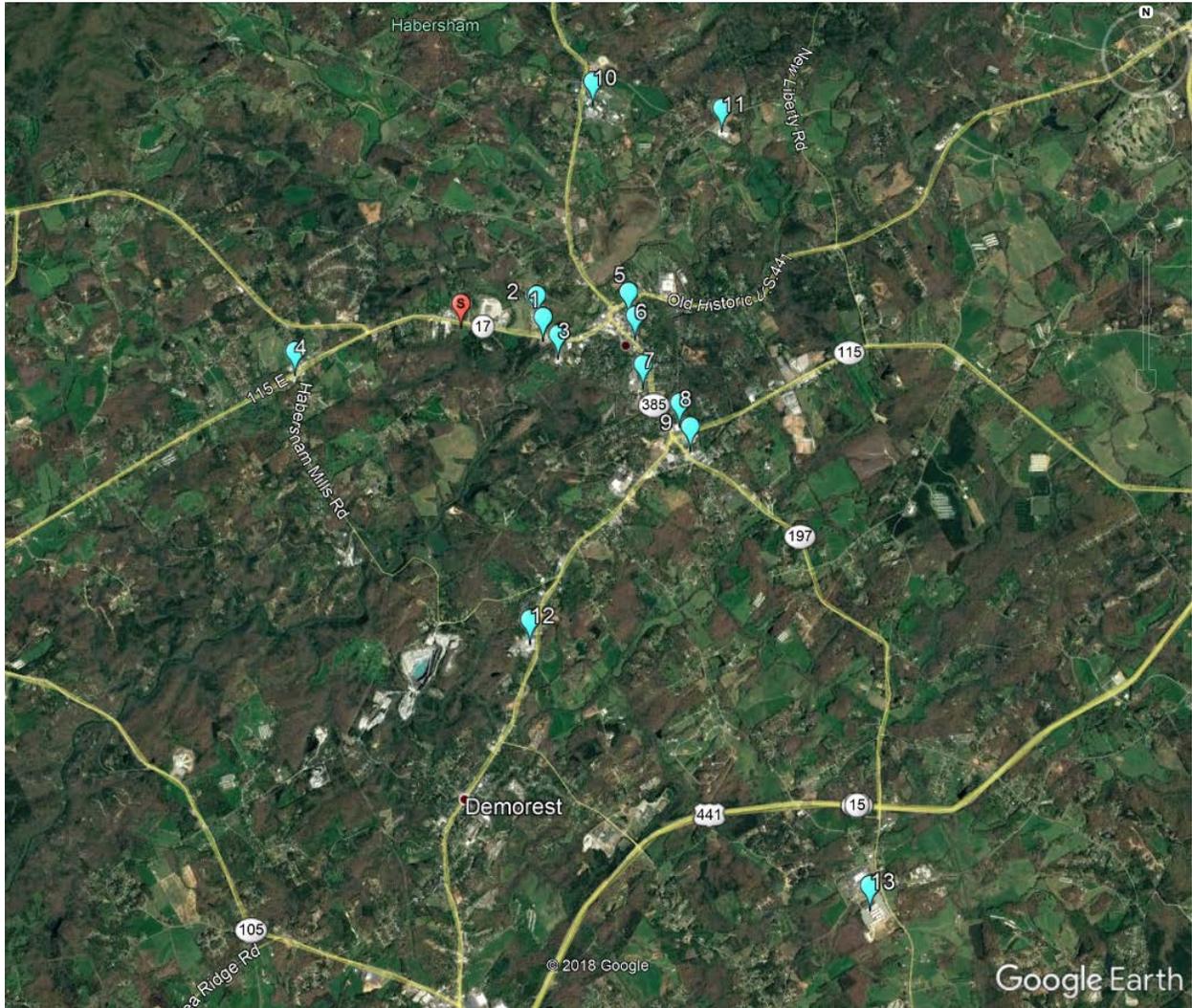
Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, April 2019.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Driving)
1	Westside Express	0.7 miles
2	Clarkesville Elementary School	0.7 miles
3	Habersham County Sheriff's Office	1.2 miles
4	Crossroads Pharmacy	1.3 miles
5	Clarkesville Fire Department	1.4 miles
6	Regions Bank	1.4 miles
7	Habersham County School Board	1.8 miles
8	Ingles Market	2.4 miles
9	United States Postal Service	2.4 miles
10	North Georgia Technical College	2.4 miles
11	North Habersham Middle School	2.9 miles
12	Habersham Medical Center	4.1 miles
13	Habersham Central High School	6.5 miles

6. Description of Land Uses

The Subject site is located along the south side of State Highway 115. The Subject site is currently improved with two buildings set for demolition. Land uses to the north of the Subject site, across State Highway 115, are comprised of commercial uses and vacant land. Farther north, land uses are comprised of single-family homes that exhibit average condition. East of the Subject site, land uses are comprised of a single-family home in average condition and wooded land. Farther east, land uses are comprised of Habersham EMC, the Habersham County Tax Commissioner, the Veterans affairs department, Clarkesville Elementary School, a single-family home in average condition, and vacant land. South of the Subject site is vacant land. Farther south is vacant land and residential uses that exhibit average condition. Adjacent west of the Subject site is a commercial use in good condition. Farther west are commercial uses and single-family homes that exhibit average condition. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 17 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, many of which are within two miles of the Subject site.

7. Crime:

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

2018 CRIME INDICES

	PMA	SMA
Total Crime*	74	77
Personal Crime*	61	63
Murder	68	83
Rape	59	57
Robbery	18	23
Assault	83	83
Property Crime*	75	79
Burglary	94	100
Larceny	73	76
Motor Vehicle Theft	43	47

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

*Unweighted aggregations

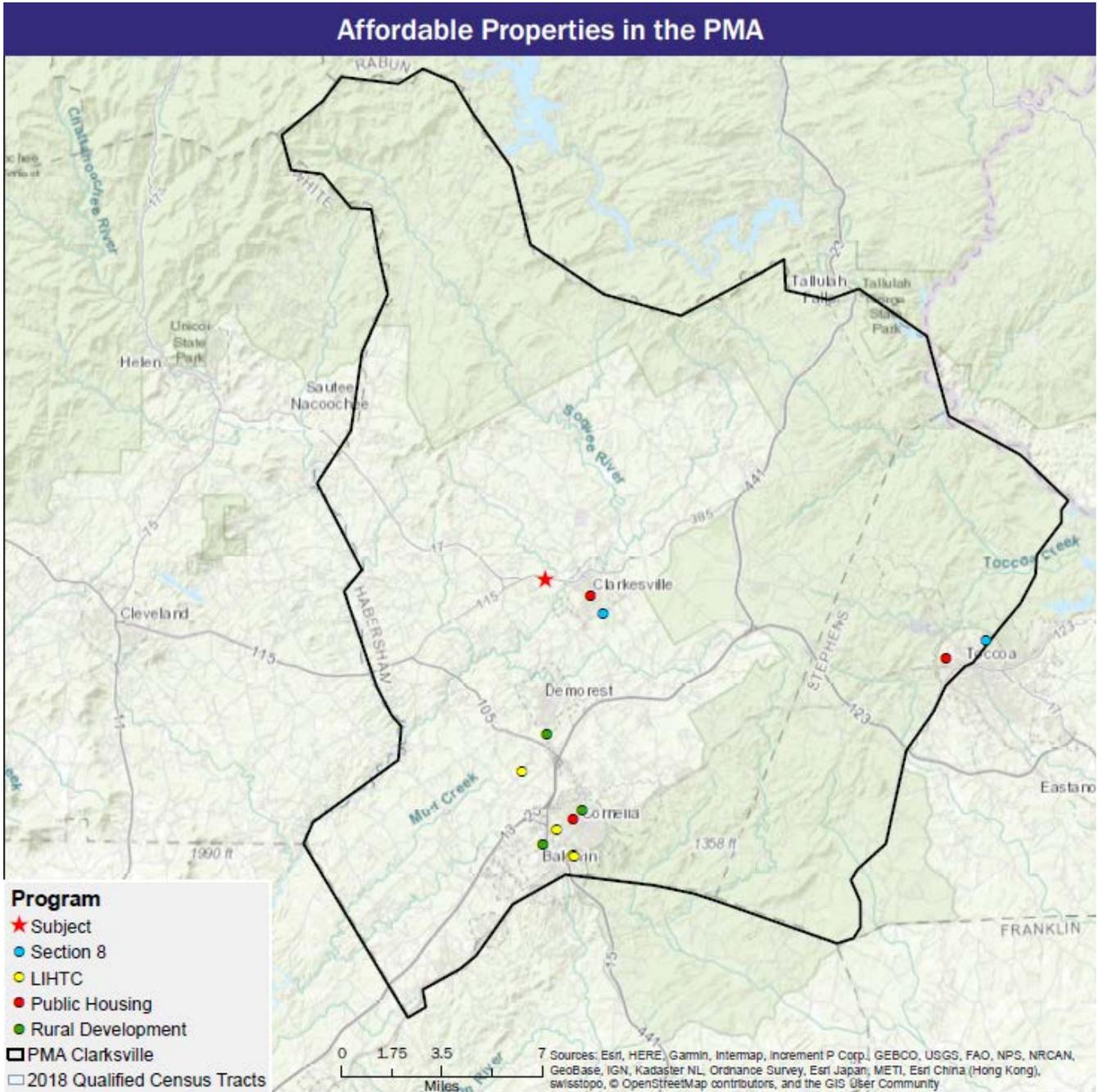
The total crime indices in the PMA are generally below that of the SMA and the nation. Personal crime in the PMA is below national personal crime levels. The Subject will not offer any security features. Two of the comparable properties offer security patrols and video surveillance. One of the comparables offers perimeter fencing. However, the majority of the comparable properties, including Peaks of Cornelia, do not offer any form of security features, similar to the Subject. Given the low crime index indices in the Subject’s neighborhood and the lack of features in the market, we do not

believe the Subject’s lack of security features will negatively impact the Subject. Further, Peaks of Cornelia, the newest LIHTC in the market, does not offer security features and is fully-occupied with a waiting list 89 households long.

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

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Sutton Terrace	LIHTC	Clarkesville	Family	72	-	Star
Green Mountain Village	LIHTC	Cornelia	Senior	64	5.7 miles	Yellow
Manor Place	LIHTC	Cornelia	Senior	35	7.9 miles	
Heritage Gardens	LIHTC, Market	Cornelia	Family	80	6.1 miles	Red
Peaks Of Cornelia	LIHTC, Market	Cornelia	Family	80	7.2 miles	
Cornelia Housing	Public Housing	Cornelia	Family	154	7.1 miles	Green
Habersham Housing	Public Housing	Clarkesville	Family	130	1.4 miles	
Stephens Banks	Public Housing	Toccoa	Family	103	11.8 miles	Blue
Baldwin Court Apartments	Rural Development	Cornelia	Family	44	7.6 miles	
Cornelia Apartments	Rural Development	Cornelia	Family	20	6.9 miles	Blue
Demorest Apartments	Rural Development	Demorest	Family	28	2.9 miles	
AMP 5 Scattered Sites	Section 8	Clarkesville	Family	129	1.9 miles	Blue
Toccoa Pines Apartments	Section 8	Toccoa	Family	86	13.0 miles	



9. Road, Infrastructure or Proposed Improvements:

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

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

The Subject site can be accessed from State Highway 115, which is a moderately trafficked two-lane road. State Highway 115 continues east to Monroe Street, which provides access to downtown Clarkesville and Old Historic U.S. 441. Old Historic U.S. 441 continues south providing access to many of Habersham County’s major

employers, and also provides access to Highway 197, which provides access to U.S. Route 23. U.S. Route 23 continues southwest into Interstate 985, which continues into Interstate 85. Interstate 85 is a major highway that provides access to downtown Atlanta and Macon, Georgia to the south and Greenville, South Carolina to the north.

11. Conclusion:

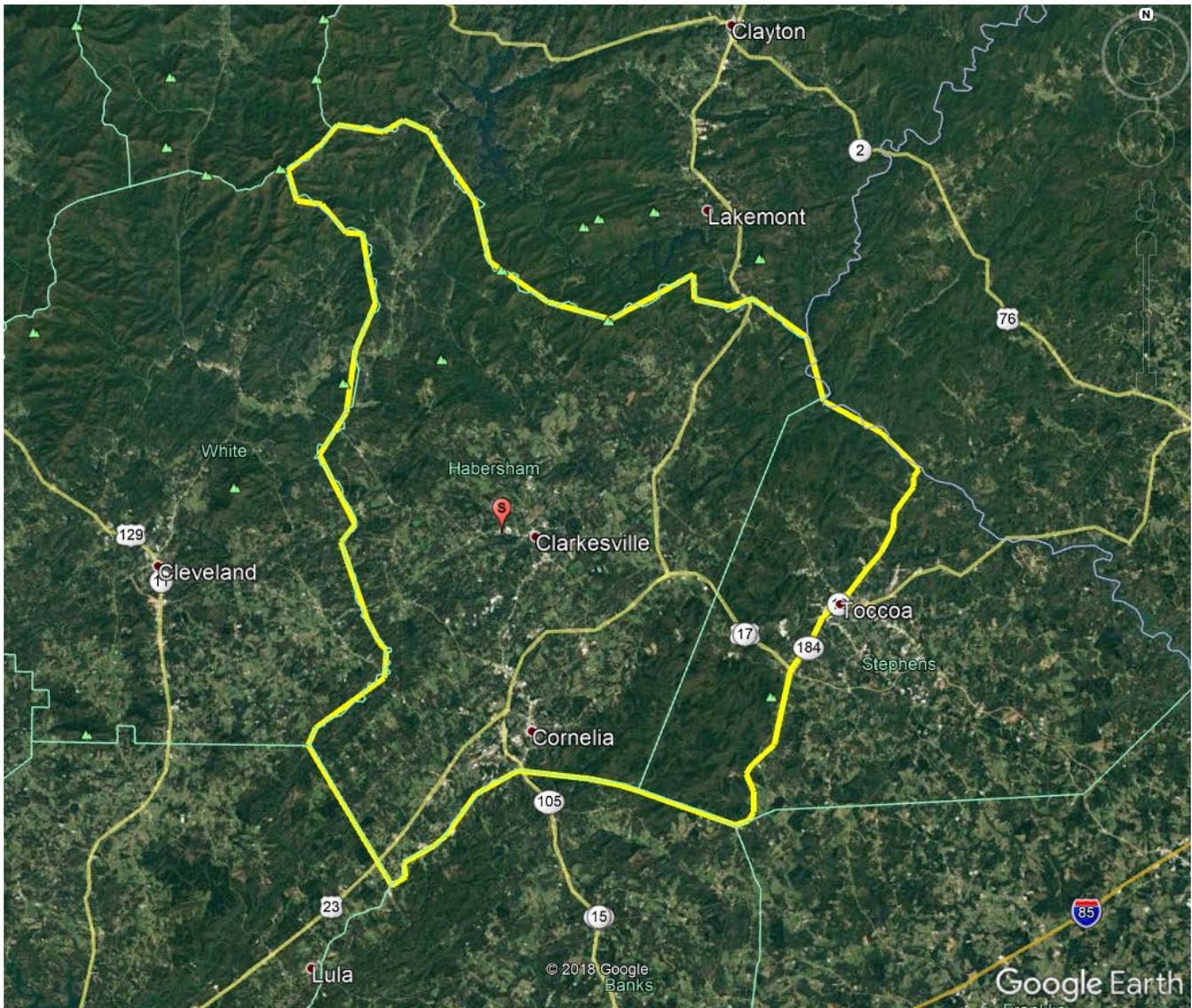
The Subject site is located along the south side of State Highway 115. The Subject site is currently improved with two buildings set for demolition. Land uses to the north of the Subject site, across State Highway 115, are comprised of commercial uses and vacant land. East of the Subject site, land uses are comprised of a single-family home in average condition and wooded land. South of the Subject site is vacant land. Adjacent west of the Subject site is a commercial use 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 *Walkscore* with a rating of 17 out of 100. The total crime indices in the PMA are generally below that of the SMA and the nation. Personal crime in the PMA is below national personal crime levels. The Subject site is considered a desirable building site for rental housing with good visibility. The Subject’s proximity to retail and other locational amenities, particularly Clarkesville Elementary School, as well as its surrounding uses, which are in average to good condition, are considered positive attributes. We did not observe any negative attributes upon our inspection.

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, April 2019.

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 SMA are areas of growth or contraction.

The PMA is defined by the Habersham County line to the north and west, State Route 184 and the Georgia/South Carolina border to the east, and the Habersham County line and Cannon Road to the south.

This area includes the Cities of Clarkesville, and Cornelia as well as portions of Toccoa. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 15 miles

East: 15 miles

South: 13 miles

West: 7 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from out of state. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2019 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 15 miles. The SMA includes Habersham, Banks, Franklin, Rabun, Stephens, and White counties.

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 Habersham County 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 Habersham County. The Subject's anticipated completion is in June 2021. Therefore, we have utilized June 2021 as the estimated market entry time in this section of the report according to DCA guidelines.

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, SMA and nation from 2000 through 2023.

Year	POPULATION					
	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	40,291	-	130,992	-	281,038,168	-
2010	47,665	1.8%	153,115	1.7%	308,745,538	1.0%
2018	50,115	0.6%	159,871	0.5%	330,088,686	0.8%
Projected Mkt Entry June 2021	51,145	0.7%	163,240	0.7%	338,177,184	0.8%
2023	51,881	0.7%	165,647	0.7%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

Between 2010 and 2018 there was approximately 0.6 and 0.5 percent annual growth in the PMA and SMA, respectively, which was positive for a rural area but slightly lagged the national population growth. Over the next five years, the population growth in the PMA and SMA is projected to increase at a 0.7 percent annual rate, which slightly lags the national projections. Overall, we believe that population growth in the PMA and SMA is a positive indication of demand for the Subject's proposed units.

1b. Total Population by Age Group

The following table illustrates the total population within the PMA and SMA and nation from 2000 to 2023.

POPULATION BY AGE GROUP

PMA					
Age Cohort	2000	2010	2018	Projected Mkt Entry June 2021	2023
0-4	2,529	3,160	3,001	2,982	2,968
5-9	2,586	3,224	3,103	3,090	3,080
10-14	2,616	3,089	3,133	3,235	3,307
15-19	3,143	3,238	3,188	3,378	3,513
20-24	3,146	3,282	3,262	3,175	3,113
25-29	2,683	2,945	3,257	2,965	2,757
30-34	2,639	2,931	3,184	3,185	3,186
35-39	2,961	3,093	3,147	3,240	3,306
40-44	3,030	3,074	2,996	3,116	3,201
45-49	2,684	3,274	3,154	3,117	3,090
50-54	2,566	3,220	3,074	3,135	3,178
55-59	2,176	2,949	3,314	3,232	3,174
60-64	1,826	2,889	3,214	3,343	3,435
65-69	1,635	2,368	3,038	3,172	3,267
70-74	1,509	1,785	2,402	2,640	2,810
75-79	1,131	1,319	1,631	1,910	2,110
80-84	800	1,036	1,027	1,190	1,306
85+	629	789	990	1,041	1,078
Total	40,289	47,665	50,115	51,144	51,879

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

POPULATION BY AGE GROUP

SMA					
Age Cohort	2000	2010	2018	Projected Mkt Entry June 2021	2023
0-4	8,287	9,334	8,881	8,815	8,767
5-9	8,686	9,787	9,288	9,258	9,236
10-14	8,743	10,157	9,661	9,929	10,120
15-19	9,331	10,475	9,744	10,169	10,473
20-24	8,669	9,196	9,210	8,813	8,530
25-29	8,379	8,383	9,738	8,834	8,189
30-34	8,586	8,559	9,560	9,666	9,741
35-39	9,612	9,663	9,502	9,916	10,211
40-44	9,715	9,898	9,211	9,547	9,787
45-49	8,951	10,922	10,122	9,862	9,677
50-54	8,786	11,070	10,401	10,487	10,548
55-59	7,655	10,295	11,472	11,226	11,050
60-64	6,405	10,187	11,500	11,958	12,285
65-69	5,715	8,560	10,827	11,403	11,815
70-74	5,022	6,257	8,504	9,366	9,981
75-79	3,867	4,545	5,741	6,708	7,399
80-84	2,622	3,242	3,388	3,989	4,418
85+	1,965	2,585	3,121	3,295	3,420
Total	130,996	153,115	159,871	163,240	165,647

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

The largest age cohorts in the PMA are between 55 and 59 and 20 and 29, which indicates the presence of families.

