



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

London Towne Houses

Atlanta, Fulton County, Georgia

Prepared for:

**The Benoit Group and Berkadia Commercial
Mortgage, LLC**

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1. EXECUTIVE SUMMARY

The Benoit Group and Berkadia Commercial Mortgage, LLC retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis of London Towne Houses, a proposed renovation of an existing 200-unit housing cooperative in Atlanta, Fulton County, Georgia. As proposed, London Towne Houses will be financed in part with four percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA) and will include 180 LIHTC units targeting renter households earning at or below 60 percent of the Area Median Income (AMI), adjusted for household size. One-hundred and fifty units will have Project Based Rental Assistance (PBRA) funded through the Atlanta Housing Authority’s HomeFlex program. Twenty units will be market rate without income or rent restrictions.

1. Project Description

- London Towne Houses is located at 308 Scott Street SW, just south of Boulder Park Drive and east of Interstate 285 in western Atlanta. The subject will offer 200 newly renovated general occupancy rental units including 180 LIHTC units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size, including 150 units with Project Based Rental Assistance (PBRA) through the Atlanta Housing Authority’s Homeflex program. The subject property will offer 20 market rate units without income and rent restrictions.
- London Towne Houses will offer eight one-bedroom units, 61 two-bedroom units, 122 three-bedroom units, and 9 four-bedroom units.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below.

| Unit Mix/Rents | | | | | | | | |
|--------------------------|------|----------------|------------|-----------------|---------------|------------|---------|----------|
| Bed | Bath | Income Target | Quantity | HUD Net Sq. Ft. | Gross Sq. Ft. | Gross Rent | Utility | Net Rent |
| 1 | 1 | 60% AMI / PBRA | 8 | 626 | 702 | \$897 | \$97 | \$800 |
| 1BR Subtotal/Avg. | | | 8 | 702 | | | | |
| 2 | 1 | 60% AMI/PBRA | 25 | 898 | 994 | \$1,077 | \$130 | \$947 |
| 2 | 1 | 60% AMI | 3 | 898 | 994 | \$1,077 | \$130 | \$947 |
| 2 | 1 | Market | 3 | 898 | 994 | \$1,177 | \$130 | \$1,047 |
| 2 | 1.5 | 60% AMI/PBRA | 25 | 922 | 1,018 | \$1,077 | \$130 | \$947 |
| 2 | 1.5 | 60% AMI | 2 | 922 | 1,018 | \$1,077 | \$130 | \$947 |
| 2 | 1.5 | Market | 3 | 922 | 1,018 | \$1,177 | \$130 | \$1,047 |
| 2BR Subtotal/Avg. | | | 61 | 1,006 | | | | |
| 3 | 1.5 | 60% AMI/PBRA | 65 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | 60% AMI | 17 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | Market | 10 | 1,008 | 1,105 | \$1,343 | \$164 | \$1,179 |
| 3 | 1.5 | 60% AMI/PBRA | 21 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | 60% AMI | 6 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | Market | 3 | 1,008 | 1,105 | \$1,343 | \$164 | \$1,179 |
| 3BR Subtotal/Avg. | | | 122 | 1,105 | | | | |
| 4 | 1.5 | 60% AMI/PBRA | 6 | 1,284 | 1,397 | \$1,387 | \$198 | \$1,189 |
| 4 | 1.5 | 60% AMI | 2 | 1,284 | 1,397 | \$1,387 | \$198 | \$1,189 |
| 4 | 1.5 | Market | 1 | 1,284 | 1,397 | \$1,487 | \$198 | \$1,289 |
| 4BR Subtotal/Avg. | | | 9 | 1,397 | | | | |
| Total | | | 200 | | | | | |

Rents include trash removal Contract rent Source: The Benoit Group



- London Towne Houses will offer a dishwasher, stove, refrigerator, microwave, patio/balcony, and washer and dryer connections in each unit which is comparable or superior to all surveyed communities. The subject will be one of just three communities offering a microwave.
- London Towne Houses will offer a clubhouse/community room, a computer/business room, a playground, gazebo, covered picnic pavilion with grills, and a fenced community garden. These amenities will be less extensive than the newest built LIHTC communities in the market area given the lack of a fitness center and swimming pool. The lower level of amenities at London Towne Houses when compared to these communities is acceptable given the inclusion of PBRA on most units. Furthermore, the proposed market rate rents are comparable or below the majority of market rate rents at these communities, all of which are fully occupied or have few vacancies which suggests the communities could charge higher rents. The proposed amenities are appropriate for the target market of very low to moderate income households and will be competitive at the proposed rents.

2. Site Description / Evaluation

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has access to amenities, services, employers, and transportation arteries.

- The subject property is on Scott Street, just south of Boulder Park Drive and within one-quarter mile south of M.L.K. Jr Drive. The Interstate 20 and Interstate 285 interchange is within roughly one mile north of the subject property. Several multi-family rental communities are in the subject's immediate area including an adjacent LIHTC community (Towne West Manor) and one market rate community that was shuttered but is being rehabbed (Hidden Pines). Additional surrounding land uses include a church and modest to moderate value single-family detached homes and townhomes.
- The site is within two miles of public transit, shopping, recreation, schools, a pharmacy, convenience stores, grocery store, and medical facilities; several MARTA bus stops are along Scott Street adjacent to the subject property's buildings. An additional concentration of neighborhood amenities and services is near the Interstate 285 and Cascade Road interchange roughly three miles to the south including Walmart Supercenter, banks, Publix and Kroger (grocery stores), and Walgreens (pharmacy).
- Interstate 285 is roughly one-half mile north of the site via M.L.K. Jr Drive and Interstate 20 is accessible via Interstate 285 roughly one mile to the north. These major thoroughfares connect the site to employment concentrations throughout the Atlanta Metro Area. Several State Highways are within one mile of the site providing additional connectivity to the region.
- London Towne Houses has visibility from Cushman Circle and Brownlee Road, both of which have light traffic. The subject property's overall drive-by visibility is limited.
- The subject's census tract has an above average crime risk. All areas in the market area have an above average crime risk and the subject's census tract's crime risk is comparable or less than most areas in the market area including the location of the comparable rental communities. Based on the above average crime risk throughout the market area, we do not expect crime or the perception of crime to negatively impact the subject property's marketability more so than existing multi-family communities. Most residents of the



subject property are expected to originate from this immediate area of elevated crime risk.

- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace.

3. Market Area Definition

- The London Market Area includes census tracts surrounding the Interstate 20 and Interstate 285 interchange in western Atlanta. This market area includes the portions of Atlanta/Fulton County that are most comparable to the area surrounding the site. The most comparable rental communities to the subject property are in the London Market Area and residents of this area would likely consider the subject site a suitable shelter location. The market area is centered on the Interstate 20 and Interstate 285 interchange and several additional major thoroughfares cross through the market area including Martin Luther King Jr Drive, Donald Lee Hollowell Parkway, and Fulton Industrial Boulevard, providing excellent connectivity in the market area. The market area is bounded to the north and west by Cobb County and does not extend further east given a transition to denser development in or near downtown Atlanta. The market area does not extend further south due to distance from the site and intervening rental opportunities.
- The boundaries of the London Market Area and their approximate distance from the subject site are Chattahoochee River / Proctor Creek to the north (4.0 miles), W. Lake Avenue / Oakland Drive SW to the east (3.1 miles), Cascade Road to the south (1.9 miles), and Chattahoochee River / Cobb County to the west (4.2 miles).

4. Community Demographic Data

The London Market Area lost population and households from 2000 to 2010 but this trend reversed with growth during the past nine years. Population and household growth is expected to continue over the next five years.

- The market area lost 10,835 people (15.6 percent) and 2,518 households (10.0 percent) between the 2000 and 2010 Census counts. This trend reversed with the addition of 1,727 people (2.9 percent) and 647 households (2.9 percent) from 2010 to 2019; annual growth during the past nine years was 192 people (0.3 percent) and 78 households (0.3 percent).
- Growth is expected to accelerate slightly over the next five years with the annual addition of 238 people (0.4 percent) and 78 households (0.3 percent) from 2019 to 2024.
- Working age households (ages 25 to 54) account for the majority (57.7 percent) of renter households in the market area including 21.6 percent ages 25 to 34 years. Approximately 36 percent of market area renters are ages 55 and older and 6.5 percent are younger renters ages 15 to 24.
- The market area's households were relatively evenly distributed among households with children, households with at least two adults but no children, and single person households with each accounting for roughly one-third of households.
- Roughly 57 percent of market area households are renters in 2019 compared to 50.5 percent in Fulton County. The market area added 944 net renter households and lost 2,815 owner households over the past 19 years which increased the renter percentage



from 48.9 percent in 2000 to 56.9 percent in 2019. RPRG projects the market area to add 222 net renter households (56.9 percent of net household growth) over the next five years.

- Roughly 55 percent of market area renter households contained one or two people including 31.6 percent with one person. Approximately 29 percent of market area renter households had three or four people and 16.1 percent had five or more people.
- The 2019 median household income in the London Market Area is \$30,542 which is less than half the \$68,772 median in Fulton County. RPRG estimates that the median income of renter households in the London Market Area is \$22,452. The majority (55.0 percent) of renter households in the market area earn less than \$25,000 including 35.4 percent earning less than \$15,000. Approximately 26 percent of market area renter households earn \$25,000 to \$49,999 and 16.2 percent earn \$50,000 to \$99,999.
- We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property's ability to lease its units given its primarily affordable nature.

5. Economic Data

Fulton County's economy is growing with significant job growth during the past eight years resulting in an all-time high At-Place-Employment and the county's unemployment rate has dropped each year since 2010.

- The unemployment rate in Fulton County decreased significantly to 3.9 percent in 2018 from a recession-era high of 10.5 percent in 2010; the county's unemployment rate is slightly above the state rate (3.7 percent) and equal to the national rate.
- Fulton County added jobs in seven of the past eight years including more than 20,000 jobs in each of the past five years and more than 25,000 jobs in each of the past three years. The county added more than 152,000 net jobs from 2010 to 2017 for net growth of 21.8 percent. Fulton County continued adding jobs in 2018 with the addition of 19,579 jobs through the third quarter.
- The county's economy is balanced and diverse with five sectors each accounting for at least 11 percent of the total jobs. Professional-Business is the largest employment sector in Fulton County at 23.9 percent of jobs in 2018 (Q3) compared to 14.2 percent of jobs nationally.
- All employment sectors added jobs in Fulton County from 2011 to 2018 (Q3) indicating a healthy and balanced economy. The largest sector (Professional-Business) grew by 32.0 percent and six additional sectors grew by at least 19 percent.
- Many large job expansions have been announced recently in or near downtown Atlanta in the past two years and UPS recently opened a distribution facility along Fulton Industrial Boulevard which is expected to create 3,000 jobs (2,400 part time and 600 full-time) once fully staffed.

6. Project Specific Effective Demand (Affordability/Penetration) and Demand Analysis:

- London Towne Houses will contain 180 LIHTC units targeting households earning up to 60 percent of the AMI with 150 units having PBRA. The subject property will also offer 20 market rate units without income and rent restrictions. An effective demand (affordability/penetration) analysis was conducted without accounting for PBRA on 150



LIHTC units; contract rents were analyzed for units with PBRA as they are equal to maximum allowable LIHTC rents.

- Without taking into account PBRA, affordability renter capture rates by floor plan range from 0.04 percent to 10.0 percent. Overall, 2,380 renter households are income qualified for one or more of the proposed units resulting in an overall affordability capture rate of 4.0 percent. The penetration rate is 47.6 percent without accounting for PBRA.
- Removal of the minimum income limit for the LIHTC units with PBRA increases the number of income-qualified renter households to 12,882. The project's overall renter capture rate when accounting for PBRA is 1.6 percent. The penetration rate drops to 20.5 percent when accounting for PBRA.
- All affordability capture rates are acceptable without accounting for PBRA including an overall renter capture rate of 4.0 percent. The capture rate drops to 1.6 percent when accounting for the proposed PBRA. The penetration rate of 47.6 percent without accounting for PBRA leaves more than half of income-qualified renter households to fill scattered site rentals while the very low penetration rate of 20.5 percent when accounting for PBRA suggests an underserved affordable rental market in the market area.
- We have calculated demand without PBRA to test market conditions. The project's demand capture rates are 11.4 percent for the 60 percent AMI LIHTC units, 1.1 percent for the market rate units, and the project's overall capture rate is 8.1 percent. Capture rates by floor plan within an AMI level range from 0.3 to 45.5 percent and capture rates by floor plan are 0.4 percent for all one-bedroom units, 4.0 percent for all two-bedroom units, 17.6 percent for all three-bedroom units, and 2.2 percent for all four-bedroom units; three and four-bedroom capture rates have been adjusted to include only larger households of three or more people for three-bedroom units and four or more people for four-bedroom units. Capture rates would be lower when accounting for PBRA as removing the minimum income limit would increase the number of income-qualified renter households significantly.
- All DCA/LIHTC demand capture rates are well below DCA thresholds and indicate more than sufficient demand in the market area to support the proposed London Towne Houses with or without PBRA.
- The derivation of net demand estimate suggests excess demand for roughly 43 units of rental housing over the next three years in the London Market Area beyond the identified near-term pipeline.

7. Competitive Rental Analysis

RPRG surveyed 12 multi-family rental communities in the London Market Area including eight LIHTC communities and four market rate communities; five LIHTC communities are mixed-income with LIHTC and market rate units. The rental market is strong with limited vacancies.

- The surveyed communities without PBRA have 24 vacancies among 1,880 combined units for an aggregate vacancy rate of 1.3 percent. LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 0.6 percent among 1,162 combined units. Ten of 11 communities without PBRA have a vacancy rate less than three percent including six communities that are fully occupied. All seven surveyed LIHTC communities without PBRA have a vacancy rate of less than three percent including five that are fully



occupied with a waiting list. The surveyed communities with PBRA have nine vacancies among 256 deeply subsidized units for an aggregate vacancy rate of 3.5 percent.

- Among the surveyed communities without PBRA, net rents, unit sizes, and rents per square foot were as follows:
 - **One-bedroom** effective rents average \$706 per month. The average one-bedroom unit size is 728 square feet, resulting in a net rent per square foot of \$0.97.
 - **Two-bedroom** effective rents average \$806 per month. The average two-bedroom unit size is 1,016 square feet, resulting in a net rent per square foot of \$0.79.
 - **Three-bedroom** effective rents average \$1,006 per month. The average three-bedroom unit size is 1,253 square feet, resulting in a net rent per square foot of \$0.80.
 - **Four-bedroom** effective rents average \$672 per month. The average four-bedroom unit size is 1,400 square feet, resulting in a net rent per square foot of \$0.48. Four-bedroom units are offered only at Seven Courts (LIHTC) which offers 30 percent, 60 percent, and 80 percent AMI units.
- The “average market rent” is \$960 for one-bedroom units, \$1,081 for two-bedroom units, \$1,249 for three-bedroom units. We added \$100 to the average three-bedroom market rent to determine the average four-bedroom market rent as none of the surveyed communities offer market rate four-bedroom units. The proposed 60 percent AMI rents have market rent advantages ranging from 13.5 percent to 20.0 percent with an overall weighted average market advantage of 15.4 percent among LIHTC units. Tenants will only pay a percentage of their income for rent for the 150 LIHTC units with PBRA, thus, rent advantages will be significantly higher for these units. All proposed market rate rents are below average market rents. The project has a weighted average market rent advantage of 14.3 percent even when including the market rate units.
- One comparable new construction LIHTC community (Creekside at Adamsville Place) was identified as planned in the market area. An application for four percent Low Income Housing Tax Credits has been submitted to DCA. This community would include 147 LIHTC units targeting households earning up to 30 percent, 60 percent, and 80 percent of the Area Median Income (AMI) among one, two, and three-bedroom units. One market rate community (Hidden Pines) is undergoing renovations adjacent to the subject property after being abandoned and the units at this community will be comparable to the market rate units proposed at the subject property. Two deeply subsidized communities in the market area (Rolling Bends and Allen Hills) were awarded Low Income Housing Tax Credits for renovations but these renovations will not result in an expansion of the market area’s rental housing stock given the continuation of Project Based Rental Assistance (PBRA) on all units at both communities. Both properties were at least 90 percent occupied prior to renovations and all tenants are expected to be retained given the continuation of PBRA on all units. Allen Hills has changed names to The Commons.