2. Household Trends

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

HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	14,933	-	50,472	-	105,403,008	-
2010	17,087	1.4%	58,484	1.6%	116,716,296	1.1%
2018	17,825	0.5%	60,433	0.4%	124,110,017	0.8%
Projected Mkt Entry						
June 2021	18,187	0.7%	61,521	0.6%	126,878,467	0.8%
2023	18,445	0.7%	62,298	0.6%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.51	-	2.59	-
2010	2.63	0.3%	2.53	0.1%	2.58	-0.1%
2018	2.64	0.0%	2.56	0.1%	2.59	0.1%
Projected Mkt Entry						
June 2021	2.64	0.1%	2.57	0.1%	2.60	0.1%
2023	2.65	0.1%	2.58	0.1%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

Between 2010 and 2018 there was approximately 0.5 and 0.4 percent annual growth in the PMA and SMA, respectively, which lagged the national household growth. Over the next five years, the household growth in the PMA and SMA is expected to slightly lag the national household growth. The average household size in the PMA is slightly larger than the national average at 2.64 persons in 2018. Over the next five years, the average household size is projected to remain relatively similar.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	11,202	75.0%	3,731	25.0%
2018	13,104	73.5%	4,721	26.5%
Projected Mkt Entry				
June 2021	13,521	74.3%	4,666	25.7%
2023	13,819	74.9%	4,626	25.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

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 within the PMA and SMA in 2018, market entry, and 2023.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2018		Projected Mkt Entry June 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	743	15.7%	709	15.2%	685	14.8%
\$10,000-19,999	920	19.5%	882	18.9%	854	18.5%
\$20,000-29,999	868	18.4%	834	17.9%	809	17.5%
\$30,000-39,999	851	18.0%	842	18.1%	836	18.1%
\$40,000-49,999	411	8.7%	419	9.0%	424	9.2%
\$50,000-59,999	96	2.0%	101	2.2%	105	2.3%
\$60,000-74,999	256	5.4%	260	5.6%	262	5.7%
\$75,000-99,999	189	4.0%	190	4.1%	191	4.1%
\$100,000-124,999	118	2.5%	128	2.7%	135	2.9%
\$125,000-149,999	146	3.1%	154	3.3%	160	3.5%
\$150,000-199,999	79	1.7%	97	2.1%	110	2.4%
\$200,000+	44	0.9%	50	1.1%	55	1.2%
Total	4,721	100.0%	4,666	100.0%	4,626	100.0%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, April 2019

RENTER HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2018		Projected Mkt Entry June 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,622	15.6%	2,529	15.2%	2,462	15.0%
\$10,000-19,999	3,712	22.1%	3,507	21.1%	3,361	20.4%
\$20,000-29,999	3,204	19.1%	3,063	18.4%	2,963	18.0%
\$30,000-39,999	2,240	13.3%	2,215	13.3%	2,197	13.3%
\$40,000-49,999	1,366	8.1%	1,358	8.2%	1,353	8.2%
\$50,000-59,999	773	4.6%	806	4.9%	830	5.0%
\$60,000-74,999	942	5.6%	953	5.7%	960	5.8%
\$75,000-99,999	713	4.2%	742	4.5%	763	4.6%
\$100,000-124,999	322	1.9%	362	2.2%	390	2.4%
\$125,000-149,999	433	2.6%	482	2.9%	517	3.1%
\$150,000-199,999	274	1.6%	334	2.0%	376	2.3%
\$200,000+	213	1.3%	259	1.6%	292	1.8%
Total	16,814	100.0%	16,610	100.0%	16,464	100.0%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, April 2019

The Subject will target tenants earning between \$18,480 and \$37,860. As the table above depicts, approximately 55.9 percent of renter households in the PMA are earning incomes between \$10,000 and \$39,999, which is comparable to the 54.5 percent of renter households in the SMA in 2018. For the projected market entry date of June 2021, these percentages are projected to slightly decrease to 54.9 percent and 52.8 percent for the PMA and SMA, respectively.

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

The following table illustrates household size for all households in 2018, 2021 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 June 2021		2023	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
	1 Person	1,556	33.0%	1,543	33.1%	1,534
2 Persons	1,183	25.1%	1,141	24.5%	1,111	24.0%
3 Persons	700	14.8%	697	14.9%	694	15.0%
4 Persons	565	12.0%	570	12.2%	573	12.4%
5+ Persons	717	15.2%	715	15.3%	714	15.4%
Total Households	4,721	100%	4,666	100%	4,626	100%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, April 2019

The majority of renter households in the PMA are one to three-person households.

Conclusion

Between 2010 and 2018 there was approximately 0.6 and 0.5 percent annual growth in the PMA and SMA, respectively, which was positive for a rural area but slightly lagged the national population growth. Household growth during this same time period was approximately 0.5 and 0.4 percent annual growth in the PMA and SMA, respectively, which lagged the national household growth. The rate of population and household growth is projected to continue at slightly greater rates through 2021. The current population of the PMA is 50,115 and is expected to be 51,145 in 2021. Renter households are concentrated in the lowest income cohorts, with 55.9 percent of renters in the PMA earning between \$10,000 and \$39,999 annually. The Subject will target tenants earning between \$18,480 and \$37,860; therefore, the Subject should be well-positioned to service this market. Overall, while population growth has been modest, 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 and Habersham County are economically reliant on manufacturing and Fieldale Farms, one of the largest privately owned poultry producers in the world. It was incorporated in 1972 and has long been a staple of the community. Fieldale Farms employs approximately 2,100 people in its Habersham operations alone. The company recently completed a \$50-million expansion of its processing plant and added 200 jobs. Employment levels decreased during the national recession but have grown since the recession ended and Habersham County is now in an expansionary phase.

1. Covered Employment

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

COVERED EMPLOYMENT Habersham County, Georgia		
Year	Total Employment	% Change
2008	19,664	-
2009	18,218	-7.9%
2010	16,390	-11.2%
2011	16,411	0.1%
2012	16,673	1.6%
2013	17,768	6.2%
2014	17,654	-0.6%
2015	17,743	0.5%
2016	18,305	3.1%
2017	18,485	1.0%
2018	18,783	1.6%
2019 YTD Average	18,644	0.9%
Jan-18	18,605	-
Jan-19	18,626	0.1%

Source: U.S. Bureau of Labor Statistics

YTD as of Mar 2019

As illustrated in the table above, Habersham County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 with its first employment decrease of the decade. Employment growth rebounded and Habersham County exhibited employment growth from 2011 through 2018 in all but one year (2014). While employment growth increased through 2018 and the first three months of 2019, Habersham County has still not reached their pre-recession employment numbers. However, they have had consistent growth since 2011. Overall, the local economy is adding jobs and seems to be in an expansionary phase.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Habersham County as of March 2019.

TOTAL JOBS BY INDUSTRY
Habersham County, Georgia - Q2 2018

	Number	Percent
Total, all industries	11,537	100.0%
Goods-producing	4,395	38.1%
Natural resources and mining	225	2.0%
Construction	396	3.4%
Manufacturing	3,774	32.7%
Service-providing	7,142	61.9%
Trade, transportation, and utilities	2,385	20.7%
Information	424	3.7%
Financial activities	438	3.8%
Professional and business services	730	6.3%
Education and health services	1,401	12.1%
Leisure and hospitality	1,564	13.6%
Other services	171	1.5%
Unclassified	29	0.3%

Source: Bureau of Labor Statistics, 2019

Manufacturing is the largest industry in Habersham County, followed by trade, transportation, and utilities and leisure and hospitality. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. 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
Manufacturing	3,992	19.6%	15,694,985	9.9%
Retail Trade	2,464	12.1%	17,381,607	11.0%
Healthcare/Social Assistance	1,879	9.2%	22,154,439	14.0%
Educational Services	1,858	9.1%	14,568,337	9.2%
Accommodation/Food Services	1,647	8.1%	11,958,374	7.6%
Construction	1,301	6.4%	10,333,928	6.5%
Public Administration	1,090	5.4%	7,345,537	4.7%
Other Services	962	4.7%	7,758,801	4.9%
Agric/Forestry/Fishing/Hunting	840	4.1%	2,273,158	1.4%
Prof/Scientific/Tech Services	784	3.9%	11,673,939	7.4%
Admin/Support/Waste Mgmt Svcs	739	3.6%	6,943,459	4.4%
Wholesale Trade	620	3.1%	4,028,405	2.6%
Transportation/Warehousing	533	2.6%	6,660,099	4.2%
Finance/Insurance	459	2.3%	7,284,572	4.6%
Arts/Entertainment/Recreation	390	1.9%	3,672,444	2.3%
Information	288	1.4%	2,881,691	1.8%
Utilities	260	1.3%	1,433,069	0.9%
Real Estate/Rental/Leasing	193	0.9%	3,165,171	2.0%
Mining	25	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	0	0.0%	87,511	0.1%
Total Employment	20,324	100.0%	157,891,122	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

Employment in the PMA is concentrated in the manufacturing, retail trade, healthcare/social assistance industries, and educational services, which collectively comprise 50.0 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. As will be demonstrated in the employment discussion, the manufacturing and retail trade industries were affected by numerous layoffs and employment decreases. Nationwide, these industries have also been affected by the recession. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, agriculture/forestry/fishing/hunting, and retail trade industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technology services, and finance/insurance industries.

3. Major Employers

The table below shows the largest employers in Habersham County, Georgia.

MAJOR EMPLOYERS - HABERSHAM COUNTY, GA			
Rank	Employer Name	Industry	# Of Employees
1	Fieldale Farms	Manufacturing	2,100
2	Habersham County Board of Education	Educational Services	994
3	Ethicon	Healthcare/Social Assistance	751
4	Mt. Vernon Mills	Manufacturing	725
5	Piedmont College	Educational Services	714
6	Habersham County Medical Center	Healthcare/Social Assistance	671
7	Lee Arrendale Correctional Institute	Public Administration	450
8	North Georgia Technical College	Educational Services	690
9	Habersham County Board of Commissioners	Public Administration	351
10	Global Tech	Prof/Scientific/Tech Services	301
Totals			7,747

Source: Development Authority of Habersham County, Georgia, April 2019

Fieldale Farms is the largest employer in Habersham County. Fieldale Farms employs approximately 2,100 people in its Habersham operations alone. The company recently completed a \$50-million expansion of its processing plant and added 200 jobs. Other major employers include industries such as education, healthcare industries, and manufacturing. While agriculture, healthcare, and education are historically stable industries, manufacturing and retail are historically unstable, especially during times of recession.

Expansions/Contractions

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 1, 2015 in Habersham County according to the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN).

WARN NOTICES - HABERSHAM COUNTY, GA - 2015-2019			
Company	Industry	Employees Affected	Layoff Date
Navitor Southeast	Prof/Scientific/Tech Services	71	11/30/2015
Total		71	

Source: Georgia Department of Economic Development, April 2019

As illustrated in the above table, there have been 71 employees in the area impacted by layoffs or closures since 2015. Despite these job losses, employment growth in the area has continued. We spoke with Ms. Trudy Crunkleton, Clarkesville Main Street Director, regarding any business expansions in the area. According to Ms. Crunkleton, the majority of business expansions within the City of Clarkesville consist of small businesses concentrated in the downtown area looking to hire a limited number of people. However, Ms. Crunkleton knew of a proposed Taco Bell recently locating to the area. The Taco Bell will be located at 255 Washington Street and will add approximately 20 jobs to the local economy. Additionally, Ms. Crunkleton stated that Clarkesville could add a Dollar General, though a permit has yet to be filed. Ms. Crunkleton was unable to provide information regarding the exact location or number of jobs the Dollar General would create. Though, she did state that the Dollar General would be located somewhere within the boundary of city limits.

We also conducted additional internet research regarding the current economic status of Clarkesville and Habersham County. The following table details employment in Clarkesville and Habersham County.

EXPANSIONS/NEW ADDITIONS HABERSHAM COUNTY, GA 2015-2019

Company Name	Industry	Jobs
Fieldale Farms	Manufacturing	200
Taco Bell	Accommodation/Food Services	20
Pak Global	Manufacturing	20
Habersham Federal Credit Union	Professional Services	8

As illustrated, there are several additions in a variety of industries including manufacturing, accommodation/food services, and professional services. Fieldale Farms recently completed a \$50-million expansion of its processing plant and added 200 jobs. Between 2015 and 2019, there were a total of 248 jobs created, which helps to counteract the 71 layoffs in the county during the same period.

Manufacturing

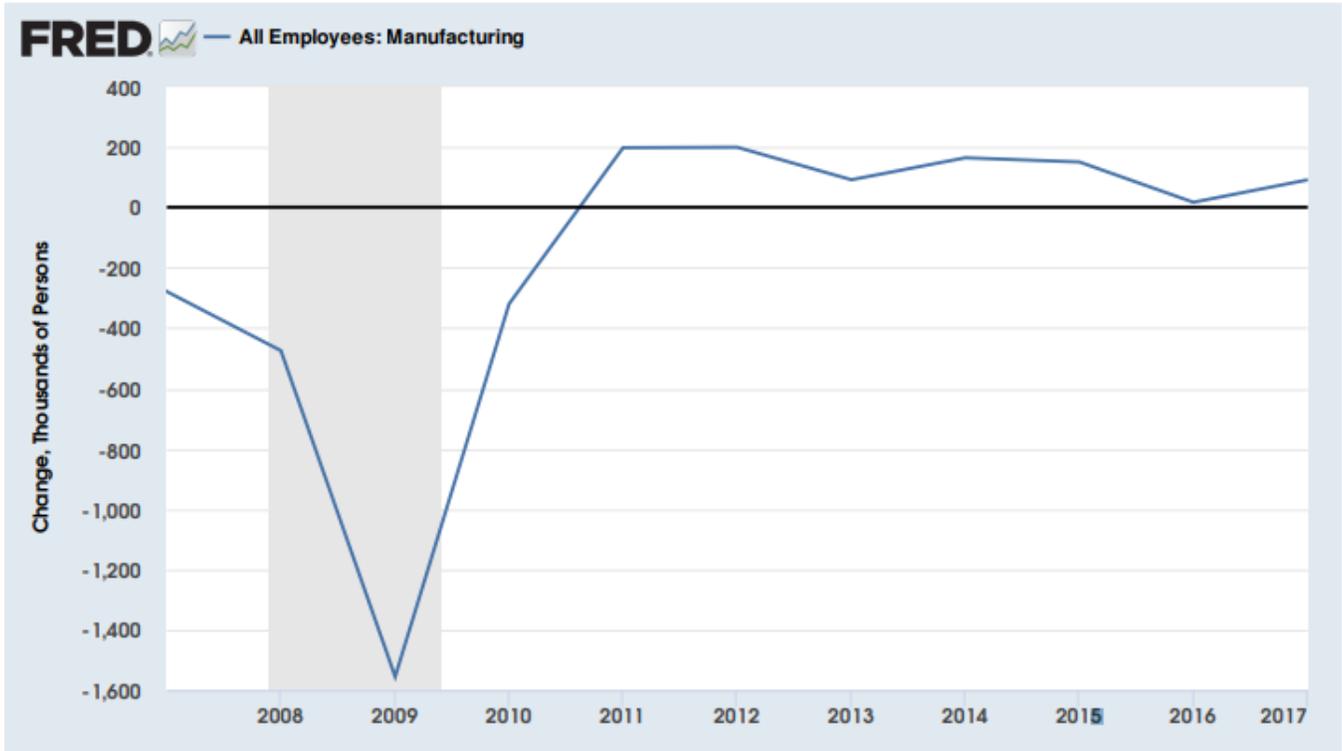
The manufacturing sector in the MSA has yet to fully recover from the most recent recession. However, in recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has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

U.S. manufacturing output growth is expected to increase modestly through 2018. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their November 2017 publication, U.S. manufacturing is expected to grow at an average of 1.5 percent through 2021. Additionally, despite concerns over the variance in the value of the U.S. dollar, the worldwide economic recovery is linked with a modest rebound in U.S. manufacturing growth after years of stagnation.

According to Federal Reserve Economic Data (FRED), the manufacturing sector added 285,000 jobs since June of 2017. This follows a 13-year high in expansions of U.S. factories during the month of September, according to a separate report from Bloomberg for November 2017. The Bloomberg report also stated that growth in manufacturing has been steady for approximately two years, fueled mostly by consumer spending and business investment. Continued manufacturing expansions in December 2017 and positive projections for 2018 have the manufacturing sector primed to outpace growth in the overall U.S. economy for 2018.

Although recent employment growth in the U.S. manufacturing sector bodes well for the SMA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 12 percent of the U.S. economy- and as a major source of employment for the SMA- manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2007.



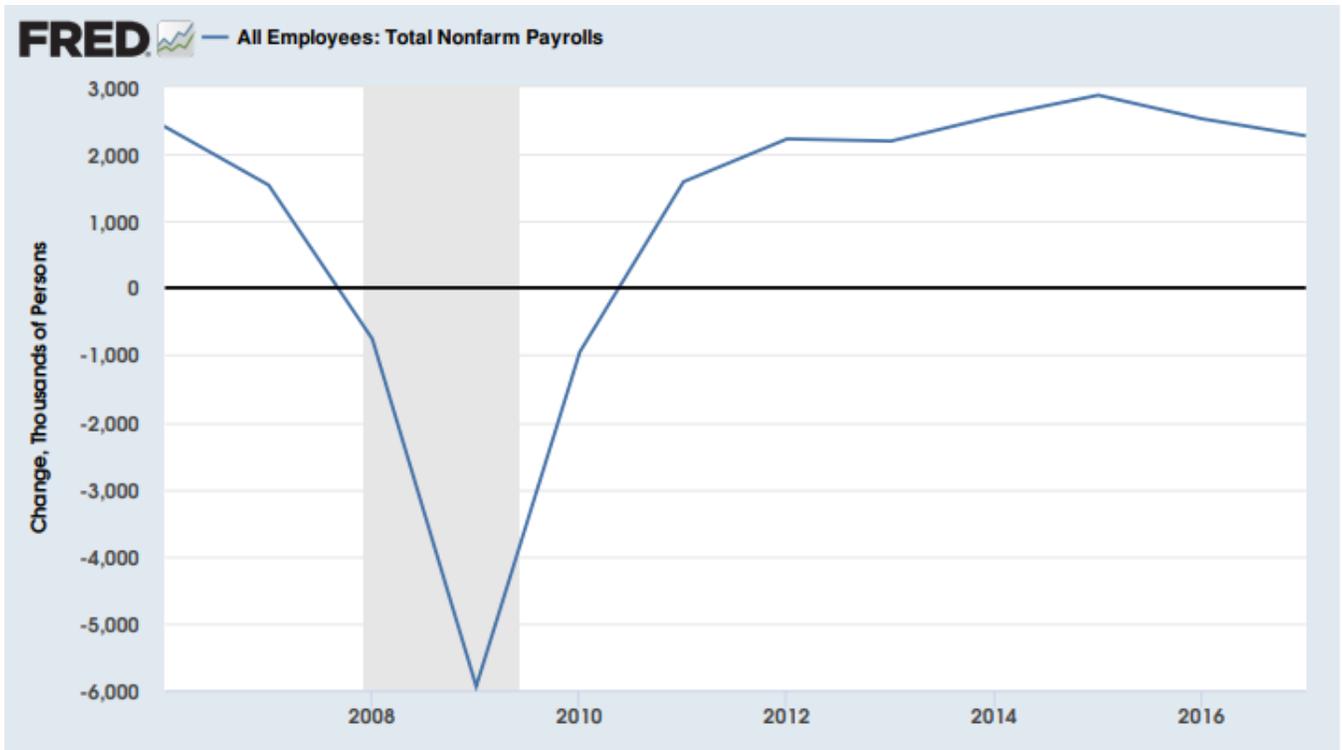
Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

myf.red/g/kKSV

Source: Federal Reserve Bank of St. Louis, 8/2018.