8. Absorption/Stabilization Estimate

- Based on the proposed product and the factors discussed above, we expect London Towne Houses’ non-PBRA LIHTC and market rate units to lease-up at a rate of 15 units per month. London Towne Houses’ PBRA units will lease-up as fast as applications can realistically be processed (roughly four to five months) and given the differences in target market will lease concurrently with the LIHTC and market rate units. If all 200 units need



to be re-leased following rehabilitation, the subject property would reach stabilization of at least 93 percent within roughly four to five months. As London Towne Houses is expected to retain some existing residents, the actual absorption period will be shorter. Without PBRA, the property would reach stabilization of at least 93 percent within 12 to 13 months assuming an average monthly absorption of 15 units and no tenant retention.

- Given the strong rental market in the London Market Area and projected renter household growth, we do not expect London Towne Houses to have a negative impact on existing rental communities in the London Market Area including those with tax credits and/or HUD insured mortgages.. As an existing rental community, the rehabilitation of London Towne Houses will not add any units to current housing supply.

9. Overall Conclusion / Recommendation

Based on projected household growth trends, affordability and demand estimates (with and without PBRA), current rental market conditions, and socio-economic and demographic characteristics of the London Market Area, RPRG believes that the subject property with or without PBRA will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing rental communities in the London Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

10. DCA Summary Table:

| Income/Unit Size | Income Limits | Units Proposed | Renter Income Qualification % | Total Demand | Large Household Size Adjustment (3/4+ Persons) | Adjusted Demand | Supply | Net Demand | Capture Rate | Absorption* | Average Market Rent | Market Rents Band | Proposed Rents |
|----------------------|----------------------------|----------------|-------------------------------|--------------|--|-----------------|--------|------------|--------------|--------------|---------------------|-------------------|----------------|
| 60% AMI | \$30,754 - \$55,500 | | | | | | | | | | | | |
| One Bedroom | | 8 | 8.6% | 632 | | 632 | 19 | 613 | 1.3% | 3 months | \$960 | \$852 - \$1,050 | \$800 |
| Two Bedroom | | 55 | 6.1% | 453 | | 453 | 63 | 390 | 14.1% | 9 months | \$1,081 | \$905 - \$1,225 | \$947 |
| Three Bedroom | | 109 | 8.2% | 603 | 45.5% | 274 | 35 | 239 | 45.5% | 12-13 months | \$1,249 | \$1,009 - \$1,450 | \$1,079 |
| Four Bedroom | | 8 | 5.1% | 378 | 28.1% | 106 | 0 | 106 | 7.5% | 3 months | \$1,349 | - | \$1,189 |
| Market Rate | \$40,354 - \$92,500 | | | | | | | | | | | | |
| Two Bedroom | | 6 | 20.2% | 1,493 | | 1,493 | 174 | 1,319 | 0.5% | 2 months | \$1,081 | \$905 - \$1,225 | \$1,047 |
| Three Bedroom | | 13 | 18.4% | 1,358 | 45.5% | 618 | 6 | 612 | 2.1% | 4 months | \$1,249 | \$1,009 - \$1,450 | \$1,179 |
| Four Bedroom | | 1 | 16.8% | 1,244 | 28.1% | 350 | 0 | 350 | 0.3% | 1 month | \$1,349 | - | \$1,289 |
| By Bedroom | | | | | | | | | | | | | |
| One Bedroom | | 8 | 8.6% | 632 | | 632 | 19 | 613 | 1.3% | 3 months | | | |
| Two Bedroom | | 61 | 23.6% | 1,745 | | 1,745 | 237 | 1,508 | 4.0% | 9 months | | | |
| Three Bedroom | | 122 | 21.8% | 1,611 | 45.5% | 733 | 41 | 692 | 17.6% | 12-13 months | | | |
| Four Bedroom | | 9 | 19.7% | 1,459 | 28.1% | 410 | 0 | 410 | 2.2% | 3 months | | | |
| Project Total | \$30,754 - \$92,500 | | | | | | | | | | | | |
| 60% AMI | \$30,754 - \$55,500 | 180 | 22.9% | 1,693 | | | 117 | 1,576 | 11.4% | 12-13 months | | | |
| Market Rate | \$40,354 - \$92,500 | 20 | 26.9% | 1,990 | | | 180 | 1,810 | 1.1% | 4 months | | | |
| Total Units | \$30,754 - \$92,500 | 200 | 37.5% | 2,775 | | | 297 | 2,478 | 8.1% | 12-13 months | | | |

Absorption timing is shown without accounting for PBRA or tenant retention; absorption will be significantly shorter when accounting for PBRA and tenant retention*



| SUMMARY TABLE: | | |
|-------------------|---|---------------------------|
| Development Name: | London Towne Houses | Total # Units: 200 |
| Location: | Scott Street SW, Atlanta, Fulton County, GA | # LIHTC Units: 180 |
| PMA Boundary: | North: Chattahoochee River / Proctor Creek, East: W. Lake Avenue / Oakland Drive SW, South: Cascade Road, West: Chattahoochee River / Cobb County | |
| | Farthest Boundary Distance to Subject: 4.0 miles | |

| RENTAL HOUSING STOCK – (found on pages 18, 63, 67-68) | | | | |
|---|--------------|--------------|--------------|-------------------|
| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
| All Rental Housing | 12 | 2,136 | 33 | 98.5% |
| Market-Rate Housing | 4 | 718 | 17 | 97.6% |
| Assisted/Subsidized Housing not to include LIHTC | | | | |
| LIHTC | 8 | 1,418 | 16 | 98.9% |
| Stabilized Comps | 12 | 2,136 | 33 | 98.5% |
| Properties in construction & lease up | | | | |

| 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 |
| 8 | 1 | 1 | 702 | \$800* | \$960 | \$1.16 | 20.0% | \$1,050 | \$1.33 |
| 25 | 2 | 1 | 994 | \$947* | \$1,081 | \$0.98 | 14.1% | \$1,225 | \$1.17 |
| 3 | 2 | 1 | 994 | \$947 | \$1,081 | \$0.98 | 14.1% | \$1,225 | \$1.17 |
| 3 | 2 | 1 | 994 | \$1,047 | \$1,081 | \$0.98 | 3.2% | \$1,225 | \$1.17 |
| 25 | 2 | 1.5 | 1,018 | \$947* | \$1,081 | \$0.98 | 14.1% | \$1,225 | \$1.17 |
| 2 | 2 | 1.5 | 1,018 | \$947 | \$1,081 | \$0.98 | 14.1% | \$1,225 | \$1.17 |
| 3 | 2 | 1.5 | 1,018 | \$1,047 | \$1,081 | \$0.98 | 3.2% | \$1,225 | \$1.17 |
| 65 | 3 | 1.5 | 1,105 | \$1,079* | \$1,249 | \$0.95 | 15.8% | \$1,450 | \$1.08 |
| 17 | 3 | 1.5 | 1,105 | \$1,079 | \$1,249 | \$0.95 | 15.8% | \$1,450 | \$1.08 |
| 10 | 3 | 1.5 | 1,105 | \$1,179 | \$1,249 | \$0.95 | 6.0% | \$1,450 | \$1.08 |
| 21 | 3 | 1.5 | 1,105 | \$1,079* | \$1,249 | \$0.95 | 15.8% | \$1,450 | \$1.08 |
| 6 | 3 | 1.5 | 1,105 | \$1,079 | \$1,249 | \$0.95 | 15.8% | \$1,450 | \$1.08 |
| 3 | 3 | 1.5 | 1,105 | \$1,179 | \$1,249 | \$0.95 | 6.0% | \$1,450 | \$1.08 |
| 6 | 4 | 1.5 | 1,397 | \$1,189* | \$1,349 | - | 13.5% | \$1,223 | \$0.87 |
| 2 | 4 | 1.5 | 1,397 | \$1,189 | \$1,349 | - | 13.5% | \$1,223 | \$0.87 |
| 1 | 4 | 1.5 | 1,397 | \$1,289 | \$1,349 | - | 4.7% | \$1,223 | \$0.87 |

Contract rents are shown for units with PBRA*

| CAPTURE RATES (found on page 53) | | | | | |
|----------------------------------|----------------|-------------|--|--|--------------------|
| Targeted Population | 60% w/o PBRA** | Market Rate | | | Overall w/o PBRA** |
| Capture Rate | 11.4% | 1.1% | | | 8.1% |

Capture rates shown do not account for the proposed PBRA which would lower capture rates**

2. INTRODUCTION

A. Overview of Subject

The subject of this report is the proposed renovation of London Towne Houses, an existing 200-unit housing cooperative in Atlanta, Fulton County, Georgia. As proposed, the subject property will be rehabilitated and will include 180 LIHTC units targeting renter households earning at or below 60 percent of the Area Median Income (AMI), adjusted for household size, including 150 units with Project Based Rental Assistance (PBRA) funded through the Atlanta Housing Authority's HomeFlex program. Twenty units will be market rate without income or rent restrictions.

B. Purpose of Report

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability analysis. RPRG expects this study to be submitted to the Georgia Department of Community Affairs as part of an application for four percent Low Income Housing Tax Credits. Furthermore, we expect this market study to be submitted to HUD in conjunction with an application mortgage insurance through the 221(d)(4) program.

C. Format of Report

The report format is comprehensive and conforms to DCA's 2019 Market Study Manual and HUD's MAP Guide. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The clients are The Benoit Group (developer) and Berkadia Commercial Mortgage, LLC (lender). Along with the Client, the Intended Users are DCA, HUD, and investors.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- DCA's 2019 Market Study Manual.
- The National Council of Housing Market Analysts' (NCHMA) Model Content Standards and Market Study Index.
- HUD Market Study requirements in the MAP Guide dated January 29, 2016.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 6 and 7 for a detailed list of DCA and HUD MAP requirements as well as the corresponding pages of requirements within the report.
- Brett Welborn (Analyst) conducted a site visit on June 4, 2019.



- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and staff with the City of South Fulton.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

3. PROJECT DESCRIPTION

A. Project Overview

London Towne Houses is located at 308 Scott Street SW, just south of Boulder Park Drive and east of Interstate 285 in western Atlanta. The subject will offer 200 newly renovated general occupancy rental units including 180 LIHTC units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size, including 150 units with Project Based Rental Assistance (PBRA) through the Atlanta Housing Authority's Homeflex program. The subject property will offer 20 market rate units without income and rent restrictions.

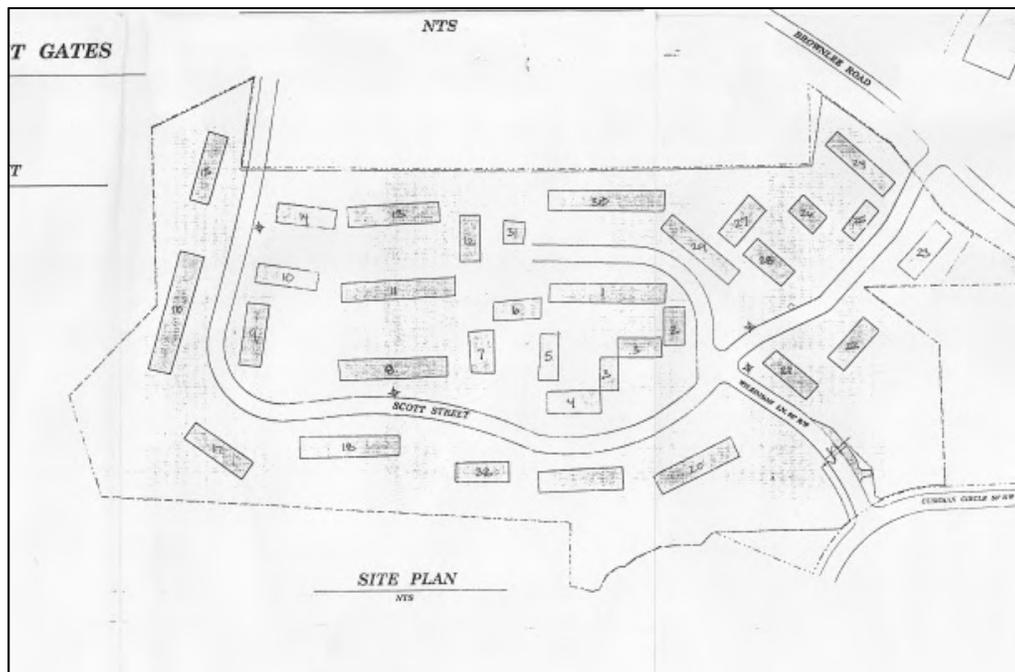
B. Project Type and Target Market

London Towne Houses will target very low to moderate income renter households. The unit mix of one, two, three, and four-bedroom units will target a wide range of household types including singles, couples, roommates, and families with children.

C. Building Types and Placement

London Towne Houses' 200 rental units are contained within 32 townhome buildings with brick and siding exteriors; the site also includes a community building with community room. Most buildings have two stories while several have one or three stories. The subject property's existing entrances on Scott Street and Wilkins Lane will remain in place with an access road connecting these two entrances (Figure 1). The residential buildings and community building are along this access road with several small auxiliary roads and parking lots branching from this road.

Figure 1 Site Plan



Source: The Benoit Group



D. Detailed Project Description

1. Project Description

London Towne Houses will offer eight one-bedroom units, 61 two-bedroom units, 122 three-bedroom units, and 9 four-bedroom units with 180 LIHTC units targeting households earning up to 60 percent of the Area Median Income (AMI) and 20 market rate units without income and rent restrictions.

- One-bedroom units have one bathroom and 702 gross heated square feet.
- Two-bedroom units are offered in two floor plans; one floor plan has one bathroom and 994 gross heated square feet and the other has 1.5 bathrooms and 1,018 gross heated square feet. The weighted average unit size for two-bedroom units is 1,006 gross heated square feet.
- Three-bedroom units are offered in two floor plans; both floor plans have 1.5 bathrooms and 1,105 gross heated square feet.
- Four-bedroom units have 1.5 bathrooms and 1,397 gross heated square feet (Table 1).
- HUD's 'paint-to-paint' square footage is presented in Table 1; however, we utilize the gross heated square feet for this analysis as these are the unit sizes reported at existing communities in the market area.
- One-hundred and fifty LIHTC units will benefit from PBRA and tenants in these units will pay a percentage of their income for rent; minimum income limits and tenant-paid rents will not apply. We utilized the proposed contract rents for PBRA units in this analysis as they are equal to maximum allowable LIHTC rents (most that could be charged without PBRA).
- The proposed rents will include the cost of trash removal. Tenants will bear the cost of all other utilities.
- Proposed unit features and community amenities are detailed in Table 2.