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

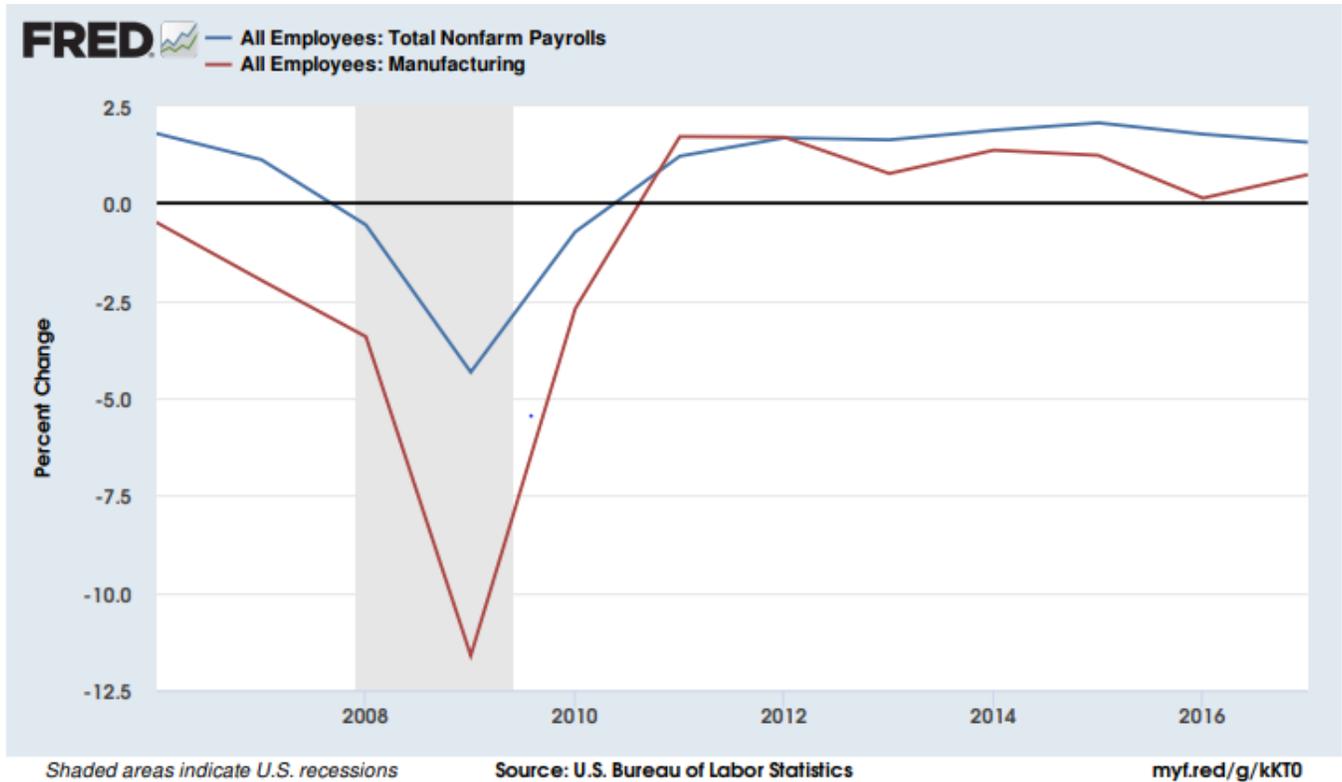


Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

myf.red/g/kKT7

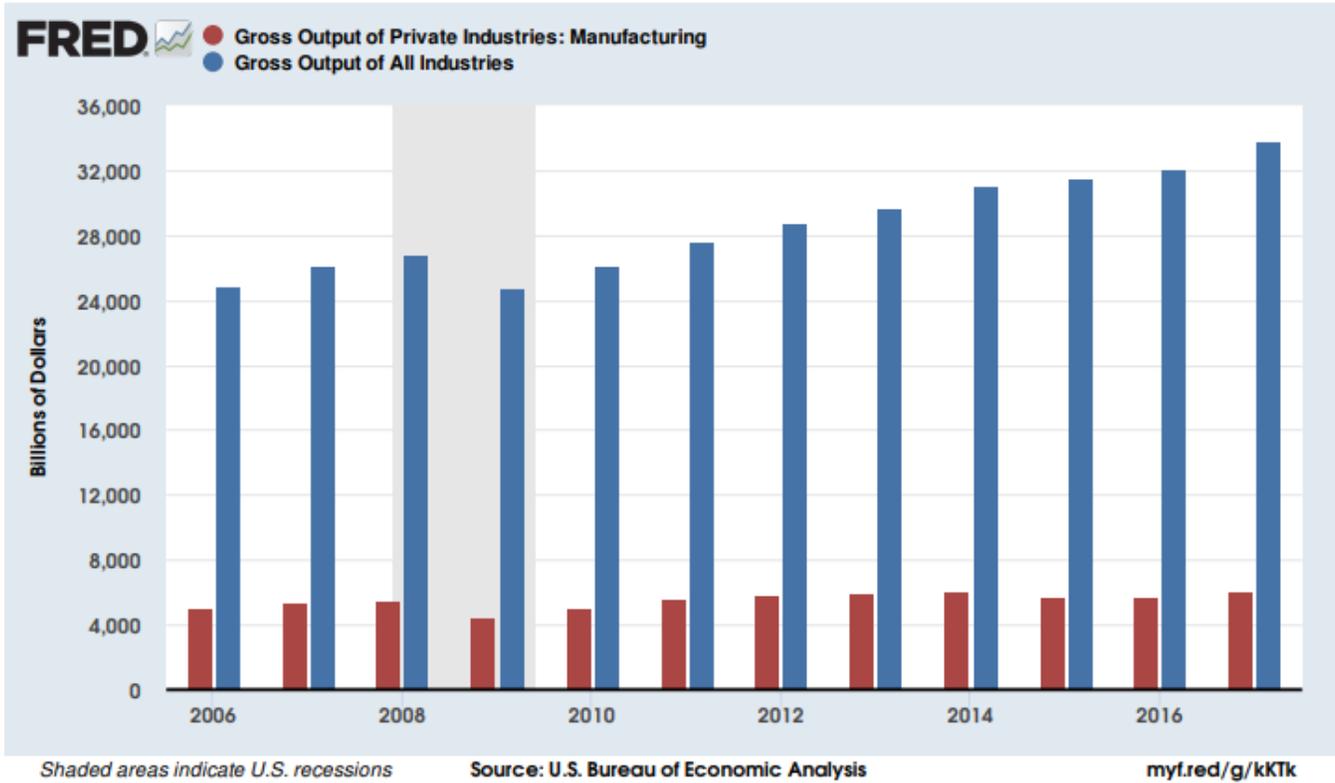
Source: Federal Reserve Bank of St. Louis, 8/2018.



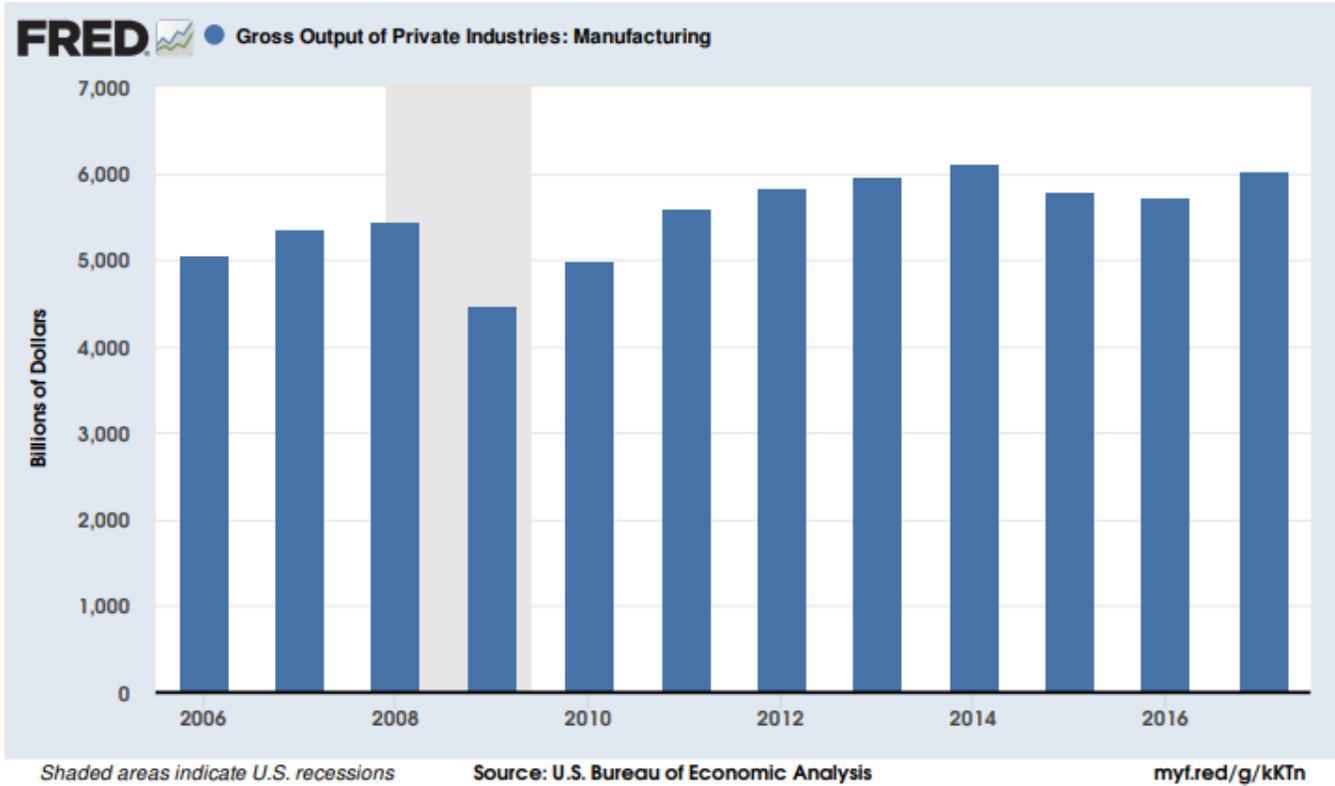
Source: Federal Reserve Bank of St. Louis, 8/2018.

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

The following charts illustrate U.S. manufacturing gross output compared to that across all industries from 2007 through 2016.



Source: Federal Reserve Bank of St. Louis, 8/2018.



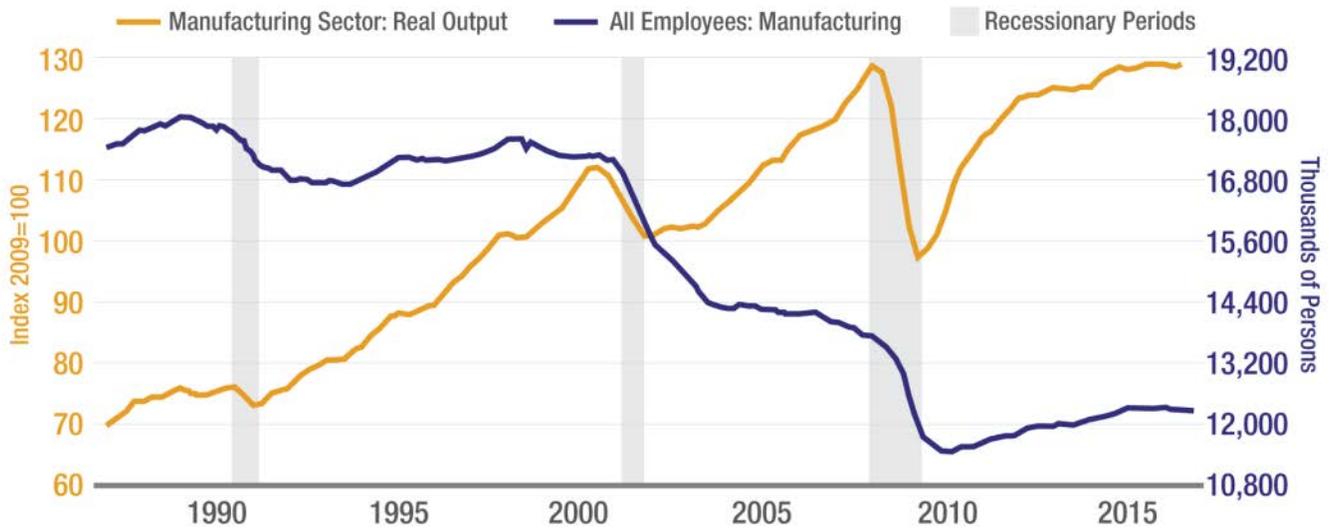
Source: Federal Reserve Bank of St. Louis, 8/2018.

Note: Shaded area indicates U.S. recessions.

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

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

How Employment and Output Have Changed in the Manufacturing Sector



Source: Federal Reserve; Novogradac & Company LLP



The PMA is heavily reliant on manufacturing, as it constitutes 19.6 percent of total employment within the PMA. While there have been recent expansions in the manufacturing sector in recent years, this has not necessarily turned into job creation for the local economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. Overall, we believe it is reasonable to assume that the Clarkesville area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment. However, recent expansions in accommodation/food services and professional services have helped to ease concerns of declining employment in the manufacturing industry.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA from 2001 to February 2019.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2003	67,111	-	-6.6%	137,736,000	-	-11.6%
2004	67,170	0.1%	-6.5%	139,252,000	1.1%	-10.6%
2005	68,577	2.1%	-4.6%	141,730,000	1.8%	-9.0%
2006	70,240	2.4%	-2.3%	144,427,000	1.9%	-7.3%
2007	71,871	2.3%	0.0%	146,047,000	1.1%	-6.2%
2008	71,416	-0.6%	-0.6%	145,363,000	-0.5%	-6.7%
2009	66,847	-6.4%	-7.0%	139,878,000	-3.8%	-10.2%
2010	60,813	-9.0%	-15.4%	139,064,000	-0.6%	-10.7%
2011	61,059	0.4%	-15.0%	139,869,000	0.6%	-10.2%
2012	62,091	1.7%	-13.6%	142,469,000	1.9%	-8.5%
2013	62,932	1.4%	-12.4%	143,929,000	1.0%	-7.6%
2014	63,112	0.3%	-12.2%	146,305,000	1.7%	-6.1%
2015	63,502	0.6%	-11.6%	148,833,000	1.7%	-4.4%
2016	66,524	4.8%	-7.4%	151,436,000	1.7%	-2.8%
2017	69,043	3.8%	-3.9%	153,337,000	1.3%	-1.6%
2018	71,033	2.9%	-1.2%	155,761,000	1.6%	0.0%
2019 YTD Average*	70,267	-1.1%	-	155,857,333	0.1%	-
Feb-2018	70,191	-	-	154,403,000	-	-
Feb-2019	70,396	0.3%	-	156,167,000	1.1%	-

Source: U.S. Bureau of Labor Statistics, April 2019

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2003	4.5%	-	0.9%	6.0%	-	2.1%
2004	4.4%	-0.1%	0.8%	5.5%	-0.5%	1.6%
2005	4.8%	0.4%	1.2%	5.1%	-0.5%	1.2%
2006	4.4%	-0.5%	0.8%	4.6%	-0.5%	0.7%
2007	4.2%	-0.1%	0.6%	4.6%	0.0%	0.7%
2008	5.8%	1.6%	2.2%	5.8%	1.2%	1.9%
2009	10.0%	4.2%	6.4%	9.3%	3.5%	5.4%
2010	11.1%	1.1%	7.5%	9.6%	0.3%	5.7%
2011	10.9%	-0.2%	7.3%	9.0%	-0.7%	5.1%
2012	9.8%	-1.1%	6.2%	8.1%	-0.9%	4.2%
2013	8.5%	-1.3%	4.9%	7.4%	-0.7%	3.5%
2014	7.1%	-1.4%	3.5%	6.2%	-1.2%	2.3%
2015	5.9%	-1.2%	2.3%	5.3%	-0.9%	1.4%
2016	5.2%	-0.6%	1.6%	4.9%	-0.4%	1.0%
2017	4.5%	-0.7%	0.9%	4.4%	-0.5%	0.4%
2018	3.6%	-0.9%	0.0%	3.9%	-0.4%	0.0%
2019 YTD Average*	4.0%	0.4%	-	4.1%	0.2%	-
Feb-2018	4.3%	-	-	4.4%	-	-
Feb-2019	3.7%	-0.6%	-	4.1%	-0.3%	-

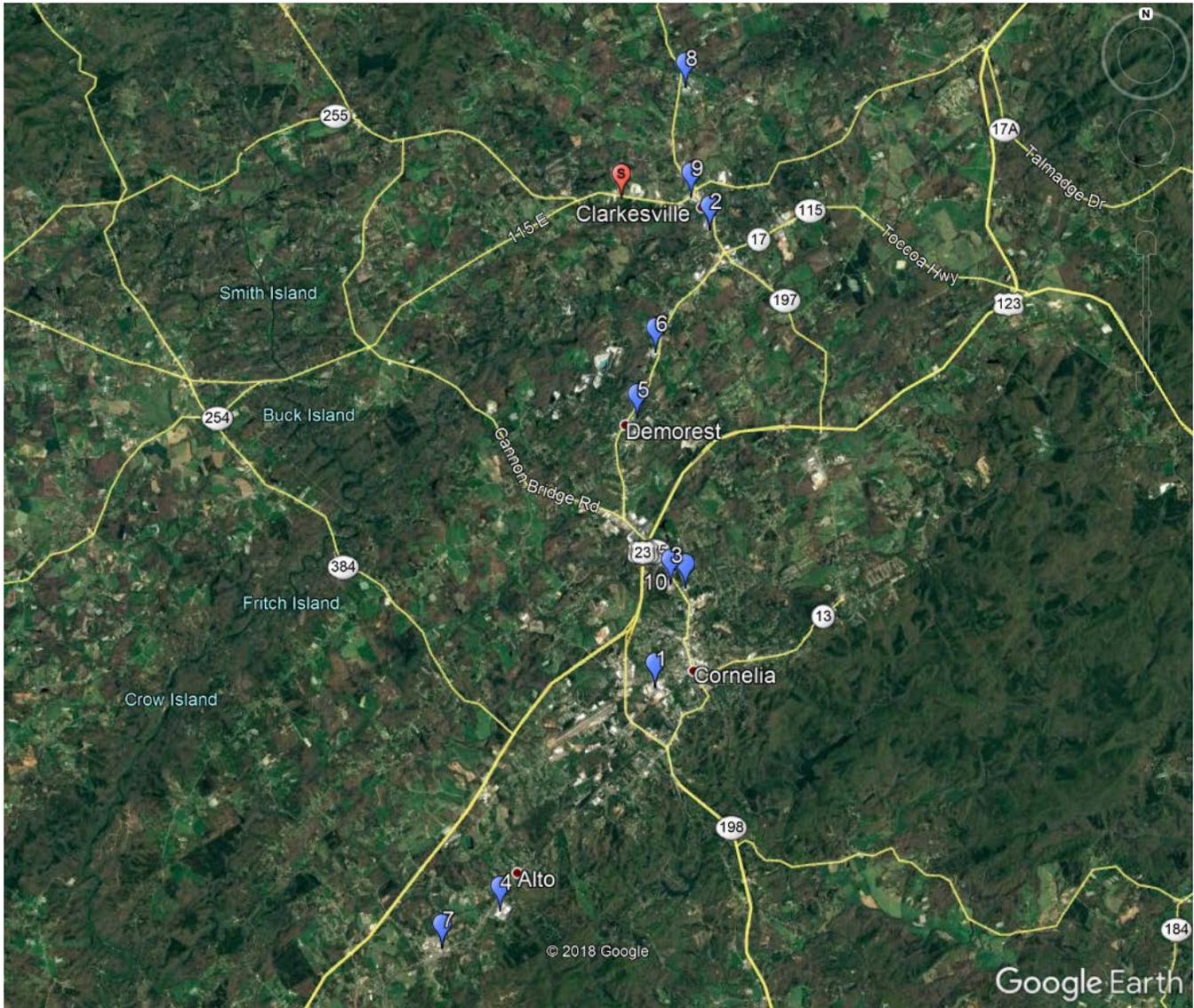
Source: U.S. Bureau of Labor Statistics, April 2019

Prior to the national recession, average employment growth in the SMA generally exceeded the nation. Annual job growth in the SMA outpaced the nation in three of the five years between 2003 and 2007. The effects of the recession were particularly pronounced in the SMA, which suffered a 16.0 percentage point contraction in employment growth (2007-2010), well below the 4.9 percentage point contraction reported by the nation as a whole (2007-2010). Since 2012, job growth in the SMA generally exceeded the nation. As of February 2019, total employment in the SMA is approaching a post-recessionary record, and increasing at an annualized rate of 0.3 percent, compared to 1.1 percent for the nation overall.