Table 1 Detailed Project Summary, London Towne Houses

| Unit Mix/Rents | | | | | | | | |
|--------------------------|------|----------------|------------|-----------------|---------------|------------|---------|----------|
| Bed | Bath | Income Target | Quantity | HUD Net Sq. Ft. | Gross Sq. Ft. | Gross Rent | Utility | Net Rent |
| 1 | 1 | 60% AMI / PBRA | 8 | 626 | 702 | \$897 | \$97 | \$800 |
| 1BR Subtotal/Avg. | | | 8 | 702 | | | | |
| 2 | 1 | 60% AMI/PBRA | 25 | 898 | 994 | \$1,077 | \$130 | \$947 |
| 2 | 1 | 60% AMI | 3 | 898 | 994 | \$1,077 | \$130 | \$947 |
| 2 | 1 | Market | 3 | 898 | 994 | \$1,177 | \$130 | \$1,047 |
| 2 | 1.5 | 60% AMI/PBRA | 25 | 922 | 1,018 | \$1,077 | \$130 | \$947 |
| 2 | 1.5 | 60% AMI | 2 | 922 | 1,018 | \$1,077 | \$130 | \$947 |
| 2 | 1.5 | Market | 3 | 922 | 1,018 | \$1,177 | \$130 | \$1,047 |
| 2BR Subtotal/Avg. | | | 61 | 1,006 | | | | |
| 3 | 1.5 | 60% AMI/PBRA | 65 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | 60% AMI | 17 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | Market | 10 | 1,008 | 1,105 | \$1,343 | \$164 | \$1,179 |
| 3 | 1.5 | 60% AMI/PBRA | 21 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | 60% AMI | 6 | 1,008 | 1,105 | \$1,243 | \$164 | \$1,079 |
| 3 | 1.5 | Market | 3 | 1,008 | 1,105 | \$1,343 | \$164 | \$1,179 |
| 3BR Subtotal/Avg. | | | 122 | 1,105 | | | | |
| 4 | 1.5 | 60% AMI/PBRA | 6 | 1,284 | 1,397 | \$1,387 | \$198 | \$1,189 |
| 4 | 1.5 | 60% AMI | 2 | 1,284 | 1,397 | \$1,387 | \$198 | \$1,189 |
| 4 | 1.5 | Market | 1 | 1,284 | 1,397 | \$1,487 | \$198 | \$1,289 |
| 4BR Subtotal/Avg. | | | 9 | 1,397 | | | | |
| Total | | | 200 | | | | | |

Rents include trash removal Contract rent Source: The Benoit Group

Table 2 Unit Features and Community Amenities

| Unit Features | Community Amenities |
|--|---|
| <ul style="list-style-type: none"> • Kitchens with a refrigerator, dishwasher, range/oven, and microwave. • Washer and dryer connections. • Carpet in living areas and laminate flooring in kitchen and bathrooms. • Window blinds. • Patio/balcony. • Central heating and air-conditioning. | <ul style="list-style-type: none"> • Clubhouse with community room. • Computer/business center. • Playground. • Gazebo. • Covered picnic pavilion with grills. • Fenced community garden. |

2. Other Proposed Uses

None.

3. Scope of Rehabilitation

The proposed rehabilitation cost for London Towne Houses is approximately \$140,000 per unit. The scope of the rehabilitation will be extensive and include upgrades to building exteriors, interior unit finishes and features, mechanical systems, HVAC units, and plumbing systems.



4. Current Property Conditions

According to a rent roll (dated April 30, 2019) provided by the client (The Benoit Group), the community has 32 vacancies among 200 units. London Towne Houses is a cooperative housing community in which tenants become shareholders of the property and have the right to live on the premises. Tenants do not own a particular unit but are part owners in a company that owns the complex. The monthly fees (similar to rents) at the subject property are \$463 for one-bedroom units, \$510 to \$589 for two-bedroom units, \$600 to \$656 for three-bedroom units, and \$692 for four-bedroom units. Many of the existing tenants are expected to remain income-qualified post renovation given the wide income target including LIHTC units with and without PBRA as well as market rate units.

Reflecting its age (built in 1967), the subject property is showing signs of deferred maintenance and is in need of repairs and upgrades.

5. Proposed Timing of Development

London Towne Houses is expected to begin construction in November 2019; first move-ins are projected for June 2020 and the full renovation is expected to be completed in June 2021. For the purposes of this report, the subject property's anticipated placed-in-service year is 2021.

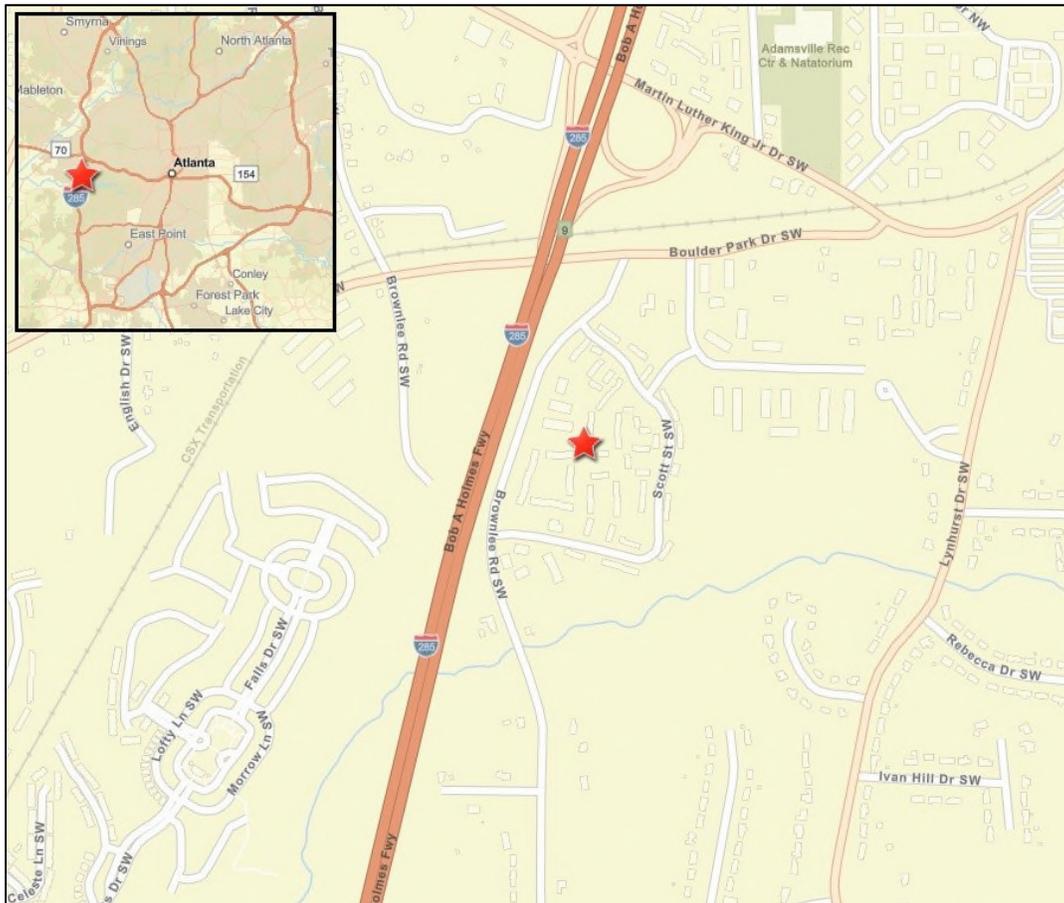
4. SITE EVALUATION

A. Site Analysis

1. Site Location

The subject property is on Scott Street SW, just east of Interstate 285 in western Atlanta, Fulton County, Georgia (Map 1); the physical address is 308 Scott Street SW. The site is currently improved with a cooperative housing community, which will be renovated and converted to a mixed-income LIHTC rental community.

Map 1 Site Location



2. Existing and Proposed Uses

The subject property is an existing cooperative housing community with 32 residential buildings, a community building, and adjacent parking lots (Figure 2). The property will be renovated; the existing land use will not change.

Figure 2 Views of Subject Site



Community building.



Three existing residential buildings surrounding a parking lot.



Existing residential building.



Community entrance on Wilkins Lane SW.



Scott Street SW facing south (residential buildings on both sides of the road).

3. General Description of Land Uses Surrounding the Subject Site

The subject site is just southeast of the Interstate 20 and Interstate 285 interchange in western Atlanta; Interstate 285 borders the site to the west. The immediate neighborhood is established and primarily residential (Figure 3). Residential uses within one mile of the site consists of older modest to moderate value single-family detached homes and multi-family rental communities. Four older multi-family rental communities are within one-half mile of the subject property including Towne West Manor (LIHTC community built in 1964 and rehabbed in 2002), The Commons (deeply subsidized community built in 1969), and two small market rate communities (Enclave on Cushman and Brownlee Villa); one previously abandoned rental community (Hidden Pines) is being renovated just northeast of the site with five of 168 units completed. Single-family detached homes are common to the south along Brownlee Road and to the east along Lynhurst Drive; a single-family detached home is also just north of the subject property on Cushman Circle. Commercial uses are common along M.L.K. Jr Drive to the north and northeast including West Ridge Shopping Center roughly one-half mile to the northeast. Additional surrounding land uses include undeveloped land to the south and east, Adamsville Recreation Center to the north, and Concord Baptist Church to the north on Boulder Park Drive.

Figure 3 Satellite Image of Subject Site



4. Specific Identification of Land Uses Surrounding the Subject Site

Nearby land uses surrounding the subject site include (Figure 4):

- **North:** Concord Baptist Church, single-family detached home, and six townhomes.
- **East:** Enclave on Cushman Apartments, undeveloped land, single-family detached homes, and Hidden Pines Apartments.
- **South:** Undeveloped land and single-family detached homes.
- **West:** Towne West Manor Apartments (LIHTC community) and Brownlee Villa Apartments.

Figure 4 Views of Surrounding Land Uses



Concord Baptist Church to the north.



Single-family detached home to the north on Cushman Circle.



Towne West Manor Apartments (LIHTC community) to the west.



Hidden Pines Apartments to the northeast.



Single-family detached home to the south on Brownlee Road.

B. Neighborhood Analysis

1. General Description of Neighborhood

The subject site is in an established residential neighborhood which is just southeast of the Interstate 20 and Interstate 285 interchange. Interstate 20 connects to downtown Atlanta approximately eight miles to the east while Interstate 285 serves as Atlanta's By-Pass interstate and is known as "The Perimeter". The area within several miles of the subject property is primarily residential with generally older modest to moderate value single-family detached homes with a range of conditions (well-maintained to homes in disrepair) the most common land use. Multi-family rental communities are also common within two miles of the site including six LIHTC communities (five general occupancy and one age-restricted). Commercial uses are common along M.L.K. Jr Drive to the north of the subject property including West Ridge Shopping Center roughly one-half mile northeast of the subject property offering Wayfield Foods (grocery store), Family Dollar, and several other retailers. Fulton Industrial Boulevard is within three miles west of the subject property and is a major thoroughfare in the region with significant industrial development including many distribution centers. The area south of Cascade Road (roughly three miles south of the subject property) is a more desirable area with higher quality housing and commercial uses.

2. Neighborhood Planning Activities

New development in the subject site's immediate vicinity is limited as the area is established and largely built-out. The newest development identified near the site is the Adamsville Regional Health Center which was built in 2012 at the Adamsville Place Parkway and M.L.K. Jr Drive intersection just over one mile northwest of the subject property. UPS recently opened its third largest distribution facility (\$400 million) in the United States on Fulton Industrial Boulevard roughly three miles north of the site next to Fulton County Airport.

One new construction LIHTC community (Creekside at Adamsville Place) was identified as planned roughly two miles northwest of the subject property. An application for four percent Low Income Housing Tax Credits has been submitted to DCA; the community would include 147 LIHTC units targeting households earning up to 30 percent, 60 percent, and 80 percent of the Area Median Income (AMI) among one, two, and three-bedroom units. Additionally, a previously abandoned apartment complex (Hidden Pines) is being renovated adjacent to the site.

3. Public Safety

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2018 CrimeRisk Index for the census tracts in the general vicinity of the subject site are color coded with the site's census tract being light blue, indicating a crime risk (200 to 299) above the national average (100) (Map 2). All areas in the market area have an above average crime risk and the subject's census tract's crime risk is comparable or less than most areas in the market area



roughly one-quarter mile to the northeast. Access to Interstate 285 is roughly one-half mile north of the subject property via M.L.K. Jr Drive.

3. Availability of Public Transit and Inter-Regional Transit

The Metropolitan Atlanta Rapid Transit Authority (MARTA) is the major provider of mass transit in the Metro Atlanta area. MARTA provides both fixed-route bus service and a heavy rail system traveling primarily throughout Fulton and DeKalb Counties, inside and outside of the Atlanta city limits. Bus Route 68 crosses through the subject property via Scott Street and offers four bus stops adjacent to residential buildings at London Towne Houses as well as stops at both community entrances. Route 68 connects to the Hamilton E Holmes Rail Station to the northeast. The Hamilton E Holmes MARTA Station provides rail service on the Blue Line, which travels in an east and west direction.

From a regional perspective, the subject property is a half mile south of Interstate 285 via M.L.K. Jr Drive and is roughly one mile from the Interstate 20 and Interstate 285 interchange. These two major thoroughfares connect the site to the Atlanta Metro Area; Interstate 285 is Atlanta's perimeter highway connecting to Interstates 75 and 85 which provide access to the southeastern United States. M.L.K. Jr Drive (State Highway 139) is just north of the site and connects to downtown Atlanta roughly eight miles to the east and to Cobb County to the west. State Highway 70 (Fulton Industrial Parkway) is within three miles of the subject property providing access to the region west of Atlanta. Hartsfield-Jackson International Airport is approximately 13 miles to the southeast.

4. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. RPRG did not identify any significant roadway projects as planned that would affect the subject site.

Transit and Other Improvements under Construction and/or Planned

None identified.

5. Environmental Concerns

RPRG did not identify any visible environmental site concerns.

D. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part to its proximity to those facilities and services required on a daily basis. Key facilities and services and their distances from the subject site are listed in Table 3 and their locations are plotted on Map 3.

Table 3 Key Facilities and Services

| Establishment | Type | Address | Driving Distance |
|------------------------------------|-------------------|--------------------------|------------------|
| MARTA | Public Transit | Wilkins Ln. @ Scott St. | 0 mile |
| C.T. Martin Recreation Center | Recreation | 3201 MLK Jr Dr. | 0.4 mile |
| Family Dollar | General Retail | 3050 MLK Jr Dr. | 0.5 mile |
| Wayfield Foods | Grocery | 3050 MLK Jr Dr. | 0.5 mile |
| Texaco | Convenience Store | 3330 MLK Jr Dr. | 0.7 mile |
| Adamsville-Collier Heights Library | Library | 3424 MLK Jr Dr. | 0.8 mile |
| Atlanta Fire Department | Fire | 3501 MLK Jr Dr. | 1 mile |
| West Manor Elementary School | Public School | 570 Lynhurst Dr. SW | 1 mile |
| Texaco | Convenience Store | 2716 MLK Jr Dr. | 1.2 miles |
| Trinity Pharmacy | Pharmacy | 3565 MLK Jr Dr. | 1.2 miles |
| Atlanta Police Department | Police | 3565 MLK Jr Dr. SW | 1.2 miles |
| Young Middle School | Public School | 3116 Benjamin Mays Dr. | 1.3 miles |
| Adamsville Regional Health Center | Doctor/Medical | 3700 MLK Jr Dr. | 1.6 miles |
| Mays High School | Public School | 3450 Benjamin Mays Dr. | 1.6 miles |
| Wells Fargo | Bank | 1120 Fairburn Rd. SW | 2.7 miles |
| WellStar Group Family Medicine | Doctor/Medical | 3355 Cascade Rd. | 2.7 miles |
| Bank of America | Bank | 3495 Cascade Rd. | 2.8 miles |
| Publix | Grocery | 3695 Cascade Rd. | 2.8 miles |
| Kroger | Grocery | 3425 Cascade Rd. | 2.8 miles |
| Walgreens | Pharmacy | 3740 Cascade Rd. | 2.8 miles |
| United States Postal Service | Post Office | 2414 Herring Rd. | 3.1 miles |
| Walmart | General Retail | 1105 Research Center Dr. | 3.4 miles |
| Greenbriar Mall | Mall | 2841 Greenbriar Pkwy. | 5.6 miles |
| Grady Hospital | Hospital | 80 Jesse Hill Jr Dr SE | 8.7 miles |

Source: Field and Internet Research, RPRG, Inc.