The SMA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the SMA, which experienced a 6.9 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the SMA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 3.7 percent, slightly lower than the current national unemployment rate of 4.1 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, April 2019.

MAJOR EMPLOYERS - HABERSHAM COUNTY, GA

Rank	Employer Name	Industry	# Of Employees
1	Fieldale Farms	Manufacturing	2,100
2	Habersham County Board of Education	Educational Services	994
3	Ethicon	Healthcare/Social Assistance	751
4	Mt. Vernon Mills	Manufacturing	725
5	Piedmont College	Educational Services	714
6	Habersham County Medical Center	Healthcare/Social Assistance	671
7	Lee Arrendale Correctional Institute	Public Administration	450
8	North Georgia Technical College	Educational Services	690
9	Habersham County Board of Commissioners	Public Administration	351
10	Global Tech	Prof/Scientific/Tech Services	301
Totals			7,747

Source: Development Authority of Habersham County, Georgia, April 2019

6. Conclusion

Employment in the PMA is concentrated in five industries which represent approximately 50.0 percent of total local employment. Two of these four, manufacturing and retail trade can be volatile resilient during periods of economic downturn while educational services and healthcare/social assistance are more resilient. Furthermore, Fieldale Farms is the area’s largest employer and is one of the largest privately owned poultry producers in the world. Fieldale Farms recently announced an expansion of 200 jobs to the area. It was incorporated in 1972 and has long been a staple of the community.

Overall, the SMA experienced moderate to strong total employment growth from 2011 through February 2019. As of February 2019, total employment in the SMA is approaching a post-recessionary record, and increasing at an annualized rate of 0.3 percent, compared to 1.1 percent across the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 3.7 percent, slightly lower than the current national unemployment rate of 4.1 percent. There has only been one Worker Adjustment and Retraining Notification (WARN) of notice since 2015 in which 71 layoffs occurred, because Navitor Southeast, a commercial printing company, shut down its base of operations in Habersham County. However, there have been several additions in a variety of industries including manufacturing, accommodation/food services, and professional services. Fieldale Farms recently completed a \$50-million expansion of its processing plant and added 200 jobs. Between 2015 and 2019, there were a total of 248 jobs created, which helps to counteract the 71 layoffs in the county during the same period. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase. The growing local economy is a positive indicator of demand for rental housing and the Subject’s proposed units.

G. 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). However, very few senior households have more than two persons. Therefore, we assume a maximum household size of two persons in our analysis.

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. The Subject’s location is considered a rural area as determined by USDA. Therefore, the Subject is eligible to use the national non-metropolitan rent and income limits, which are higher than the published rent and income limits for Habersham County.

2. Affordability

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%		Overall Affordable	
1BR	\$18,480	\$23,350	\$21,086	\$28,020	\$18,480	\$28,020
2BR	\$21,840	\$26,300	\$25,509	\$31,560	\$21,840	\$31,560
3BR	\$25,234	\$31,550	\$29,451	\$37,860	\$25,234	\$37,860

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.

Demand from New Households

The number of new households entering the market is the first level of demand calculated. We utilized 2021, the anticipated date of market entry, as the base year for the analysis. Therefore, 2018 household population estimates are inflated to 2021 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 2021. This number takes the overall growth from 2018 to 2021 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.

Demand from Existing Households

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

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

Demand from Elderly Homeowners likely to Convert to Rentership

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

3d. Other

Per the 2019 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.

Net Demand

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 are in properties that have not yet reached stabilized occupancy
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or are in properties that have not yet reached stabilized occupancy. 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. Peaks of Cornelia is a family property that was allocated in 2016 and opened in July 2018 for the new construction of 80 mixed-income units in Cornelia, Georgia. The property is located at 771 Level Grove Road, approximately 6.7 miles from the Subject. This property reached a stabilized occupancy rate in August 2018. Peaks of Cornelia offers 12 one, 40 two, and 28 three-bedroom units. Of these, 17 units are restricted to households earning 50 percent of the AMI, or less, 51 are restricted to households earning 60 percent of the AMI, or less, and 12 units are unrestricted. As this property has fully stabilized, we have not deducted its units from competitive supply. We were unable to identify any other competitive units in the PMA which have been recently allocated, placed in service, or are current in lease up.

Rehab Developments and PBRA

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

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

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 2021 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2018		Projected Mkt Entry June 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	743	15.7%	709	15.2%	685	14.8%
\$10,000-19,999	920	19.5%	882	18.9%	854	18.5%
\$20,000-29,999	868	18.4%	834	17.9%	809	17.5%
\$30,000-39,999	851	18.0%	842	18.1%	836	18.1%
\$40,000-49,999	411	8.7%	419	9.0%	424	9.2%
\$50,000-59,999	96	2.0%	101	2.2%	105	2.3%
\$60,000-74,999	256	5.4%	260	5.6%	262	5.7%
\$75,000-99,999	189	4.0%	190	4.1%	191	4.1%
\$100,000-124,999	118	2.5%	128	2.7%	135	2.9%
\$125,000-149,999	146	3.1%	154	3.3%	160	3.5%
\$150,000-199,999	79	1.7%	97	2.1%	110	2.4%
\$200,000+	44	0.9%	50	1.1%	55	1.2%
Total	4,721	100.0%	4,666	100.0%	4,626	100.0%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, April 2019

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$18,480		Maximum Income Limit		\$31,550	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry June 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-34	61.1%	\$0	0.0%	0		
\$10,000-19,999	-39	69.5%	\$1,519	15.2%	-6		
\$20,000-29,999	-34	62.1%	\$9,999	100.0%	-34		
\$30,000-39,999	-9	15.8%	\$1,550	15.5%	-1		
\$40,000-49,999	8	-13.7%	\$0	0.0%	0		
\$50,000-59,999	5	-9.5%	\$0	0.0%	0		
\$60,000-74,999	4	-6.3%	\$0	0.0%	0		
\$75,000-99,999	1	-2.1%	\$0	0.0%	0		
\$100,000-124,999	10	-17.9%	\$0	0.0%	0		
\$125,000-149,999	8	-14.7%	\$0	0.0%	0		
\$150,000-199,999	18	-32.6%	\$0	0.0%	0		
\$200,000+	6	-11.6%	\$0	0.0%	0		
Total	-55	100.0%		75.1%	-42		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$18,480		Maximum Income Limit		\$31,550	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	743	15.7%	\$0	0.0%	0		
\$10,000-19,999	920	19.5%	\$1,519	15.2%	140		
\$20,000-29,999	868	18.4%	\$9,999	100.0%	868		
\$30,000-39,999	851	18.0%	\$1,550	15.5%	132		
\$40,000-49,999	411	8.7%	\$0	0.0%	0		
\$50,000-59,999	96	2.0%	\$0	0.0%	0		
\$60,000-74,999	256	5.4%	\$0	0.0%	0		
\$75,000-99,999	189	4.0%	\$0	0.0%	0		
\$100,000-124,999	118	2.5%	\$0	0.0%	0		
\$125,000-149,999	146	3.1%	\$0	0.0%	0		
\$150,000-199,999	79	1.7%	\$0	0.0%	0		
\$200,000+	44	0.9%	\$0	0.0%	0		
Total	4,721	100.0%		24.1%	1,140		

ASSUMPTIONS - @50%

Tenancy	Family	% of Income towards Housing				35%
Rural/Urban	Rural	Maximum # of Occupants				5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	40%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2018 to June 2021

Income Target Population	@50%
New Renter Households PMA	-55
Percent Income Qualified	75.1%
New Renter Income Qualified Households	-42

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	4,721
Income Qualified	24.1%
Income Qualified Renter Households	1,140
Percent Rent Overburdened Pri Mrkt Entry June 2021	33.6%
Rent Overburdened Households	383

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,140
Percent Living in Substandard Housing	1.6%
Households Living in Substandard Housing	19

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	402
Total New Demand	-42
Total Demand (New Plus Existing Households)	360

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

By Bedroom Demand

One Person	33.1%	119
Two Persons	24.5%	88
Three Persons	14.9%	54
Four Persons	12.2%	44
Five Persons	15.3%	55
Total	100.0%	360

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
Of one-person households in 1BR units	90%	107
Of two-person households in 1BR units	20%	18
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
Of one-person households in 2BR units	10%	12
Of two-person households in 2BR units	80%	70
Of three-person households in 2BR units	60%	32
Of four-person households in 2BR units	30%	13
Of five-person households in 2BR units	0%	0
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	40%	22
Of four-person households in 3BR units	40%	18
Of five-person households in 3BR units	50%	28
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	30%	13
Of five-person households in 4BR units	50%	28
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 **360**

Total Demand (Subject Unit Types)		Additions to Supply		Net Demand	
0 BR	-	-	-	=	-
1 BR	125	-	0	=	125
2 BR	128	-	0	=	128
3 BR	67	-	0	=	67
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	320		0		320

Developer's Unit Mix		Net Demand		Capture Rate	
0 BR	-	/	-	=	-
1 BR	4	/	125	=	3.2%
2 BR	8	/	128	=	6.3%
3 BR	3	/	67	=	4.5%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	15		320		4.7%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$21,086		Maximum Income Limit		\$37,860	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry June 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-34	61.1%	\$0	0.0%	0		
\$10,000-19,999	-39	69.5%	\$0	0.0%	0		
\$20,000-29,999	-34	62.1%	\$8,913	89.1%	-31		
\$30,000-39,999	-9	15.8%	\$7,860	78.6%	-7		
\$40,000-49,999	8	-13.7%	\$0	0.0%	0		
\$50,000-59,999	5	-9.5%	\$0	0.0%	0		
\$60,000-74,999	4	-6.3%	\$0	0.0%	0		
\$75,000-99,999	1	-2.1%	\$0	0.0%	0		
\$100,000-124,999	10	-17.9%	\$0	0.0%	0		
\$125,000-149,999	8	-14.7%	\$0	0.0%	0		
\$150,000-199,999	18	-32.6%	\$0	0.0%	0		
\$200,000+	6	-11.6%	\$0	0.0%	0		
Total	-55	100.0%		67.8%	-38		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$21,086		Maximum Income Limit		\$37,860	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	743	15.7%	\$0	0.0%	0		
\$10,000-19,999	920	19.5%	\$0	0.0%	0		
\$20,000-29,999	868	18.4%	\$8,913	89.1%	774		
\$30,000-39,999	851	18.0%	\$7,860	78.6%	669		
\$40,000-49,999	411	8.7%	\$0	0.0%	0		
\$50,000-59,999	96	2.0%	\$0	0.0%	0		
\$60,000-74,999	256	5.4%	\$0	0.0%	0		
\$75,000-99,999	189	4.0%	\$0	0.0%	0		
\$100,000-124,999	118	2.5%	\$0	0.0%	0		
\$125,000-149,999	146	3.1%	\$0	0.0%	0		
\$150,000-199,999	79	1.7%	\$0	0.0%	0		
\$200,000+	44	0.9%	\$0	0.0%	0		
Total	4,721	100.0%		30.6%	1,443		

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%						
Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	40%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2018 to June 2021

Income Target Population	@60%
New Renter Households PMA	-55
Percent Income Qualified	67.8%
New Renter Income Qualified Households	-38

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	4,721
Income Qualified	30.6%
Income Qualified Renter Households	1,443
Percent Rent Overburdened Pri Mrkt Entry June 2021	33.6%
Rent Overburdened Households	485

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,443
Percent Living in Substandard Housing	1.6%
Households Living in Substandard Housing	24

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	509
Total New Demand	-38
Total Demand (New Plus Existing Households)	471

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

By Bedroom Demand

One Person	33.1%	156
Two Persons	24.5%	115
Three Persons	14.9%	70
Four Persons	12.2%	58
Five Persons	15.3%	72
Total	100.0%	471

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
Of one-person households in 1BR units	90%	140
Of two-person households in 1BR units	20%	23
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
Of one-person households in 2BR units	10%	16
Of two-person households in 2BR units	80%	92
Of three-person households in 2BR units	60%	42
Of four-person households in 2BR units	30%	17
Of five-person households in 2BR units	0%	0
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	40%	28
Of four-person households in 3BR units	40%	23
Of five-person households in 3BR units	50%	36
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	30%	17
Of five-person households in 4BR units	50%	36
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		471

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	163	-	0	=	163
2 BR	167	-	0	=	167
3 BR	87	-	0	=	87
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	418		0		418

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	16	/	163	=	9.8%
2 BR	32	/	167	=	19.1%
3 BR	9	/	87	=	10.3%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	57		418		13.6%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,480		Maximum Income Limit		\$37,860	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry June 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-34	61.1%	\$0	0.0%	0		
\$10,000-19,999	-39	69.5%	\$1,519	15.2%	-6		
\$20,000-29,999	-34	62.1%	\$9,999	100.0%	-34		
\$30,000-39,999	-9	15.8%	\$7,860	78.6%	-7		
\$40,000-49,999	8	-13.7%	\$0	0.0%	0		
\$50,000-59,999	5	-9.5%	\$0	0.0%	0		
\$60,000-74,999	4	-6.3%	\$0	0.0%	0		
\$75,000-99,999	1	-2.1%	\$0	0.0%	0		
\$100,000-124,999	10	-17.9%	\$0	0.0%	0		
\$125,000-149,999	8	-14.7%	\$0	0.0%	0		
\$150,000-199,999	18	-32.6%	\$0	0.0%	0		
\$200,000+	6	-11.6%	\$0	0.0%	0		
Total	-55	100.0%		85.1%	-47		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,480		Maximum Income Limit		\$37,860	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	743	15.7%	\$0	0.0%	0		
\$10,000-19,999	920	19.5%	\$1,519	15.2%	140		
\$20,000-29,999	868	18.4%	\$9,999	100.0%	868		
\$30,000-39,999	851	18.0%	\$7,860	78.6%	669		
\$40,000-49,999	411	8.7%	\$0	0.0%	0		
\$50,000-59,999	96	2.0%	\$0	0.0%	0		
\$60,000-74,999	256	5.4%	\$0	0.0%	0		
\$75,000-99,999	189	4.0%	\$0	0.0%	0		
\$100,000-124,999	118	2.5%	\$0	0.0%	0		
\$125,000-149,999	146	3.1%	\$0	0.0%	0		
\$150,000-199,999	79	1.7%	\$0	0.0%	0		
\$200,000+	44	0.9%	\$0	0.0%	0		
Total	4,721	100.0%		35.5%	1,677		

ASSUMPTIONS - Overall

Tenancy	Family	% of Income towards Housing				35%
Rural/Urban	Rural	Maximum # of Occupants				5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	40%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2018 to June 2021

Income Target Population	Overall
New Renter Households PMA	-55
Percent Income Qualified	85.1%
New Renter Income Qualified Households	-47

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	4,721
Income Qualified	35.5%
Income Qualified Renter Households	1,677
Percent Rent Overburdened Pri Mrkt Entry June 2021	33.6%
Rent Overburdened Households	564

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,677
Percent Living in Substandard Housing	1.6%
Households Living in Substandard Housing	28

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	591
Total New Demand	-47
Total Demand (New Plus Existing Households)	544

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

By Bedroom Demand

One Person	33.1%	180
Two Persons	24.5%	133
Three Persons	14.9%	81
Four Persons	12.2%	66
Five Persons	15.3%	83
Total	100.0%	544

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
Of one-person households in 1BR units	90%	162
Of two-person households in 1BR units	20%	27
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
Of one-person households in 2BR units	10%	18
Of two-person households in 2BR units	80%	106
Of three-person households in 2BR units	60%	49
Of four-person households in 2BR units	30%	20
Of five-person households in 2BR units	0%	0
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	40%	32
Of four-person households in 3BR units	40%	27
Of five-person households in 3BR units	50%	42
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	30%	20
Of five-person households in 4BR units	50%	42
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		544

Total Demand (Subject Unit Types)		Additions to Supply		Net Demand	
0 BR	-	-	0	=	-
1 BR	189	-	0	=	189
2 BR	193	-	0	=	193
3 BR	101	-	0	=	101
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	483		0		483

Developer's Unit Mix		Net Demand		Capture Rate	
0 BR	-	/	-	=	-
1 BR	20	/	189	=	10.6%
2 BR	40	/	193	=	20.7%
3 BR	12	/	101	=	11.9%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	72		483		14.9%

4. Capture Rate Analysis Chart

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 0.7 percent between 2018 and 2021.
- 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 @50% AMI (\$18,480 to \$31,550)	HH at @60% AMI (\$21,086 to \$37,860)	Overall Demand
Demand from New Households (age and income appropriate)	-42	-38	-47
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	383	485	564
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	19	24	28
=	=	=	=
Sub Total	360	471	544
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0
Equals Total Demand	360	471	544
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	360	471	544

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 @50%	\$18,480	\$23,350	4	125	0	125	3.2%	Four months	\$538	\$400	\$800	\$438
1BR @60%	\$21,086	\$28,020	16	163	0	163	9.8%	Four months	\$588	\$460	\$800	\$514
1BR Overall	\$18,480	\$28,020	20	189	0	189	10.6%	Four months	-	-	-	-
2BR @50%	\$21,840	\$26,300	8	128	0	128	6.3%	Four months	\$665	\$455	\$945	\$510
2BR @60%	\$25,509	\$31,560	32	167	0	167	19.1%	Four months	\$720	\$550	\$945	\$617
2BR Overall	\$21,840	\$31,560	40	193	0	193	20.7%	Four months	-	-	-	-
3BR @50%	\$25,234	\$31,550	3	67	0	67	4.5%	Four months	\$711	\$506	\$1,020	\$576
3BR @60%	\$29,451	\$37,860	9	87	0	87	10.3%	Four months	\$783	\$630	\$1,020	\$699
3BR Overall	\$25,234	\$37,860	12	101	0	101	11.9%	Four months	-	-	-	-
@50% Overall	\$18,480	\$31,550	15	320	0	320	4.7%	Four months	-	-	-	-
@60% Overall	\$21,086	\$37,860	57	418	0	418	13.6%	Four months	-	-	-	-
Overall	\$18,480	\$37,860	72	483	0	483	14.9%	Four months	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 3.2 to 6.3 percent, with an overall capture rate of 4.7 percent. The Subject’s 60 percent AMI capture rates range from 9.8 to 19.1 percent, with an overall capture rate of 13.6 percent. The overall capture rate for the project’s 50 and 60 percent units is 14.9 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

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 eight “true” comparable properties containing 492 units.

The availability of LIHTC data is considered average; there are four LIHTC properties in the PMA. We included one LIHTC and three mixed-income properties in our analysis. These comparables were built or renovated between 2006 and 2018. Two of the comparable LIHTC properties, Heritage Gardens and Peaks of Cornelia, are located within the PMA in Cornelia approximately 6.1 and 7.2 miles south of the Subject, respectively. The remaining LIHTC comparables are located 14.4 and 12.3 miles from the Subject site in Toccoa and Cleveland, respectively. These comparables are considered reasonable proxies for the Subject as they are the most proximate LIHTC properties similar in age and condition. Toccoa is an inferior location to the Subject in terms of median household incomes and median rent while Cleveland is considered a similar location to the Subject in terms of median household income and median rent. Manor Place and Green Mountain Village are located within the PMA and have been excluded as they both target senior tenancy.

The availability of market rate data is considered average. The Subject is located in Clarkesville and there are several market-rate properties in the area. We included four conventional properties in our analysis of the competitive market. All but one of the market rate properties are located in the PMA, between 3.7 and 8.2 miles from the Subject site. The remaining market-rate comparable is located 13.0 miles from the Subject site in Cleveland. These comparables were built or renovated between 1982 and 2014. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity and unit types.