2. Essential Services

Health Care

Grady Memorial Hospital is on Jesse Hill Jr. Drive SE roughly nine miles east of the site in downtown Atlanta. This 971 bed full-service facility is the largest hospital in the state of Georgia and the public hospital of the city of Atlanta offering a variety of medical services including 24 hour emergency medicine, surgical services, and general care.

The closest family medicine provider is Adamsville Regional Health Center which is 1.6 miles northwest of the subject property at Adamsville Place Parkway and M.L.K. Jr Drive intersection. This medical center offers services including family medicine, health screening, immunizations, women's health services, children's health services, nutritional education, substance abuse treatment, and family counseling.

Education

The Atlanta Public Schools District serves the market area with 98 learning sites and has an approximate enrollment of 55,000 students. School age children residing at the subject property would attend West Manor Elementary School (1.0 mile), Young Middle School (1.3 miles), and Mays High School (1.6 mile). In terms of test results, Atlanta City Schools rank lower than state averages and the subject property's schools rank below district averages. The composite test score of West Manor Elementary School (30.6 percent) is in the top half of elementary schools in the district but below the district's composite score (31.9 percent). The subject's middle school (Young Middle School) is ranked 17th of 23 middle schools and the subject's high school (Mays High School) ranked 11th of 18 high schools (Table 4). Although the subject property's middle and high school test scores



are low, all competitive properties in the market area will attend these schools or schools with similar or lower test scores. The subject’s schools will not negatively impact the subject property’s marketability more so than existing multi-family communities in the market area.

The Atlanta Metro area is home to many colleges, universities, and vocational schools offering a wide variety of degree programs and educational opportunities. Notable institutions of higher education in or near downtown Atlanta roughly eight miles to the east of the site include The Georgia Institute of Technology, Georgia State University, Emory University, Morris Brown College, Morehouse College, Atlanta Metropolitan State College, Bauder College, and the Savannah College of Art and Design.