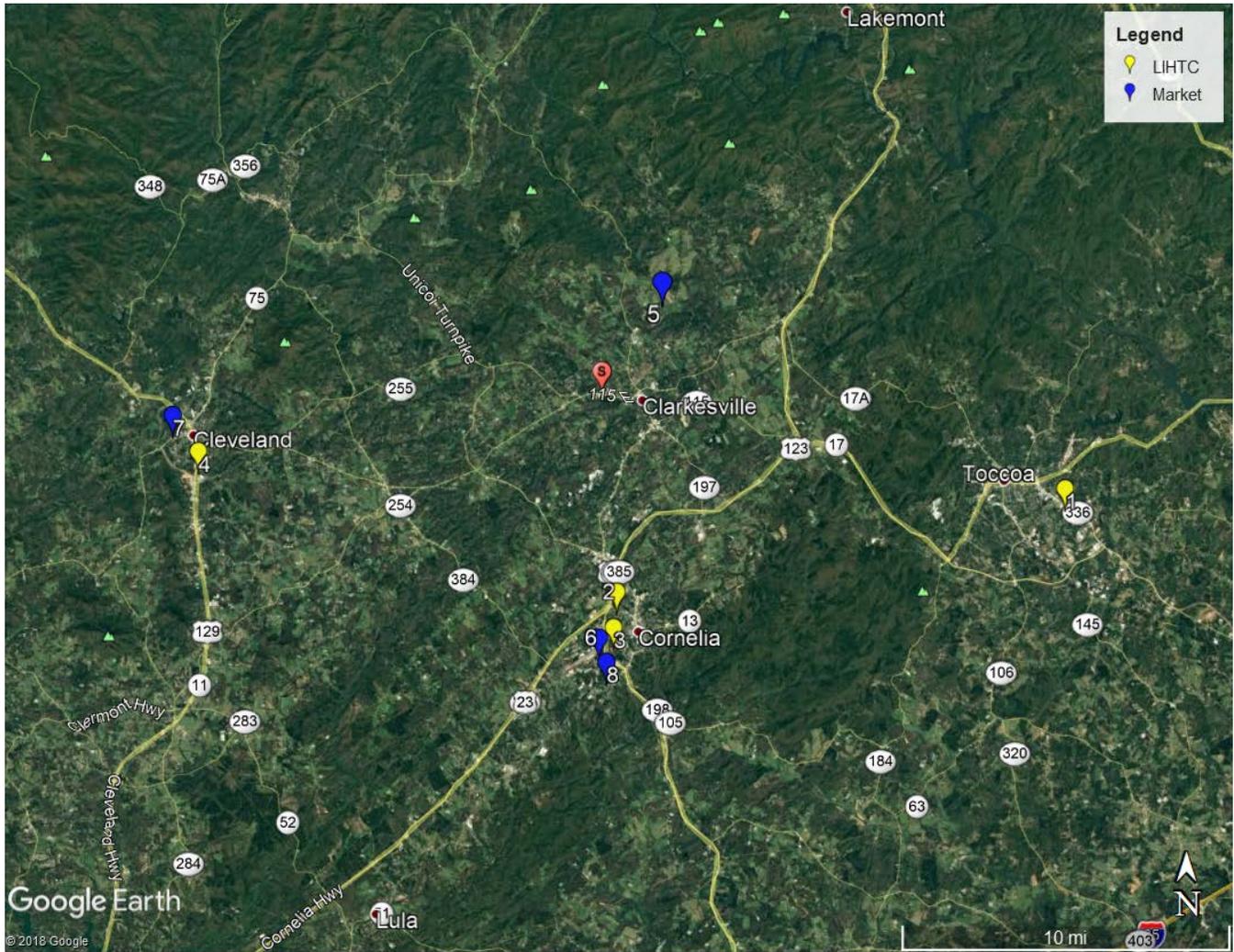
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the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

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
Sutton Terrace	LIHTC	Clarkesville	Family	72	-
Green Mountain Village	LIHTC	Cornelia	Senior	64	Differing Tenancy
Manor Place	LIHTC	Cornelia	Senior	35	Differing Tenancy
Cornelia Housing	Public Housing	Cornelia	Family	154	Subsidized
Habersham Housing	Public Housing	Clarkesville	Family	130	Subsidized
Stephens Banks	Public Housing	Toccoa	Family	103	Subsidized
Baldwin Court Apartments	Rural Development	Cornelia	Family	44	Subsidized
Cornelia Apartments	Rural Development	Cornelia	Family	20	Subsidized
Demorest Apartments	Rural Development	Demorest	Family	28	Subsidized
AMP 5 Scattered Sites	Section 8	Clarkesville	Family	129	Subsidized
Toccoa Pines Apartments	Section 8	Toccoa	Family	86	Subsidized
Kensington Townhomes	Market	Demorest	Family	23	Unable to contact
Pine Forest Village Apartments I	Market	Baldwin	Family	24	Unable to contact
Pine Forest Village Apartments II	Market	Baldwin	Family	24	Unable to contact

Comparable Rental Property Map



Source: Google Earth, April 2019.

COMPARABLE PROPERTIES

#	Property Name	Type	Distance from Subject
S	Sutton Terrace	LIHTC	-
1	Fern Point Apartments*	LIHTC	14.4 miles
2	Heritage Gardens	LIHTC, Market	6.1 miles
3	Peaks Of Cornelia	LIHTC, Market	7.2 miles
4	Whitehall Commons*	LIHTC, Market	12.3 miles
5	Cameron At Clarkesville	Market	3.7 miles
6	Crown Point Apartments	Market	7.5 miles
7	Hidden Creek Apartments*	Market	13.0 miles
8	Willow Tree Apartments	Market	8.2 miles

*Located outside PMA

SUTTON TERRACE – CLARKESVILLE, 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	Sutton Terrace 5976 State Highway 115 Clarkesville, GA 30523 Habersham County	-	Garden 3-stories 2021 / n/a Family	@50%, @60%	1BR / 1BA	4	5.6%	750	@50%	\$438	N/A	No	N/A	N/A
					1BR / 1BA	16	22.2%	750	@60%	\$514	N/A	No	N/A	N/A
					2BR / 2BA	8	11.1%	950	@50%	\$510	N/A	No	N/A	N/A
					2BR / 2BA	32	44.4%	950	@60%	\$617	N/A	No	N/A	N/A
					3BR / 2BA	3	4.2%	1,150	@50%	\$576	N/A	No	N/A	N/A
					3BR / 2BA	9	12.5%	1,150	@60%	\$699	N/A	No	N/A	N/A
					<u>72</u>									
1	Fern Point Apartments 280 Fern Point Drive Toccoa, GA 30577 Stephens County	14.4 miles	Garden 2-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	2	4.2%	775	@50%	\$410	Yes	Yes	0	0.0%
					1BR / 1BA	8	16.7%	775	@60%	\$460	Yes	Yes	0	0.0%
					2BR / 2BA	4	8.3%	1,162	@50%	\$455	Yes	Yes	1	25.0%
					2BR / 2BA	24	50.0%	1,162	@60%	\$550	Yes	Yes	1	4.2%
					3BR / 2BA	2	4.2%	1,260	@50%	\$515	Yes	Yes	0	0.0%
					3BR / 2BA	8	16.7%	1,260	@60%	\$630	Yes	Yes	0	0.0%
					<u>48</u>									
2	Heritage Gardens 110 Heritage Gardens Drive Cornelia, GA 30531 Habersham County	6.1 miles	Garden 4-stories 1998 / 2006 Family	@30%, @50%, @60%, Market	1BR / 1BA	2	2.5%	856	@30%	\$255	Yes	Yes	0	0.0%
					1BR / 1BA	11	13.8%	856	@50%	\$453	Yes	Yes	0	0.0%
					1BR / 1BA	3	3.8%	856	@60%	\$553	Yes	Yes	0	0.0%
					1BR / 1BA	4	5.0%	856	Market	\$657	N/A	No	0	0.0%
					2BR / 2BA	5	6.3%	1,074	@30%	\$307	Yes	Yes	0	0.0%
					2BR / 2BA	18	22.5%	1,074	@50%	\$546	Yes	Yes	0	0.0%
					2BR / 2BA	9	11.3%	1,074	@60%	\$665	Yes	Yes	0	0.0%
					2BR / 2BA	8	10.0%	1,074	Market	\$750	N/A	No	0	0.0%
					3BR / 2BA	2	2.5%	1,304	@30%	\$350	Yes	Yes	0	0.0%
					3BR / 2BA	11	13.8%	1,304	@50%	\$626	Yes	Yes	0	0.0%
					3BR / 2BA	3	3.8%	1,304	@60%	\$763	Yes	Yes	0	0.0%
3BR / 2BA	4	5.0%	1,304	Market	\$838	N/A	No	0	0.0%					
<u>80</u>														
3	Peaks Of Cornelia 771 Level Grove Road Cornelia, GA 30531 Habersham County	7.2 miles	Garden 2-stories 2018 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	3.8%	700	@50%	\$400	Yes	Yes	0	0.0%
					1BR / 1BA	7	8.8%	700	@60%	\$498	Yes	Yes	0	0.0%
					1BR / 1BA	2	2.5%	700	Market	\$602	N/A	Yes	0	0.0%
					2BR / 2BA	8	10.0%	1,050	@50%	\$460	Yes	Yes	0	0.0%
					2BR / 2BA	26	32.5%	1,050	@60%	\$579	Yes	Yes	0	0.0%
					2BR / 2BA	6	7.5%	1,050	Market	\$682	N/A	Yes	0	0.0%
					3BR / 2BA	6	7.5%	1,200	@50%	\$506	Yes	Yes	0	0.0%
					3BR / 2BA	18	22.5%	1,200	@60%	\$643	Yes	Yes	0	0.0%
					3BR / 2BA	4	5.0%	1,200	Market	\$761	N/A	Yes	0	0.0%
					<u>80</u>									
4	Whitehall Commons 29 Whitehall Commons Lane Cleveland, GA 30528 White County	12.3 miles	Garden 3-stories 2009 / n/a Family	@50%, @60%, Market	2BR / 2BA	15	23.4%	1,143	@50%	\$487	Yes	Yes	0	0.0%
					2BR / 2BA	15	23.4%	1,143	@60%	\$611	Yes	Yes	0	0.0%
					2BR / 2BA	10	15.6%	1,143	Market	\$775	N/A	Yes	0	0.0%
					3BR / 2BA	6	9.4%	1,384	@50%	\$549	Yes	Yes	0	0.0%
					3BR / 2BA	6	9.4%	1,384	@60%	\$692	Yes	Yes	0	0.0%
					3BR / 2BA	6	9.4%	1,384	Market	\$875	N/A	Yes	0	0.0%
					4BR / 2BA	2	3.1%	1,600	@50%	\$597	Yes	Yes	0	0.0%
					4BR / 2BA	2	3.1%	1,600	@60%	\$756	Yes	Yes	0	0.0%
					4BR / 2BA	2	3.1%	1,600	Market	\$975	N/A	Yes	0	0.0%
					<u>64</u>									
5	Cameron At Clarkesville 130 Cameron Circle Clarkesville, GA 30523 Habersham County	3.7 miles	Garden 3-stories 2005 / n/a Family	Market	1BR / 1BA	4	6.7%	790	Market	\$800	N/A	Yes	0	0.0%
					2BR / 2BA	20	33.3%	1,078	Market	\$935	N/A	Yes	0	0.0%
					3BR / 2BA	36	60.0%	1,234	Market	\$1,020	N/A	Yes	0	0.0%
					<u>60</u>									
6	Crown Point Apartments 112-120 Crown Point Dr Cornelia, GA 30531 Habersham County	7.5 miles	Garden 2-stories 1996 / 2014 Family	Market	2BR / 1BA	20	50.0%	800	Market	\$895	N/A	No	0	0.0%
					2BR / 2BA	20	50.0%	850	Market	\$945	N/A	No	0	0.0%
					<u>40</u>									
7	Hidden Creek Apartments 87 Bertha Court Cleveland, GA 30528 White County	13.0 miles	Various 1-stories 1997 / n/a Family	Market	1BR / 1BA	14	29.2%	950	Market	\$545	N/A	Yes	0	0.0%
					2BR / 2BA	14	29.2%	1,000	Market	\$635	N/A	Yes	0	0.0%
					2BR / 2BA	14	29.2%	1,100	Market	\$735	N/A	Yes	0	0.0%
					3BR / 2BA	6	12.5%	1,300	Market	\$825	N/A	Yes	0	0.0%
<u>48</u>														
8	Willow Tree Apartments 193 Willow Tree Ave Baldwin, GA 30511 Habersham County	8.2 miles	Garden 2-stories 1982 / n/a Family	Market	2BR / 1BA	72	100.0%	870	Market	\$600	N/A	es - 20HH:	0	0.0%
<u>72</u>														
<u>0</u>														
<u>0.0%</u>														

SUTTON TERRACE – CLARKESVILLE, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.							
		Units Surveyed: 492	Weighted Occupancy: 99.6%				
		Market Rate 220	Market Rate 100.0%				
		Tax Credit 272	Tax Credit 99.3%				
		One-Bedroom One Bath		Two-Bedroom Two Bath		Three-Bedroom Two Bath	
		Property	Average	Property	Average	Property	Average
RENT	Cameron At Clarkesville (Market)	\$800	Crown Point Apartments (Market)	\$945	Cameron At Clarkesville (Market)	\$1,020	
	Heritage Gardens (Market)	\$657	Cameron At Clarkesville (Market)	\$935	Whitehall Commons (Market)	\$875	
	Peaks Of Cornelia (Market)	\$602	Crown Point Apartments (Market)(1BA)	\$895	Heritage Gardens (Market)	\$838	
	Heritage Gardens (@60%)	\$553	Whitehall Commons (Market)	\$775	Hidden Creek Apartments (Market)	\$825	
	Hidden Creek Apartments (Market)	\$545	Heritage Gardens (Market)	\$750	Heritage Gardens (@60%)	\$763	
	Sutton Terrace (@60%)	\$514	Hidden Creek Apartments (Market)	\$735	Peaks Of Cornelia (Market)	\$761	
	Peaks Of Cornelia (@60%)	\$498	Peaks Of Cornelia (Market)	\$682	Sutton Terrace (@60%)	\$699	
	Fern Point Apartments (@60%)	\$460	Heritage Gardens (@60%)	\$665	Whitehall Commons (@60%)	\$692	
	Heritage Gardens (@50%)	\$453	Hidden Creek Apartments (Market)	\$635	Peaks Of Cornelia (@60%)	\$643	
	Sutton Terrace (@50%)	\$438	Sutton Terrace (@60%)	\$617	Fern Point Apartments (@60%)	\$630	
	Fern Point Apartments (@50%)	\$410	Whitehall Commons (@60%)	\$611	Heritage Gardens (@50%)	\$626	
	Peaks Of Cornelia (@50%)	\$400	Willow Tree Apartments (Market)(1BA)	\$600	Sutton Terrace (@50%)	\$576	
	Heritage Gardens (@30%)	\$255	Peaks Of Cornelia (@60%)	\$579	Whitehall Commons (@50%)	\$549	
			Fern Point Apartments (@60%)	\$550	Fern Point Apartments (@50%)	\$515	
			Heritage Gardens (@50%)	\$546	Peaks Of Cornelia (@50%)	\$506	
		Sutton Terrace (@50%)	\$510	Heritage Gardens (@30%)	\$350		
		Whitehall Commons (@50%)	\$487				
		Peaks Of Cornelia (@50%)	\$460				
		Fern Point Apartments (@50%)	\$455				
		Heritage Gardens (@30%)	\$307				
SQUARE FOOTAGE	Hidden Creek Apartments (Market)	950	Fern Point Apartments (@50%)	1,162	Whitehall Commons (@60%)	1,384	
	Heritage Gardens (Market)	856	Fern Point Apartments (@60%)	1,162	Whitehall Commons (@50%)	1,384	
	Heritage Gardens (@30%)	856	Whitehall Commons (Market)	1,143	Whitehall Commons (Market)	1,384	
	Heritage Gardens (@50%)	856	Whitehall Commons (@60%)	1,143	Heritage Gardens (@60%)	1,304	
	Heritage Gardens (@60%)	856	Whitehall Commons (@50%)	1,143	Heritage Gardens (@30%)	1,304	
	Cameron At Clarkesville (Market)	790	Hidden Creek Apartments (Market)	1,100	Heritage Gardens (@50%)	1,304	
	Fern Point Apartments (@60%)	775	Cameron At Clarkesville (Market)	1,078	Heritage Gardens (Market)	1,304	
	Fern Point Apartments (@50%)	775	Heritage Gardens (@50%)	1,074	Hidden Creek Apartments (Market)	1,300	
	Sutton Terrace (@60%)	750	Heritage Gardens (@60%)	1,074	Fern Point Apartments (@50%)	1,260	
	Sutton Terrace (@50%)	750	Heritage Gardens (Market)	1,074	Fern Point Apartments (@60%)	1,260	
	Peaks Of Cornelia (Market)	700	Heritage Gardens (@30%)	1,074	Cameron At Clarkesville (Market)	1,234	
	Peaks Of Cornelia (@50%)	700	Peaks Of Cornelia (Market)	1,050	Peaks Of Cornelia (Market)	1,200	
	Peaks Of Cornelia (@60%)	700	Peaks Of Cornelia (@60%)	1,050	Peaks Of Cornelia (@50%)	1,200	
			Peaks Of Cornelia (@50%)	1,050	Peaks Of Cornelia (@60%)	1,200	
			Hidden Creek Apartments (Market)	1,000	Sutton Terrace (@60%)	1,150	
		Sutton Terrace (@50%)	950	Sutton Terrace (@50%)	1,150		
		Sutton Terrace (@60%)	950				
		Willow Tree Apartments (Market)(1BA)	870				
		Crown Point Apartments (Market)	850				
		Crown Point Apartments (Market)(1BA)	800				
RENT PER SQUARE FOOT	Cameron At Clarkesville (Market)	\$1.01	Crown Point Apartments (Market)(1BA)	\$1.12	Cameron At Clarkesville (Market)	\$0.83	
	Peaks Of Cornelia (Market)	\$0.86	Crown Point Apartments (Market)	\$1.11	Heritage Gardens (Market)	\$0.64	
	Heritage Gardens (Market)	\$0.77	Cameron At Clarkesville (Market)	\$0.87	Hidden Creek Apartments (Market)	\$0.63	
	Peaks Of Cornelia (@60%)	\$0.71	Heritage Gardens (Market)	\$0.70	Peaks Of Cornelia (Market)	\$0.63	
	Sutton Terrace (@60%)	\$0.69	Willow Tree Apartments (Market)(1BA)	\$0.69	Whitehall Commons (Market)	\$0.63	
	Heritage Gardens (@60%)	\$0.65	Whitehall Commons (Market)	\$0.68	Sutton Terrace (@60%)	\$0.61	
	Fern Point Apartments (@60%)	\$0.59	Hidden Creek Apartments (Market)	\$0.67	Heritage Gardens (@60%)	\$0.59	
	Sutton Terrace (@50%)	\$0.58	Peaks Of Cornelia (Market)	\$0.65	Peaks Of Cornelia (@60%)	\$0.54	
	Hidden Creek Apartments (Market)	\$0.57	Sutton Terrace (@60%)	\$0.65	Sutton Terrace (@50%)	\$0.50	
	Peaks Of Cornelia (@50%)	\$0.57	Hidden Creek Apartments (Market)	\$0.64	Whitehall Commons (@60%)	\$0.50	
	Heritage Gardens (@50%)	\$0.53	Heritage Gardens (@60%)	\$0.62	Fern Point Apartments (@60%)	\$0.50	
	Fern Point Apartments (@50%)	\$0.53	Peaks Of Cornelia (@60%)	\$0.55	Heritage Gardens (@50%)	\$0.48	
	Heritage Gardens (@30%)	\$0.30	Sutton Terrace (@50%)	\$0.54	Peaks Of Cornelia (@50%)	\$0.42	
			Whitehall Commons (@60%)	\$0.53	Fern Point Apartments (@50%)	\$0.41	
			Heritage Gardens (@50%)	\$0.51	Whitehall Commons (@50%)	\$0.40	
		Fern Point Apartments (@60%)	\$0.47	Heritage Gardens (@30%)	\$0.27		
		Peaks Of Cornelia (@50%)	\$0.44				
		Whitehall Commons (@50%)	\$0.43				
		Fern Point Apartments (@50%)	\$0.39				
		Heritage Gardens (@30%)	\$0.29				

PROPERTY PROFILE REPORT

Fern Point Apartments

Effective Rent Date	4/08/2019
Location	280 Fern Point Drive Toccoa, GA 30577 Stephens County
Distance	14.4 miles
Units	48
Vacant Units	2
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly families from different areas
Contact Name	Anna
Phone	706-886-0349



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes; nine 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)	2	775	\$410	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	8	775	\$460	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	4	1,162	\$455	\$0	@50%	Yes	1	25.0%	yes	None
2	2	Garden (2 stories)	24	1,162	\$550	\$0	@60%	Yes	1	4.2%	yes	None
3	2	Garden (2 stories)	2	1,260	\$515	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	8	1,260	\$630	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$410	\$0	\$410	\$0	\$410	1BR / 1BA	\$460	\$0	\$460	\$0	\$460
2BR / 2BA	\$455	\$0	\$455	\$0	\$455	2BR / 2BA	\$550	\$0	\$550	\$0	\$550
3BR / 2BA	\$515	\$0	\$515	\$0	\$515	3BR / 2BA	\$630	\$0	\$630	\$0	\$630

Fern Point Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Walking trail
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Playground			

Comments

The property accepts Housing Choice Vouchers. However, at this time there are no tenants currently utilizing these vouchers. The contact stated that she has two vacant units, but one of those units is pre-leased. Management maintains a waiting list of nine households. The contact stated that she believes demand for rental housing in the area is very high, because she sees a lot of prospective tenants.

Photos



PROPERTY PROFILE REPORT

Heritage Gardens

Effective Rent Date 4/08/2019
Location 110 Heritage Gardens Drive
 Cornelia, GA 30531
 Habersham County
Distance 6.1 miles
Units 80
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (4 stories)
Year Built/Renovated 1998 / 2006
Marketing Began N/A
Leasing Began 10/01/2006
Last Unit Leased N/A
Major Competitors Pine Forest and Demorest Apts
Tenant Characteristics Mixed tenancy from the area
Contact Name Beverly
Phone 706-778-1814



Market Information

Program @30%, @50%, @60%, Market
Annual Turnover Rate 30%
Units/Month Absorbed 9
HCV Tenants 1%
Leasing Pace Preleased
Annual Chg. in Rent LIHTC kept at max, Market increased 6-7%
Concession None
Waiting List Yes; unknown amount

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	2	856	\$298	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (4 stories)	11	856	\$496	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (4 stories)	3	856	\$596	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (4 stories)	4	856	\$700	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	5	1,074	\$357	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	18	1,074	\$596	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	9	1,074	\$715	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	8	1,074	\$800	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (4 stories)	2	1,304	\$412	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	11	1,304	\$688	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	3	1,304	\$825	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	4	1,304	\$900	\$0	Market	No	0	0.0%	N/A	None

Photos



PROPERTY PROFILE REPORT

Peaks Of Cornelia

Effective Rent Date	4/08/2019
Location	771 Level Grove Road Cornelia, GA 30531 Habersham County
Distance	7.2 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy mostly from a 100 mile radius
Contact Name	Trish
Phone	706-778-6000



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	N/A
Units/Month Absorbed	20
HCV Tenants	1%
Leasing Pace	Pre-lease
Annual Chg. in Rent	LIHTC increased to max; Market increased 4-
Concession	None
Waiting List	Yes; 89 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)	3	700	\$400	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	7	700	\$498	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	2	700	\$602	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	8	1,050	\$460	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	26	1,050	\$579	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	6	1,050	\$682	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	6	1,200	\$506	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	18	1,200	\$643	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	4	1,200	\$761	\$0	Market	Yes	0	0.0%	N/A	None

Peaks Of Cornelia, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$400	\$0	\$400	\$0	\$400	1BR / 1BA	\$498	\$0	\$498	\$0	\$498
2BR / 2BA	\$460	\$0	\$460	\$0	\$460	2BR / 2BA	\$579	\$0	\$579	\$0	\$579
3BR / 2BA	\$506	\$0	\$506	\$0	\$506	3BR / 2BA	\$643	\$0	\$643	\$0	\$643
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
1BR / 1BA	\$602	\$0	\$602	\$0	\$602						
2BR / 2BA	\$682	\$0	\$682	\$0	\$682						
3BR / 2BA	\$761	\$0	\$761	\$0	\$761						

Amenities

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

Comments

The property accepts Housing Choice Vouchers. Currently one tenant is utilizing these vouchers. Management maintains a waiting list of 89 households. The contact stated that the property opened in July 2018 and reached 100 percent occupancy on August 2nd, 2018. She also stated that they began pre-leasing their units in April 2018. The contact also stated that there had been three turnovers since the property opened. Lastly, she claimed that she believes demand for affordable housing in the area is high.

Photos



PROPERTY PROFILE REPORT

Whitehall Commons

Effective Rent Date	4/10/2019
Location	29 Whitehall Commons Lane Cleveland, GA 30528 White County
Distance	12.3 miles
Units	64
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy; majority families with 2-3 kids from White County
Contact Name	Nell
Phone	706-219-4100



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to within a few days
Annual Chg. in Rent	LIHTC increased to max, Market increased 3%
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	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	15	1,143	\$487	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	15	1,143	\$611	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	10	1,143	\$775	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	6	1,384	\$549	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	6	1,384	\$692	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	6	1,384	\$875	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Garden (3 stories)	2	1,600	\$597	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,600	\$756	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,600	\$975	\$0	Market	Yes	0	0.0%	N/A	None

Whitehall Commons, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$487	\$0	\$487	\$0	\$487	2BR / 2BA	\$611	\$0	\$611	\$0	\$611
3BR / 2BA	\$549	\$0	\$549	\$0	\$549	3BR / 2BA	\$692	\$0	\$692	\$0	\$692
4BR / 2BA	\$597	\$0	\$597	\$0	\$597	4BR / 2BA	\$756	\$0	\$756	\$0	\$756
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$775	\$0	\$775	\$0	\$775						
3BR / 2BA	\$875	\$0	\$875	\$0	\$875						
4BR / 2BA	\$975	\$0	\$975	\$0	\$975						

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	None	Adult Education
Carpeting	Central A/C		Computer Tutoring
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Gazebo, dog park
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Service Coordination		
Swimming Pool			

Comments

The property accepts Housing Choice Vouchers. However, there are currently no tenants utilizing these vouchers. This property maintains a waiting list that consists of 25 households. The property contact also noted stable occupancy over the past year. Currently, the property is at maximum allowable rent levels. The contact stated that he believes there is strong demand for affordable housing in the area, and said that he thought there was even stronger demand for low income housing in the area.

Photos



PROPERTY PROFILE REPORT

Cameron At Clarkesville

Effective Rent Date	4/08/2019
Location	130 Cameron Circle Clarkesville, GA 30523 Habersham County
Distance	3.7 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	6/01/2005
Last Unit Leased	6/01/2006
Major Competitors	Properties in Demorest
Tenant Characteristics	Nomadic workers and seniors, come from Toccoa
Contact Name	Brianna
Phone	706-839-1067



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	5
HCV Tenants	N/A
Leasing Pace	Pre-leased to 2 weeks
Annual Chg. in Rent	Increased 10-12%
Concession	None
Waiting List	Yes

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	4	790	\$800	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	20	1,078	\$935	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	36	1,234	\$1,020	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$800	\$0	\$800	\$0	\$800
2BR / 2BA	\$935	\$0	\$935	\$0	\$935
3BR / 2BA	\$1,020	\$0	\$1,020	\$0	\$1,020

Cameron At Clarkesville, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Video Surveillance	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Garage(\$50.00)	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. According to the contact, the property maintains a waiting list. However, she was unable to identify how many households were on the list, but she considered it "lengthy". Garages and storage units are available to tenants for \$50 and \$10 per month, respectively.

Photos



PROPERTY PROFILE REPORT

Crown Point Apartments

Effective Rent Date	4/08/2019
Location	112-120 Crown Point Dr Cornelia, GA 30531 Habersham County
Distance	7.5 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1996 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Heritage Garden
Tenant Characteristics	Small families and couples, come from Cornelia area mostly
Contact Name	Joline
Phone	706-778-8001



Market Information

Program	Market
Annual Turnover Rate	78%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 5-6%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	20	800	\$895	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	20	850	\$945	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$895	\$0	\$895	\$0	\$895
2BR / 2BA	\$945	\$0	\$945	\$0	\$945

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Microwave		
Refrigerator		
Property	Premium	Other
Off-Street Parking(\$0.00)	None	None

Comments

The property accepts Housing Choice Vouchers. There are currently four tenants utilizing these vouchers. The contact stated that she believes demand for rental housing in the area is high, because the prospective tenants she talks with mention that they are struggling to find good, affordable homes.

Photos



PROPERTY PROFILE REPORT

Hidden Creek Apartments

Effective Rent Date	4/10/2019
Location	87 Bertha Court Cleveland, GA 30528 White County
Distance	13 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1997 / 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	Shelly
Phone	706-892-1027



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Stable
Concession	None
Waiting List	Yes; 30 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	Duplex	14	950	\$545	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Townhouse (2 stories)	14	1,000	\$635	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Townhouse (2 stories)	14	1,100	\$735	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Duplex	6	1,300	\$825	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$545	\$0	\$545	\$0	\$545
2BR / 2BA	\$635 - \$735	\$0	\$635 - \$735	\$0	\$635 - \$735
3BR / 2BA	\$825	\$0	\$825	\$0	\$825

Hidden Creek Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	Package Service

Comments

The contact reported a waiting list approximately 30 households in length. The larger two-bedroom units include a fireplace. The property does accept Housing Choice Vouchers, but none are currently utilized at the property.

Photos



PROPERTY PROFILE REPORT

Willow Tree Apartments

Effective Rent Date	4/08/2019
Location	193 Willow Tree Ave Baldwin, GA 30511 Habersham County
Distance	8.2 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1982 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pine Forest Village Apartments
Tenant Characteristics	Mixed tenancy mostly from the Habersham County area
Contact Name	Lee
Phone	706-778-2752



Market Information

Program	Market
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-lease to within one week
Annual Chg. in Rent	Increased 9%
Concession	None
Waiting List	Yes; 20 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	1	Garden (2 stories)	72	870	\$600	\$0	Market	Yes -	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$600	\$0	\$600	\$0	\$600

Amenities

In-Unit	Security	Services
Blinds	Patrol	None
Central A/C	Video Surveillance	
Dishwasher		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Off-Street Parking(\$0.00)	None	None

Comments

The property accepts Housing Choice Vouchers. However, there are no tenants utilizing those vouchers at this time. The contact stated that management maintains a waiting list of approximately 20 households. She also stated that she believes demand for rental housing in the area is high. She mentioned that recently two multifamily properties had been shutdown either for rehab or demolition. She believes that this is factoring into an increased demand for rental housing in the area.

Photos



1. Housing Choice Vouchers

We were able to speak with Mr. David Samloff, Director of Operations, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Habersham County. According to Mr. Samloff, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Mr. Samloff also stated that there are nine families utilizing these Housing Choice Vouchers in Habersham County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Fern Point Apartments	LIHTC	Family	0%
Heritage Gardens	LIHTC/ Market	Family	1%
Peaks Of Cornelia	LIHTC/ Market	Family	1%
Whitehall Commons	LIHTC/ Market	Family	0%
Cameron At Clarkesville	Market	Family	0%
Crown Point Apartments	Market	Family	10%
Hidden Creek Apartments	Market	Family	0%
Willow Tree Apartments	Market	Family	0%

Housing Choice Voucher usage in this market ranges from zero to ten percent. All of the LIHTC properties report a low reliance on tenants with vouchers. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. As a LIHTC property, we anticipate the Subject will operate with a voucher usage of less than 10 percent.

2. Phased Developments

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

Lease Up History

We were able to obtain absorption information from one of the comparable properties and three other LIHTC comparables in the region, which is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year	Number of Units	Units Absorbed / Month
Walton Summit	LIHTC	Family	2018	175	33
Peaks Of Cornelia	LIHTC	Family	2018	80	20
Myrtle Terraces	LIHTC	Senior	2015	84	16
Heather Highlands	LIHTC	Family	2015	40	10

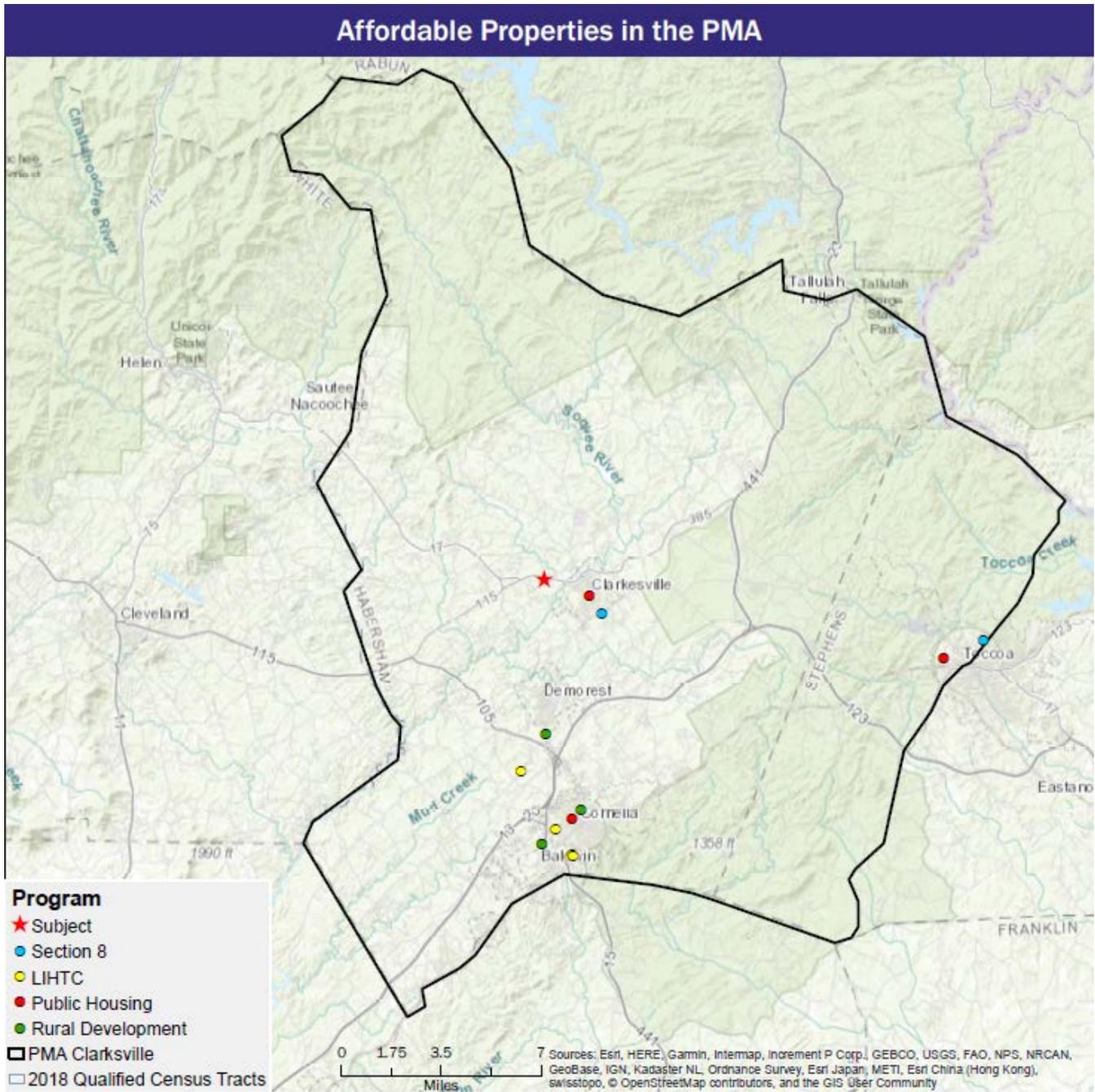
Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Only one of the rent comparables was able to report absorption. Therefore, we expanded our search to include other LIHTC comparables in the region. The Subject will be a new construction tax credit property. Walton Summit was built in 2018 in Gainesville, Georgia approximately 29 miles from the Subject site. The property experienced an absorption rate of 33 units per month upon opening. Peaks of Cornelia was built in 2018 in Cornelia, Georgia approximately seven miles from the Subject site. The property began pre-leasing its units in April 2018 prior to opening in July 2018. The property was fully leased by August 2018, which equates to an absorption rate of 20 units per month. Myrtle Terraces was built in 2015 in Gainesville, Georgia approximately 28 miles from the Subject site. The property experienced an absorption rate of 16 units per month upon opening. Heather Highlands was constructed in 2015 in Royston, Georgia approximately 36 miles from the Subject site. The property began leasing in October 2015 and was fully-occupied by February 2016, which equates to an absorption rate of ten units per month. Peaks at Cornelia is currently fully-occupied and maintains a waiting

list that consists of 89 households, demonstrating strong demand for the property’s affordable units. We believe the Subject will experience an absorption rate most similar to Peaks of Cornelia as it is the most proximate family property reporting absorption data. We anticipate that the Subject will absorb 20 units per month, for an absorption period of three to four months.

3. Competitive Project Map

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Sutton Terrace	LIHTC	Clarkesville	Family	72	N/A	Star
Green Mountain Village	LIHTC	Cornelia	Senior	64	100.0%	Yellow
Manor Place	LIHTC	Cornelia	Senior	35	91.4%	
Heritage Gardens	LIHTC, Market	Cornelia	Family	80	100.0%	
Peaks Of Cornelia	LIHTC, Market	Cornelia	Family	80	100.0%	
Cornelia Housing	Public Housing	Cornelia	Family	154	100.0%	Red
Habersham Housing	Public Housing	Clarkesville	Family	130	100.0%	
Stephens Banks	Public Housing	Toccoa	Family	103	100.0%	Green
Baldwin Court Apartments	Rural Development	Cornelia	Family	44	95.5%	
Cornelia Apartments	Rural Development	Cornelia	Family	20	100.0%	
Demorest Apartments	Rural Development	Demorest	Family	28	92.9%	Blue
AMP 5 Scattered Sites	Section 8	Clarkesville	Family	129	N/A	
Toccoa Pines Apartments	Section 8	Toccoa	Family	86	100.0%	



4. Amenities

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

SUTTON TERRACE – CLARKESVILLE, GEORGIA – MARKET STUDY

AMENITY MATRIX

	Subject	Fern Point Apartments	Heritage Gardens	Peaks Of Cornelia	Whitehall Commons	Cameron At Clarkesville	Crown Point Apartments	Hidden Creek	Willow Tree Apartments
Rent Structure	LIHTC	LIHTC	LIHTC/ Family	LIHTC/ Family	LIHTC/ Family	Market Family	Market Family	Market Family	Market Family
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building									
Property Type	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Various	Garden
# of Stories	3–stories	2–stories	4–stories	2–stories	3–stories	3–stories	2–stories	1–stories	2–stories
Year Built	2021	2012	1998	2018	2009	2005	1996	1997	1982
Year Renovated	n/a	n/a	2006	n/a	n/a	n/a	2014	n/a	n/a
Utility Structure									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	no	yes	no	no	no	no	no	no
Sewer	no	no	yes	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes
Unit Amenities									
Balcony/Patio	yes	yes	yes	yes	no	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	no	yes
Hardwood	no	no	yes	no	yes	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	no	yes	no
Coat Closet	yes	no	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	no
Fireplace	no	no	no	no	no	no	no	yes	no
Furnishing	no	no	no	no	no	no	no	no	no
Skylights	no	no	no	no	no	no	no	no	no
Vaulted Ceilings	no	no	no	no	no	yes	no	no	no
Walk-In Closet	no	no	yes	no	yes	yes	no	no	no
Wall A/C	no	no	no	no	no	no	no	no	no
Window A/C	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	yes	no	no	no	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen									
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	no	yes	yes	yes	no	no	no
Microwave	yes	yes	yes	yes	yes	no	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community									
Business Center	yes	yes	yes	yes	yes	no	no	no	no
Community Room	yes	yes	yes	yes	yes	yes	no	no	no
Central Laundry	yes	yes	yes	no	yes	yes	no	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	no	no
Concierge	no	no	no	no	no	no	no	no	no
Recreation									
Basketball Court	no	no	yes	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	no	no	no	no
Playground	yes	yes	yes	yes	yes	no	no	no	no
Swimming Pool	no	no	yes	yes	yes	yes	no	no	no
Picnic Area	yes	no	yes	yes	yes	no	no	no	no
Sport Court	no	no	no	no	no	no	no	no	no
Tennis Court	no	no	no	no	no	no	no	no	no
Sauna	no	no	no	no	no	no	no	no	no
Jacuzzi	no	no	no	no	no	no	no	no	no
Hot Tub	no	no	no	no	no	no	no	no	no
Theatre	no	no	no	no	no	no	no	no	no
Recreational Area	yes	no	no	yes	yes	no	no	no	no
Volleyball Court	no	no	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	no	no
Services									
Daycare	no	no	no	no	no	no	no	no	no
Adult Education	no	no	no	no	yes	no	no	no	no
Neighborhood	no	no	no	no	no	no	no	no	no
Non-Shelter	no	no	no	no	no	no	no	no	no
Service	no	no	no	no	yes	no	no	no	no
Shuttle Service	no	no	no	no	no	no	no	no	no
Senior Services									
Delivered Hot	no	no	no	no	no	no	no	no	no
Dietician	no	no	no	no	no	no	no	no	no
Hairdresser/Barber	no	no	no	no	no	no	no	no	no
Home Health Aid	no	no	no	no	no	no	no	no	no
Housekeeping	no	no	no	no	no	no	no	no	no
Medical	no	no	no	no	no	no	no	no	no
Personal Assistance	no	no	no	no	no	no	no	no	no
Security									
In-Unit Alarm	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	no	no	no	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	no	no	no	no	no
Limited Access	no	no	no	no	no	no	no	no	no
Patrol	no	no	no	no	no	yes	no	no	yes
Perimeter Fencing	no	no	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	no	no	yes	no	no	yes
Parking									
Garage	no	no	no	no	no	yes	no	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$50	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer generally similar in-unit amenities in comparison to two of the LIHTC comparables, Fern Point Apartments and Heritage Gardens. The Subject will offer inferior in-unit amenities when compared to Peaks of Cornelia as this comparable offers in-unit washer/dryers, which the Subject will not offer. The Subject will offer slightly superior in-unit amenities when compared to Whitehall Commons as this comparable lacks balconies/patios, which the Subject will offer. Overall, the Subject will offer slightly superior to inferior in-unit amenities when compared to the LIHTC comparables. The Subject will offer similar property amenities when compared to Fern Point Apartments. The Subject will offer slightly inferior property amenities when compared to Heritage Gardens, Peaks of Cornelia, and Whitehall Commons as these properties offer swimming pools, which the Subject will not offer. Overall, the Subject is similar to slightly inferior to the LIHTC comparables in terms of property amenities. The Subject is considered similar to superior to the market-rate comparables with respect to property amenities and similar to slightly superior to the market rate properties in terms of in-unit amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

5. Comparable Tenancy

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

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fern Point Apartments*	LIHTC	Family	48	2	4.2%
Heritage Gardens	LIHTC/ Market	Family	80	0	0.0%
Peaks Of Cornelia	LIHTC/ Market	Family	80	0	0.0%
Whitehall Commons*	LIHTC/ Market	Family	64	0	0.0%
Cameron At Clarkesville	Market	Family	60	0	0.0%
Crown Point Apartments	Market	Family	40	0	0.0%
Hidden Creek Apartments*	Market	Family	48	0	0.0%
Willow Tree Apartments	Market	Family	72	0	0.0%
Total LIHTC			272	2	0.7%
Total Market Rate			220	0	0.0%
Overall Total			492	2	0.4%

*Located outside of the PMA

Overall vacancy in the market is low at 0.4 percent. Total LIHTC vacancy is slightly higher, at 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, with one of those units having been pre-leased. The contact stated that the property currently maintains a waiting list that consists of nine households, and the property receives interest from prospective tenants daily. Heritage Gardens, Peaks of Cornelia, and Whitehall Commons all maintain extensive waiting lists ranging from 25 to 89 households in length. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

All four of the market-rate comparables are fully occupied. Furthermore, three of the market-rate comparables maintain waiting lists. The low vacancy rates and presence of waiting lists among the market-rate comparables demonstrate strong demand for conventional housing in the area. Based on the low vacancy rates among LIHTC and market-rate comparables, as well as the presence of waiting lists in the market, we believe there is sufficient demand for additional affordable housing in the area. 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 made numerous attempts to contact the City of Clarkesville and Habersham County planning departments. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s 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	Fern Point Apartments	LIHTC	Family	Similar	Similar	Inferior	Slightly Inferior	Slightly Superior	-10
2	Heritage Gardens	LIHTC/Market	Family	Slightly Superior	Similar	Slightly Inferior	Inferior	Slightly Superior	-5
3	Peaks Of Cornelia	LIHTC/Market	Family	Slightly Superior	Superior	Slightly Inferior	Similar	Similar	10
4	Whitehall Commons	LIHTC/Market	Family	Slightly Superior	Slightly Inferior	Similar	Inferior	Slightly Superior	-5
5	Cameron At Clarkesville	Market	Family	Similar	Similar	Similar	Inferior	Similar	-10
6	Crown Point Apartments	Market	Family	Inferior	Similar	Slightly Inferior	Inferior	Slightly Inferior	-30
7	Hidden Creek	Market	Family	Inferior	Similar	Similar	Inferior	Slightly Superior	-15
8	Willow Tree Apartments	Market	Family	Inferior	Slightly Inferior	Slightly Inferior	Inferior	Slightly Superior	-25

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

The Subject’s location is considered a rural area as determined by USDA. Therefore, the Subject is eligible to use the national non-metropolitan rent and income limits, which are higher than the published rent and income limits for Habersham County. The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Sutton Terrace	Habersham	Family	\$438	\$510	\$576	No
2018 LIHTC National Non-Metro Maximum Rent (Net)	Habersham		\$446	\$530	\$599	
Fern Point Apartments	Stephens	Family	\$410	\$455	\$515	Yes
Heritage Gardens	Habersham	Family	\$453	\$546	\$626	Yes
Peaks Of Cornelia	Habersham	Family	\$400	\$460	\$506	Yes
Whitehall Commons	White	Family	-	\$487	\$549	Yes
Average			\$421	\$487	\$549	

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Sutton Terrace	Habersham	Family	\$514	\$617	\$699	No
2018 LIHTC National Non-Metro Maximum Rent (Net)	Habersham		\$556	\$662	\$751	
Fern Point Apartments	Stephens	Family	\$460	\$550	\$630	Yes
Heritage Gardens	Habersham	Family	\$553	\$665	\$763	Yes
Peaks Of Cornelia	Habersham	Family	\$498	\$579	\$643	Yes
Whitehall Commons	White	Family	-	\$611	\$692	Yes
Average			\$504	\$601	\$682	

The AMI in Habersham County increased in 2018, but reached its peak in 2015. However, since Habersham County is considered to be a rural area the comparable Heritage Gardens, which is located in Habersham County and was constructed in 1998, is held to the 2018 National Non-Metro maximum allowable levels. The AMI in Stephens County reached its highest level in 2018. However, since Stephens County is considered to be a rural area the comparable Fern Point Apartments, which is located in Stephens County, is held to the 2018 National Non-Metro maximum allowable levels. The AMI in White County experienced its peak level in 2012. However, since Habersham County is considered to be a rural area the comparable Whitehall Commons, which is located in White County and was constructed in 2009, is held to the 2018 National Non-Metro maximum allowable levels. Per the Georgia DCA 2019 guidelines, the market study analyst must use the maximum rent and income limits effective as of January 1, 2019. Therefore, we utilize the 2018 maximum income and rent limits.

The Subject's proposed rents for its one, two, and three-bedroom units at 50 and 60 percent AMI are set below the 2018 National Non-Metro maximum allowable levels and are generally slightly higher than the surveyed LIHTC average. All four comparable LIHTC properties report achieving maximum allowable rents at 50 and 60 percent AMI. However, the rents at Fern Point Apartments, Peaks of Cornelia, and Whitehall Commons appear to be slightly below 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 comparables demonstrate an average vacancy of 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, one of which is pre-leased. The contact stated the property currently maintains a waiting list that consists of nine households and the property receives interest from prospective tenants daily. Heritage Gardens, Peaks of Cornelia, and Whitehall Commons also maintain extensive waiting lists that consists of up to 89 households. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicate maximum allowable rents are achievable in the market.

Peaks of Cornelia is located 7.2 miles from the Subject in Cornelia and offers a slightly inferior location. Peaks of Cornelia was constructed in 2018 and exhibits excellent condition, which is considered similar to the anticipated excellent condition of the Subject upon completion. This comparable offers slightly superior property amenities compared to the Subject as this property offers a swimming pool, which the Subject will not offer. This property offers superior in-unit amenities as this comparable offers in-unit washer/dryers, which the Subject will not offer. This comparable offers similar unit sizes compared to the proposed Subject. Overall, Peaks of Cornelia is considered slightly superior to the Subject. Peaks of Cornelia is currently achieving the 2018 National Non-Metro maximum allowable levels. This property is fully-occupied and maintains a waiting list that consists of 89 households. This indicates the rents at Peaks of Cornelia, which are reported to be at the maximum allowable rent levels, are achievable in the area.

Heritage Gardens is located 6.1 miles from the Subject in Cornelia in a slightly inferior location. Heritage Gardens was built in 1998 and underwent renovations in 2006. This property exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Heritage Gardens offers slightly superior property amenities compared to the Subject as it offers a basketball court and swimming pool, which the Subject will not offer, though it lacks a crafts room, library, and recreational areas, which the Subject will offer. This property offers similar in-unit amenities to the proposed Subject as it offers in-unit walk-in closets, which the Subject will not offer, though it lacks garbage disposals, which the Subject will offer. In terms of unit sizes, Heritage Gardens is considered slightly superior to the Subject. Overall, Heritage Gardens is considered slightly inferior to the Subject. Heritage Gardens is currently achieving the 2018 National Non-Metro maximum allowable levels and is fully-occupied. Further, Heritage Gardens reports the presence of a waiting list, although the property manager did not disclose the length of the list. This indicates the rents at Heritage Gardens are achievable in the area. Therefore, we believe the Subject's proposed rents, which are slightly below the rents currently achieved at Heritage Gardens, are reasonable and achievable.

Whitehall Commons is located 12.3 miles from the Subject in Cleveland in a similar location. Whitehall Commons was built in 2009. This property exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Whitehall Commons offers slightly superior property amenities compared to the Subject as it offers a swimming pool, which the Subject will not offer, though it lacks a craft room, and a library, which the Subject will offer. This property offers slightly inferior in-unit amenities to the proposed Subject as it does not offer balconies/patios, which the Subject will offer. In terms of unit sizes, Whitehall Commons is considered slightly superior to the Subject. Overall, Whitehall Commons is considered similar to the Subject. Whitehall Commons, which are reported to be at maximum allowable levels, is currently achieving the 2018 National Non-Metro maximum allowable levels. This property is fully-occupied and maintains a waiting list that consists of 25 households. This indicates the rents at Whitehall Commons are achievable in the area. Therefore, we believe the Subject's proposed rents, which are slightly higher than the rents currently achieved at Whitehall Commons, are reasonable and achievable.

The two most similar comparable properties to the Subject, Heritage Gardens and Whitehall Commons, are achieving the 2018 National non-metro maximum allowable levels for their one, two, and three-bedroom units restricted to 50 and 60 percent of the AMI. Heritage Gardens and Whitehall Commons are both fully occupied and maintain extensive waiting lists. This indicates the rents at Heritage Gardens and Whitehall Commons are achievable in the area. The Subject's proposed rents are slightly below the rents currently achieved at Heritage Gardens, and slightly higher than the rents currently achieved at Whitehall Commons. Given the Subject's new condition and competitive amenity package, the low vacancy rates among the LIHTC comparables, and the presence of extensive waiting lists in the market, we believe that the Subject's proposed rents are reasonable and 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 COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$438	\$400	\$800	\$538	23%
2 BR @ 50%	\$510	\$455	\$945	\$665	30%
3 BR @ 50%	\$576	\$506	\$1,020	\$711	23%
1 BR @ 60%	\$514	\$460	\$800	\$588	14%
2 BR @ 60%	\$617	\$550	\$945	\$720	17%
3 BR @ 60%	\$699	\$630	\$1,020	\$783	12%

As illustrated, the Subject’s proposed one, two, and three-bedroom rents at 50 and 60 percent AMI are below the surveyed average when compared to the comparables, both LIHTC and market-rate.

Cameron at Clarkesville is achieving the highest one and three-bedroom unrestricted rents in the market, while Crown Point Apartments is achieving the highest two-bedroom unrestricted rents. The Subject will be slightly superior to Cameron at Clarkesville as a market-rate property upon completion. Cameron at Clarkesville was built in 2005 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Cameron at Clarkesville is located 3.7 miles from the Subject site and offers a similar location. Cameron at Clarkesville offers similar property amenities on balance when compared to the Subject as it offers a swimming pool, which the Subject will not offer, though it lacks a business center, exercise facility, playground, library, picnic areas, and recreational areas, which the Subject will offer. Cameron at Clarkesville offers similar in-unit amenities in comparison to the Subject as it offers walk-in closets, which the Subject will not offer, though it lacks a microwave oven, which the Subject will offer. The Subject will be superior to Crown Point Apartments as a market-rate property upon completion. Crown Point Apartments was built in 1996 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Crown Point Apartments is located 7.5 miles from the Subject site and offers a slightly inferior location. Crown Point Apartments offers inferior property amenities when compared to the Subject as it lacks a business center, community room, central laundry facility, exercise facility, playground, library, picnic areas, and recreational areas, which the Subject will offer. Crown Point Apartments offers similar in-unit amenities in comparison to the Subject. The lowest one and three-bedroom unrestricted rents at Cameron at Clarkesville are approximately 56 and 46 percent higher than the Subject’s one and three-bedroom rents at 60 percent AMI. The lowest two-bedroom unrestricted rents at Crown Point Apartments are approximately 45 percent higher than the Subject’s two-bedroom rents at 60 percent AMI. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low to moderate for all bedroom types and AMI levels. All of the Subject’s capture rates are within Georgia DCA thresholds. The average LIHTC vacancy rate is low at 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, one of which is pre-leased. The contact stated the property currently maintains a waiting list that consists of nine households and the property receives interest from prospective tenants daily. Peaks of Cornelia, and Whitehall Commons also maintain extensive waiting lists that consist of up to 89 households. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

One property has been allocated in the Subject’s PMA since 2016. Peaks of Cornelia was allocated in 2016 for the new construction of 80 mixed-income units in Cornelia, Georgia. The property was completed in July 2018 and is located at 771 Level Grove Road, approximately 7.2 miles from the Subject. This property reached

full-occupancy in August 2018 after it had begun pre-leasing its units in April 2018 giving it an absorption rate of approximately 20 units per month. Peaks of Cornelia offers 12 one, 40 two, and 28 three-bedroom units. Of these, 17 units are restricted to households earning 50 percent of the AMI, or less, 51 are restricted to households earning 60 percent of the AMI, or less, and 12 units are unrestricted. Given the low vacancy rates and presence of waiting lists at the comparable properties, we do not believe that the addition of the Subject to the market will impact the new LIHTC property or the existing LIHTC properties that are in overall average condition and currently performing well.

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	11,202	75.0%	3,731	25.0%
2018	13,104	73.5%	4,721	26.5%
Projected Mkt Entry June 2021	13,521	74.3%	4,666	25.7%
2023	13,819	74.9%	4,626	25.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, April 2019

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.

HISTORICAL VACANCY									
Comparable Property	Type	Total Units	3QTR 2014	2QTR 2016	1QTR 2017	2QTR 2017	2QTR 2018	4QTR 2018	2QTR 2019
Fern Point Apartments	LIHTC	48	N/A	N/A	N/A	N/A	0.0%	N/A	4.2%
Heritage Gardens	LIHTC/Market	80	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
Peaks Of Cornelia	LIHTC/Market	80	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%
Whitehall Commons	LIHTC/Market	64	0.0%	0.0%	N/A	0.0%	1.6%	3.1%	0.0%
Cameron At Clarkesville	Market	60	0.0%	0.0%	0.0%	N/A	0.0%	N/A	0.0%
Crown Point Apartments	Market	40	0.0%	N/A	2.5%	N/A	2.5%	5.0%	0.0%
Hidden Creek Apartments	Market	48	0.0%	N/A	N/A	0.0%	0.0%	N/A	0.0%
Willow Tree Apartments	Market	72	N/A	N/A	N/A	N/A	0.0%	N/A	0.0%

The historical vacancy rates at all of the comparable properties for several quarters in the past four years are illustrated in the previous table. Heritage Gardens and Cameron at Clarkesville have historically reported full-occupancy since the third quarter of 2014. Whitehall Commons had increased vacancy levels from 2014 to 2018, but is currently achieving full occupancy. The contact at Whitehall Commons stated that the property currently maintains a waiting list that consists of 25 households, and that he believes there is high demand for affordable rental housing in the area, specifically for low-income housing. Fern Point Apartments is the only LIHTC comparable that has experienced an increase in vacancy since 2018. Fern Point Apartments currently reports two vacant units, and one of those units is pre-leased. The contact stated the property currently

maintains a waiting list that consists of nine households and the property receives interest from prospective tenants daily. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low vacancy rates, indicates 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
Fern Point Apartments	LIHTC	Family	Increased to max
Heritage Gardens	LIHTC/ Market	Family	LIHTC kept at max, Market increased 6-7%
Peaks Of Cornelia	LIHTC/ Market	Family	LIHTC increased to max; Market increased 4-5%
Whitehall Commons	LIHTC/ Market	Family	LIHTC increased to max, Market increased 3%
Cameron At Clarkesville	Market	Family	Increased 10-12%
Crown Point Apartments	Market	Family	Increased 5-6%
Hidden Creek Apartments	Market	Family	Stable
Willow Tree Apartments	Market	Family	Increased 9%

The LIHTC properties report growth of up to 12 percent in the past year. All four of the LIHTC comparables report achieving their maximum allowable rents. Fern Point Apartments reported rental rates are kept at max for one, two, and three-bedroom units at 50 and 60 percent AMI. Heritage Gardens reported rental rates are kept at max for one, two, and three-bedroom units at 30, 50, and 60 percent AMI, while its market rate units experienced rent growth of up to seven percent. Peaks of Cornelia reported rental rates are kept at max for one, two, and three-bedroom units at 50 and 60 percent AMI, while its market rate units experienced rent growth of up to five percent. Whitehall Commons reported rental rates are kept at max for two, three, and four-bedroom units at 50 and 60 percent AMI, while its market rate units experienced rent growth of up to three percent. The market rate properties reported rent growth of up to 12 percent as well, while one property, Hidden Creek Apartments, maintained stable rents. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

10. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 2,471 housing units nationwide was in some stage of foreclosure as of April 2019. Habersham County is experiencing foreclosure rate of one in every 2,854 homes, while Georgia experienced one foreclosure in every 3,075 housing units. Overall, Habersham County is experiencing a higher foreclosure rate than Georgia as a whole, and a lower rate than the nation, indicating a healthy housing market. The Subject’s neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

11. Effect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. The vacancy rate among the existing stabilized LIHTC comparables is low at 0.7 percent. Fern Point Apartments reported a vacancy rate of 4.2 percent. According to the contact at Fern Point Apartments, one of the two vacant units is pre-leased. Additionally, the property maintains a waiting list that currently consists of nine households. The remaining stabilized LIHTC comparables, Heritage Gardens, Peaks of Cornelia, and Whitehall Commons, report full occupancy, and each of the three maintain waiting lists. These factors indicate demand for affordable housing in the area is strong. In summary, the performance of the comparable LIHTC properties and the existence of waiting lists for affordable units indicates 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 comparables demonstrate an average vacancy of 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, one of which is pre-leased. The contact stated the property currently maintains a waiting list that consists of nine households and the property receives interest from prospective tenants daily. Heritage Gardens, Peaks of Cornelia, and Whitehall Commons also maintain extensive waiting lists that consists of up to 89 households. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicates strong demand for affordable housing in the area. The Subject will offer generally similar in-unit amenities in comparison to two of the LIHTC comparables, Fern Point Apartments and Heritage Gardens. The Subject will offer inferior in-unit amenities when compared to Peaks of Cornelia as this comparable offers in-unit washer/dryers, which the Subject will not offer. The Subject will offer slightly superior in-unit amenities when compared to Whitehall Commons as this comparable lacks balconies/patios, which the Subject has. Overall, the Subject will offer slightly superior to inferior in-unit amenities when compared to the LIHTC comparables. The Subject will offer similar property amenities when compared to Fern Point Apartments. The Subject will offer slightly inferior property amenities when compared to Heritage Gardens, Peaks of Cornelia, and Whitehall Commons as these properties offer swimming pools, which the Subject will not offer. The Subject is considered similar to superior to all of the market-rate comparables with respect to property amenities and similar to slightly superior to all of the market rate properties in terms of in-unit amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to all of the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low capture rates, waiting lists, and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

We were able to obtain absorption information from one of the comparable properties and three other LIHTC comparables in the region, which is illustrated in the following table.

ABSORPTION					
Property Name	Type	Tenancy	Year	Number of Units	Units Absorbed / Month
Walton Summit	LIHTC	Family	2018	175	33
Peaks Of Cornelia	LIHTC	Family	2018	80	20
Myrtle Terraces	LIHTC	Senior	2015	84	16
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Only one of the rent comparables was able to report absorption. Therefore, we expanded our search to include other LIHTC comparables in the region. The Subject will be a new construction tax credit property. Walton Summit was built in 2018 in Gainesville, Georgia approximately 29 miles from the Subject site. The property experienced an absorption rate of 33 units per month upon opening. Peaks of Cornelia was built in 2018 in Cornelia, Georgia approximately seven miles from the Subject site. The property began pre-leasing its units in April 2018 prior to opening in July 2018. The property was fully leased by August 2018, which equates to an absorption rate of 20 units per month. Myrtle Terraces was built in 2015 in Gainesville, Georgia approximately 28 miles from the Subject site. The property experienced an absorption rate of 16 units per month upon opening. Heather Highlands was constructed in 2015 in Royston, Georgia approximately 36 miles from the Subject site. The property began leasing in October 2015 and was fully-occupied by February 2016, which equates to an absorption rate of ten units per month. Peaks at Cornelia is currently fully-occupied and maintains a waiting list that consists of 89 households, demonstrating strong demand for the property’s affordable units. We believe the Subject will experience an absorption rate most similar to Peaks of Cornelia as it is the most proximate family property reporting absorption data. We anticipate that the Subject will absorb 20 units per month, for an absorption period of three to four months.

J. INTERVIEWS

Georgia Department of Community Affairs

We were able to speak with Mr. David Samloff, Director of Operations, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Habersham County. According to Mr. Samloff, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Mr. Samloff also mentioned that there are nine families utilizing these Housing Choice Vouchers in Habersham County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list. The payment standards for Habersham County are listed below.

PAYMENT STANDARDS

Unit Type	Standard
One-Bedroom	\$589
Two-Bedroom	\$757
Three-Bedroom	\$1,020

Source: Georgia Department of Community Affairs, April 2019

The Subject’s proposed rents are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers will not pay out of pocket for rent.

Planning

We spoke with David Turpin at the Habersham County Planning Department and he stated that he was not aware of any proposed, recently completed, or in construction multifamily projects going on in the area at this time. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s PMA.

Clarkesville City Hall and Historic Mauldin House

We spoke with Ms. Trudy Crunkleton, Clarkesville Main Street Director, regarding any business expansions in the area. According to Ms. Crunkleton, the majority of business expansions within the City of Clarkesville consist of small businesses concentrated in the downtown area looking to hire a limited number of people. However, Ms. Crunkleton knew of a proposed Taco Bell recently locating to the area. The Taco Bell will be located at 255 Washington Street and will add approximately 20 jobs to the local economy. Additionally, Ms. Crunkleton stated that Clarkesville could add a Dollar General, though a permit has yet to be filed. Ms. Crunkleton was unable to provide information regarding the exact location or number of jobs the Dollar General would create. Though, she did state that the Dollar General would be located somewhere within the boundary of city limits.

We also conducted additional internet research regarding the current economic status of Clarkesville and Habersham County. The following table details employment in Clarkesville and Habersham County.

EXPANSIONS/NEW ADDITIONS HABERSHAM COUNTY, GA 2015-2019

Company Name	Industry	Jobs
Fieldale Farms	Manufacturing	200
Taco Bell	Accommodation/Food Services	20
Pak Global	Manufacturing	20
Habersham Federal Credit Union	Professional Services	8

As illustrated, there are several additions in a variety of industries including manufacturing, accommodation/food services, and professional services. Fieldale Farms recently completed a \$50-million expansion of its processing plant and added 200 jobs. Between 2015 and 2019, there were a total of 248 jobs created, which helps to counteract the 71 layoffs in the county during the same period.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

Between 2010 and 2018 there was approximately 0.6 and 0.5 percent annual growth in the PMA and SMA, respectively, which was positive for a rural area but slightly lagged the national population growth. Household growth during this same time period was approximately 0.5 and 0.4 percent annual growth in the PMA and SMA, respectively, which lagged the national household growth. The rate of population and household growth is projected to continue at slightly greater rates through 2021. The current population of the PMA is 50,115 and is expected to be 51,145 in 2021. Renter households are concentrated in the lowest income cohorts, with 55.9 percent of renters in the PMA earning between \$10,000 and \$39,999 annually. The Subject will target tenants earning between \$18,480 and \$37,860; therefore, the Subject should be well-positioned to service this market. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in five industries which represent approximately 50.0 percent of total local employment. Two of these four, manufacturing and retail trade can be volatile resilient during periods of economic downturn while educational services and healthcare/social assistance are more resilient. Furthermore, Fieldale Farms is the area's largest employer and is one of the largest privately owned poultry producers in the world. Fieldale Farms recently announced an expansion of 200 jobs to the area. It was incorporated in 1972 and has long been a staple of the community.

Overall, the SMA experienced moderate to strong total employment growth from 2011 through February 2019. As of February 2019, total employment in the SMA is approaching a post-recessionary record, and increasing at an annualized rate of 0.3 percent, compared to 1.1 percent across the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 3.7 percent, slightly lower than the current national unemployment rate of 4.1 percent. There has only been one Worker Adjustment and Retraining Notification (WARN) of notice since 2015 in which 71 layoffs occurred, because Navitor Southeast, a commercial printing company, shut down its base of operations in Habersham County. However, there have been several additions in a variety of industries including manufacturing, accommodation/food services, and professional services. Fieldale Farms recently completed a \$50-million expansion of its processing plant and added 200 jobs. Between 2015 and 2019, there were a total of 248 jobs created, which helps to counteract the 71 layoffs in the county during the same period. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase. The growing local economy is a positive indicator of demand for rental housing and the Subject's proposed units.

Capture Rates

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
1BR @50%	\$18,480	\$23,350	4	125	0	125	3.2%	\$438
1BR @60%	\$21,086	\$28,020	16	163	0	163	9.8%	\$514
1BR Overall	\$18,480	\$28,020	20	189	0	189	10.6%	-
2BR @50%	\$21,840	\$26,300	8	128	0	128	6.3%	\$510
2BR @60%	\$25,509	\$31,560	32	167	0	167	19.1%	\$617
2BR Overall	\$21,840	\$31,560	40	193	0	193	20.7%	-
3BR @50%	\$25,234	\$31,550	3	67	0	67	4.5%	\$576
3BR @60%	\$29,451	\$37,860	9	87	0	87	10.3%	\$699
3BR Overall	\$25,234	\$37,860	12	101	0	101	11.9%	-
@50% Overall	\$18,480	\$31,550	15	320	0	320	4.7%	-
@60% Overall	\$21,086	\$37,860	57	418	0	418	13.6%	-
Overall	\$18,480	\$37,860	72	483	0	483	14.9%	-

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

Absorption

We were able to obtain absorption information from one of the comparable properties and three other LIHTC comparables in the region, which is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year	Number of Units	Units Absorbed / Month
Walton Summit	LIHTC	Family	2018	175	33
Peaks Of Cornelia	LIHTC	Family	2018	80	20
Myrtle Terraces	LIHTC	Senior	2015	84	16
Heather Highlands	LIHTC	Family	2015	40	10

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Only one of the rent comparables was able to report absorption. Therefore, we expanded our search to include other LIHTC comparables in the region. The Subject will be a new construction tax credit property. Walton Summit was built in 2018 in Gainesville, Georgia approximately 29 miles from the Subject site. The property experienced an absorption rate of 33 units per month upon opening. Peaks of Cornelia was built in 2018 in Cornelia, Georgia approximately seven miles from the Subject site. The property began pre-leasing its units in April 2018 prior to opening in July 2018. The property was fully leased by August 2018, which equates to an absorption rate of 20 units per month. Myrtle Terraces was built in 2015 in Gainesville, Georgia approximately 28 miles from the Subject site. The property experienced an absorption rate of 16 units per month upon opening. Heather Highlands was constructed in 2015 in Royston, Georgia approximately 36 miles from the Subject site. The property began leasing in October 2015 and was fully-occupied by February 2016, which equates to an absorption rate of ten units per month. Peaks at Cornelia is currently fully-occupied and maintains a waiting list that consists of 89 households, demonstrating strong demand for the property’s affordable units. We believe the Subject will experience an absorption rate most similar to Peaks of Cornelia as it is the most proximate family property reporting absorption data. We anticipate that the Subject will absorb 20 units per month, for an absorption period of three to four months.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fern Point Apartments*	LIHTC	Family	48	2	4.2%
Heritage Gardens	LIHTC/ Market	Family	80	0	0.0%
Peaks Of Cornelia	LIHTC/ Market	Family	80	0	0.0%
Whitehall Commons*	LIHTC/ Market	Family	64	0	0.0%
Cameron At Clarkesville	Market	Family	60	0	0.0%
Crown Point Apartments	Market	Family	40	0	0.0%
Hidden Creek Apartments*	Market	Family	48	0	0.0%
Willow Tree Apartments	Market	Family	72	0	0.0%
Total LIHTC			272	2	0.7%
Total Market Rate			220	0	0.0%
Overall Total			492	2	0.4%

*Located outside of the PMA

Overall vacancy in the market is low at 0.4 percent. Total LIHTC vacancy is slightly higher, at 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, with one of those units having been pre-leased. The contact stated that the property currently maintains a waiting list that consists of nine households, and the property receives interest from prospective tenants daily. Heritage Gardens, Peaks of Cornelia, and Whitehall Commons all maintain extensive waiting lists ranging from 25 to 89 households in length. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

All four of the market-rate comparables are fully occupied. Furthermore, three of the market-rate comparables maintain waiting lists. The low vacancy rates and presence of waiting lists among the market-rate comparables demonstrate strong demand for conventional housing in the area. Based on the low vacancy rates among LIHTC and market-rate comparables, as well as the presence of waiting lists in the market, we believe there is sufficient demand for additional affordable housing in the area. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

Strengths of the Subject

The Subject will be the newest LIHTC development in the PMA upon completion. The Subject will exhibit excellent condition upon completion, which is similar to superior to the existing LIHTC housing stock in the PMA. The Subject will offer competitive amenity packages, which will include a business center, community room, central laundry, exercise facility, playground, picnic area, recreational areas, library, and crafts room. The Subject will offer a considerable rent advantage over the comparables; the Subject’s proposed rents are among the lowest in the market. Therefore, we believe the Subject will be well received in the market given its competitive advantage over the existing housing stock, competitive amenity packages, rent advantage over the LIHTC and market-rate comparables, and strong demand at the comparable properties.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables demonstrate an average vacancy of 0.7 percent, and three of the four properties are fully-occupied. Fern Point Apartments reports two vacant units, one of which is pre-leased. The contact stated the property currently maintains a waiting list that consists of nine households and the property receives interest from prospective tenants daily. Heritage Gardens, Peaks of Cornelia, and Whitehall Commons also maintain extensive waiting lists that consists of up to 89 households. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicates strong demand for affordable housing in the area. The Subject will offer generally similar in-unit amenities in comparison to two of the LIHTC comparables, Fern Point Apartments and Heritage Gardens. The Subject will offer inferior in-unit amenities when compared to Peaks of Cornelia as this comparable offers in-unit washer/dryers, which

the Subject will not offer. The Subject will offer slightly superior in-unit amenities when compared to Whitehall Commons as this comparable lacks balconies/patios, which the Subject has. Overall, the Subject will offer slightly superior to inferior in-unit amenities when compared to the LIHTC comparables. The Subject will offer similar property amenities when compared to Fern Point Apartments. The Subject will offer slightly inferior property amenities when compared to Heritage Gardens, Peaks of Cornelia, and Whitehall Commons as these properties offer swimming pools, which the Subject will not offer. The Subject is considered similar to superior to all of the market-rate comparables with respect to property amenities and similar to slightly superior to all of the market rate properties in terms of in-unit amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered similar to superior in terms of condition to all of the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low capture rates, waiting lists, and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Recommendations

We recommend the Subject as proposed.

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.

DCA may rely on the representation made in the market study. The document is assignable to other lenders.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

May 23, 2019



Brian Neukam
Manager
Novogradac & Company LLP

May 23, 2019



Travis Jorgenson
Analyst
Novogradac & Company LLP

May 23, 2019

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



View of the Subject site from State Highway 115



View of the Subject site from State Highway 115



View of the Subject site from State Highway 115



View of the Subject site from State Highway 115



View east on State Highway 115



View west on State Highway 115



Walgreen's Pharmacy in Subject's neighborhood



Habersham Hardware in Subject's neighborhood



Ingle's in Subject's neighborhood



Dollar General in Subject's neighborhood



Gas Station in Subject's neighborhood



Wendy's in Subject's neighborhood



Clarkesville Elementary School in Subject's neighborhood



Habersham EMC in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood



Single-family residence in Subject's neighborhood

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as

if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
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. 8284

State of South Carolina Certified General Appraiser No. 7493

State of Illinois Certified General Appraiser No. 553.002704

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

Analyst, Novogradac & Company LLP, December 2018 – Present
Junior Analyst, Novogradac & Company LLP, July 2017 – December 2018
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	Sutton Terrace 5976 State Highway 115 Clarkesville, GA 30523 Habersham County	-	Garden 3-stories 2021 / n/a Family	@50%, @60%	1BR / 1BA	4	5.6%	750	@50%	\$438	N/A	No	N/A	N/A
					1BR / 1BA	16	22.2%	750	@60%	\$514	N/A	No	N/A	N/A
					2BR / 2BA	8	11.1%	950	@50%	\$510	N/A	No	N/A	N/A
					2BR / 2BA	32	44.4%	950	@60%	\$617	N/A	No	N/A	N/A
					3BR / 2BA	3	4.2%	1,150	@50%	\$576	N/A	No	N/A	N/A
					3BR / 2BA	9	12.5%	1,150	@60%	\$699	N/A	No	N/A	N/A
					<u>72</u>								N/A	N/A
1	Fern Point Apartments 280 Fern Point Drive Toccoa, GA 30577 Stephens County	14.4 miles	Garden 2-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	2	4.2%	775	@50%	\$410	Yes	Yes	0	0.0%
					1BR / 1BA	8	16.7%	775	@60%	\$460	Yes	Yes	0	0.0%
					2BR / 2BA	4	8.3%	1,162	@50%	\$455	Yes	Yes	1	25.0%
					2BR / 2BA	24	50.0%	1,162	@60%	\$550	Yes	Yes	1	4.2%
					3BR / 2BA	2	4.2%	1,260	@50%	\$515	Yes	Yes	0	0.0%
					<u>8</u>	16.7%	1,260	@60%	\$630	Yes	Yes	0	0.0%	
					<u>48</u>							2	4.2%	
2	Heritage Gardens 110 Heritage Gardens Drive Cornelia, GA 30531 Habersham County	6.1 miles	Garden 4-stories 1998 / 2006 Family	@30%, @50%, @60%, Market	1BR / 1BA	2	2.5%	856	@30%	\$255	Yes	Yes	0	0.0%
					1BR / 1BA	11	13.8%	856	@50%	\$453	Yes	Yes	0	0.0%
					1BR / 1BA	3	3.8%	856	@60%	\$553	Yes	Yes	0	0.0%
					1BR / 1BA	4	5.0%	856	Market	\$657	N/A	No	0	0.0%
					2BR / 2BA	5	6.3%	1,074	@30%	\$307	Yes	Yes	0	0.0%
					2BR / 2BA	18	22.5%	1,074	@50%	\$546	Yes	Yes	0	0.0%
					2BR / 2BA	9	11.3%	1,074	@60%	\$665	Yes	Yes	0	0.0%
					2BR / 2BA	8	10.0%	1,074	Market	\$750	N/A	No	0	0.0%
					3BR / 2BA	2	2.5%	1,304	@30%	\$350	Yes	Yes	0	0.0%
					3BR / 2BA	11	13.8%	1,304	@50%	\$626	Yes	Yes	0	0.0%
					3BR / 2BA	3	3.8%	1,304	@60%	\$763	Yes	Yes	0	0.0%
					<u>4</u>	5.0%	1,304	Market	\$838	N/A	No	0	0.0%	
					<u>80</u>							0	0.0%	
3	Peaks Of Cornelia 771 Level Grove Road Cornelia, GA 30531 Habersham County	7.2 miles	Garden 2-stories 2018 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	3.8%	700	@50%	\$400	Yes	Yes	0	0.0%
					1BR / 1BA	7	8.8%	700	@60%	\$498	Yes	Yes	0	0.0%
					1BR / 1BA	2	2.5%	700	Market	\$602	N/A	Yes	0	0.0%
					2BR / 2BA	8	10.0%	1,050	@50%	\$460	Yes	Yes	0	0.0%
					2BR / 2BA	26	32.5%	1,050	@60%	\$579	Yes	Yes	0	0.0%
					2BR / 2BA	6	7.5%	1,050	Market	\$682	N/A	Yes	0	0.0%
					3BR / 2BA	6	7.5%	1,200	@50%	\$506	Yes	Yes	0	0.0%
					3BR / 2BA	18	22.5%	1,200	@60%	\$643	Yes	Yes	0	0.0%
					3BR / 2BA	4	5.0%	1,200	Market	\$761	N/A	Yes	0	0.0%
					<u>80</u>							0	0.0%	
4	Whitehall Commons 29 Whitehall Commons Lane Cleveland, GA 30528 White County	12.3 miles	Garden 3-stories 2009 / n/a Family	@50%, @60%, Market	2BR / 2BA	15	23.4%	1,143	@50%	\$487	Yes	Yes	0	0.0%
					2BR / 2BA	15	23.4%	1,143	@60%	\$611	Yes	Yes	0	0.0%
					2BR / 2BA	10	15.6%	1,143	Market	\$775	N/A	Yes	0	0.0%
					3BR / 2BA	6	9.4%	1,384	@50%	\$549	Yes	Yes	0	0.0%
					3BR / 2BA	6	9.4%	1,384	@60%	\$692	Yes	Yes	0	0.0%
					3BR / 2BA	6	9.4%	1,384	Market	\$875	N/A	Yes	0	0.0%
					4BR / 2BA	2	3.1%	1,600	@50%	\$597	Yes	Yes	0	0.0%
					4BR / 2BA	2	3.1%	1,600	@60%	\$756	Yes	Yes	0	0.0%
					4BR / 2BA	2	3.1%	1,600	Market	\$975	N/A	Yes	0	0.0%
					<u>64</u>							0	0.0%	
5	Cameron At Clarkesville 130 Cameron Circle Clarkesville, GA 30523 Habersham County	3.7 miles	Garden 3-stories 2005 / n/a Family	Market	1BR / 1BA	4	6.7%	790	Market	\$800	N/A	Yes	0	0.0%
					2BR / 2BA	20	33.3%	1,078	Market	\$935	N/A	Yes	0	0.0%
					3BR / 2BA	36	60.0%	1,234	Market	\$1,020	N/A	Yes	0	0.0%
					<u>60</u>							0	0.0%	
6	Crown Point Apartments 112-120 Crown Point Dr Cornelia, GA 30531 Habersham County	7.5 miles	Garden 2-stories 1996 / 2014 Family	Market	2BR / 1BA	20	50.0%	800	Market	\$895	N/A	No	0	0.0%
					2BR / 2BA	20	50.0%	850	Market	\$945	N/A	No	0	0.0%
					<u>40</u>							0	0.0%	
7	Hidden Creek Apartments 87 Bertha Court Cleveland, GA 30528 White County	13.0 miles	Various 1-stories 1997 / n/a Family	Market	1BR / 1BA	14	29.2%	950	Market	\$545	N/A	Yes	0	0.0%
					2BR / 2BA	14	29.2%	1,000	Market	\$635	N/A	Yes	0	0.0%
					2BR / 2BA	14	29.2%	1,100	Market	\$735	N/A	Yes	0	0.0%
					3BR / 2BA	6	12.5%	1,300	Market	\$825	N/A	Yes	0	0.0%
					<u>48</u>							0	0.0%	
8	Willow Tree Apartments 193 Willow Tree Ave Baldwin, GA 30511 Habersham County	8.2 miles	Garden 2-stories 1982 / n/a Family	Market	2BR / 1BA	72	100.0%	870	Market	\$600	N/A	'es - 20HH:	0	0.0%
					<u>72</u>							0	0.0%	