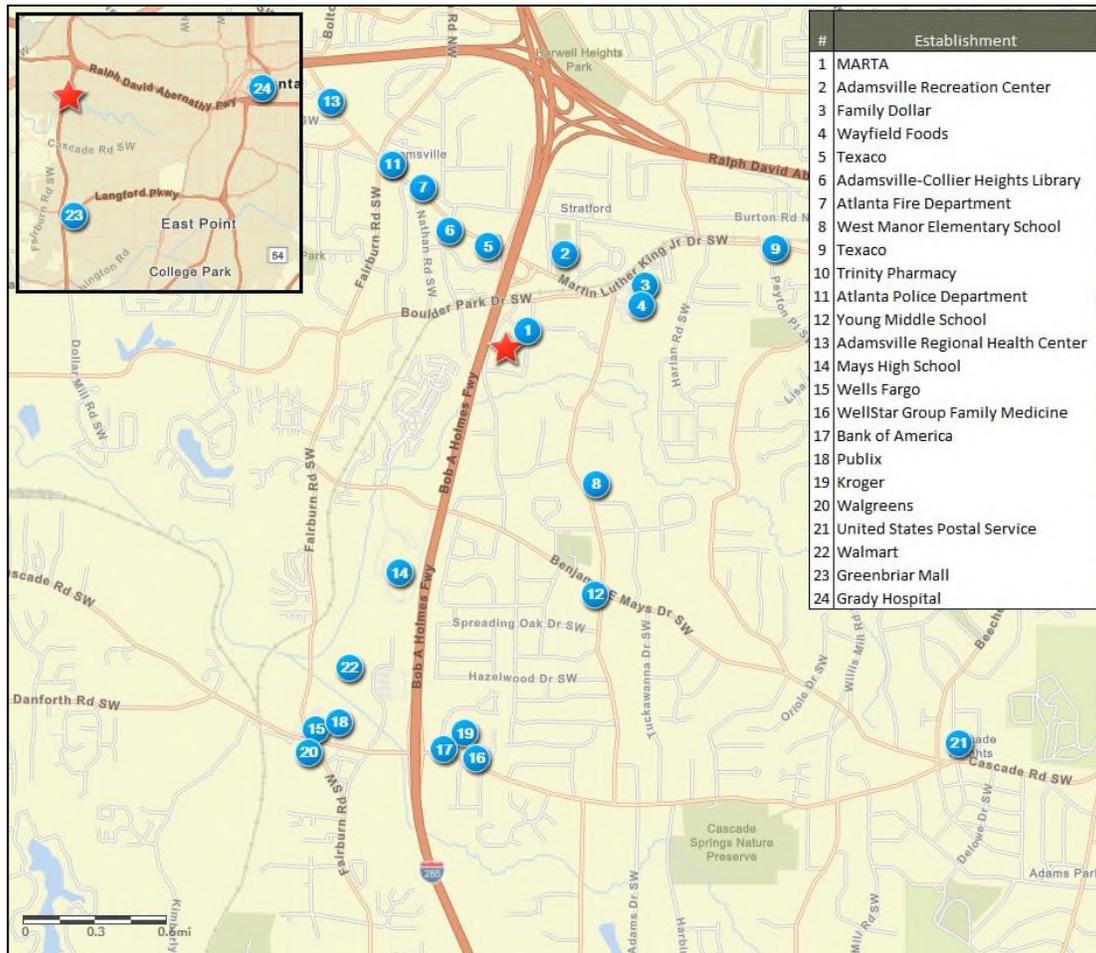
Table 4 School Test Scores

| Elementary Schools | | | | | Middle Schools | | | | |
|--------------------|-------------------------------------|--------------|--------------|--------------|----------------|-------------------------------------|--------------|--------------|--------------|
| EOG- 2018 | | | | | EOG - 2018 | | | | |
| Rank | School | Grade 3 | | | Rank | School | Grade 8 | | |
| | | English | Math | Composite | | | English | Math | Composite |
| 1 | Lin Elementary School | 80.8% | 85.8% | 83.3% | 1 | Inman Middle School | 63.3% | 59.8% | 61.5% |
| 2 | Jackson Elementary School | 77.4% | 87.0% | 82.2% | 2 | Atlanta Neighborhood Charter - Midd | 61.8% | 44.7% | 53.3% |
| 3 | Morningside Elementary School | 78.7% | 81.6% | 80.1% | 3 | Charles Drew Charter School Ja - Sa | 62.2% | 40.9% | 51.5% |
| 4 | Springdale Park Elementary School | 72.1% | 80.2% | 76.1% | 4 | Sutton Middle School | 59.7% | 39.8% | 49.7% |
| 5 | Brandon Elementary School | 70.4% | 81.8% | 76.1% | 5 | Kipp Strive Academy | 46.0% | 52.9% | 49.4% |
| 6 | Smith Elementary School | 66.9% | 71.0% | 69.0% | 6 | Kipp West Atlanta Young Scholars Ac | 38.0% | 47.3% | 42.6% |
| 7 | Westside Atlanta Charter School | 59.5% | 73.8% | 66.7% | 7 | Centennial Academy | 50.7% | 26.3% | 38.5% |
| 8 | Charles R. Drew Charter School | 62.3% | 70.1% | 66.2% | 8 | Wesley International Academy Charte | 53.8% | 21.9% | 37.8% |
| 9 | Atlanta Neighborhood Charter - Elem | 59.1% | 64.6% | 61.9% | 9 | Kindezi | 30.0% | 36.7% | 33.3% |
| 10 | Kindezi | 46.7% | 71.1% | 58.9% | 10 | Kipp Vision | 25.3% | 31.9% | 28.6% |
| 11 | Wesley International Academy Charte | 59.6% | 57.3% | 58.4% | 11 | B.e.s.t Academy | 25.5% | 23.8% | 24.7% |
| 12 | Garden Hills Elementary School | 48.0% | 63.5% | 55.8% | 12 | Corretta Scott King Womens Leadersh | 26.7% | 20.0% | 23.3% |
| 13 | Atlanta Classical Academy | 53.7% | 42.6% | 48.1% | 13 | Sylvan Hills Middle School | 22.6% | 18.8% | 20.7% |
| 14 | Kipp Strive Primary | 44.3% | 46.2% | 45.3% | 14 | King Middle School | 17.6% | 15.2% | 16.4% |
| 15 | Beecher Hills Elementary School | 41.2% | 37.3% | 39.2% | 15 | Long Middle School | 15.8% | 14.4% | 15.1% |
| 16 | Kindezi Old 4th Ward | 33.3% | 43.9% | 38.6% | 16 | Bunche Middle School | 18.1% | 9.9% | 14.0% |
| 17 | Rivers Elementary School | 43.1% | 33.3% | 38.2% | 17 | Young Middle School | 13.7% | 12.4% | 13.0% |
| 18 | Burgess-peterson Elementary School | 32.8% | 41.4% | 37.1% | 18 | Brown Middle School | 11.8% | 11.4% | 11.6% |
| 19 | Bolton Academy | 34.5% | 39.1% | 36.8% | 19 | Price Middle School | 15.6% | 6.3% | 10.9% |
| 20 | Centennial Academy | 29.0% | 32.7% | 30.8% | 20 | Harper-archer Middle School | 11.8% | 1.5% | 6.7% |
| 21 | West Manor Elementary School | 33.3% | 27.8% | 30.6% | 21 | Aps-forrest Hills Academy | 1.8% | - | - |
| 22 | Parkside Elementary School | 24.7% | 34.4% | 29.6% | 22 | Atlanta Classical Academy | 79.6% | - | - |
| 23 | Fickett Elementary School | 27.5% | 30.1% | 28.8% | 23 | Hillside Conant School | - | - | - |
| 24 | Kipp Ways Primary School | 18.1% | 38.7% | 28.4% | | School System Average | 34.2% | 26.8% | 30.5% |
| 25 | The John Hope-charles Walter Hill E | 18.3% | 35.2% | 26.8% | | State Average | 39.3% | 36.7% | 38.0% |
| 26 | Deerwood Academy School | 23.3% | 26.7% | 25.0% | | | | | |
| 27 | Peyton Forest Elementary School | 19.1% | 30.3% | 24.7% | | | | | |
| 28 | Kipp Vision Primary | 15.5% | 33.0% | 24.3% | | | | | |
| 29 | Toomer Elementary School | 20.8% | 26.4% | 23.6% | | | | | |
| 30 | Bazoline E. Usher - Collier Heights | 20.0% | 25.0% | 22.5% | | | | | |
| 31 | Cascade Elementary School | 14.5% | 30.4% | 22.5% | | | | | |
| 32 | Dunbar Elementary School | 15.6% | 28.6% | 22.1% | | | | | |
| 33 | Barack And Michelle Obama Academy | 18.2% | 25.0% | 21.6% | | | | | |
| 34 | Heritage Academy Elementary | 14.0% | 29.1% | 21.5% | | | | | |
| 35 | Towns Elementary School | 11.3% | 30.2% | 20.8% | | | | | |
| 36 | Gideons Elementary School | 9.1% | 30.9% | 20.0% | | | | | |
| 37 | Tuskegee Airman Global Academy | 14.4% | 22.5% | 18.5% | | | | | |
| 38 | Miles Intermediate School | 10.6% | 24.3% | 17.4% | | | | | |
| 39 | M. A. Jones Elementary School | 15.0% | 19.8% | 17.4% | | | | | |
| 40 | Benteen Elementary School | 15.4% | 19.2% | 17.3% | | | | | |
| 41 | Humphries Elementary School | 12.5% | 17.5% | 15.0% | | | | | |
| 42 | Cleveland Elementary School | 13.7% | 15.7% | 14.7% | | | | | |
| 43 | Finch Elementary | 14.3% | 13.0% | 13.6% | | | | | |
| 44 | Continental Colony Elementary Schoo | 6.3% | 20.3% | 13.3% | | | | | |
| 45 | Kimberly Elementary School | 6.7% | 18.7% | 12.7% | | | | | |
| 46 | Slater Elementary School | 6.8% | 16.5% | 11.7% | | | | | |
| 47 | Woodson Park Academy | 9.1% | 14.1% | 11.6% | | | | | |
| 48 | Dobbs Elementary School | 9.5% | 13.1% | 11.3% | | | | | |
| 49 | F. L. Stanton Elementary School | 7.5% | 11.1% | 9.3% | | | | | |
| 50 | Perkerson Elementary School | 10.0% | 8.6% | 9.3% | | | | | |
| 51 | Michael R. Hollis Innovation Academ | 8.6% | 9.9% | 9.3% | | | | | |
| 52 | Hutchinson Elementary School | 9.6% | 8.4% | 9.0% | | | | | |
| 53 | Thomasville Heights Elementary Scho | 5.8% | 11.6% | 8.7% | | | | | |
| 54 | Boyd Elementary School | 4.5% | 12.1% | 8.3% | | | | | |
| 55 | Fain Elementary School | 5.9% | 10.6% | 8.2% | | | | | |
| 56 | Scott Elementary School | 7.4% | 8.8% | 8.1% | | | | | |
| 57 | Hillside Conant School | - | - | - | | | | | |
| | School System Average | 28.4% | 35.4% | 31.9% | | | | | |
| | State Average | 37.0% | 45.8% | 41.4% | | | | | |

| High Schools | | | | |
|--------------|-------------------------------------|--------------|--------------|--------------|
| EOC - 2018 | | | | |
| Rank | School | English | Math | Composite |
| 1 | Grady High School | 65.2% | 30.0% | 65.2% |
| 2 | Atlanta Classical Academy | 91.2% | 33.8% | 62.5% |
| 3 | Charles Drew Charter School Ja - Sa | 64.7% | 55.0% | 59.9% |
| 4 | North Atlanta High School | 55.1% | 30.9% | 43.0% |
| 5 | Early College High School At Carver | 40.9% | 27.4% | 34.1% |
| 6 | Kipp Atlanta Collegiate | 35.6% | 15.5% | 25.5% |
| 7 | Maynard H. Jackson, Jr. High School | 29.6% | 20.2% | 24.9% |
| 8 | Corretta Scott King Womens Leadersh | 25.9% | 10.3% | 18.1% |
| 9 | Therrell High School | 26.6% | 7.4% | 17.0% |
| 10 | B.e.s.t Academy | 22.8% | 6.9% | 14.9% |
| 11 | Mays High School | 21.9% | 6.3% | 14.1% |
| 12 | South Atlanta High School | 18.8% | 5.2% | 12.0% |
| 13 | Booker T. Washington High School | 19.0% | 2.8% | 10.9% |
| 14 | Carver High School | 7.3% | 0.0% | 3.6% |
| 15 | Douglass High School | 3.0% | 20.0% | 3.0% |
| 16 | Hillside Conant School | - | - | - |
| 17 | School Of Technology At Carver | - | - | - |
| 18 | Aps-forrest Hills Academy | - | 0.0% | - |
| | School System Average | 47.4% | 38.0% | 42.7% |
| | State Average | 59.6% | 59.8% | 59.7% |

Source: Georgia Department of Education

Map 3 Location of Key Facilities and Services



3. Commercial Goods and Services

Convenience Goods

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

Two convenience stores (two Texaco’s), a pharmacy (Trinity Pharmacy), restaurants, and a grocery store (Wayfield Foods) are within roughly one mile of the site along M.L.K. Jr Drive. An additional concentration of shopping options is just under three miles south of the site near the Cascade Road and Interstate 285 interchange including two banks (Wells Fargo and Bank of America), two grocery store (Publix and Kroger), and a pharmacy (Walgreens).

Shoppers Goods

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop.

Family Dollar is one-half mile northeast of the subject property in the West Ridge Shopping Center on M.L.K. Jr Drive. Walmart Supercenter is 3.4 miles southwest of the subject property near Cascade



Road. Greenbriar Mall is roughly six miles south of the site near the Langford Highway and Interstate 285 interchange and is anchored by Macy's and Burlington Coat Factory. The mall also offers many smaller retailers and a food court.

4. Recreational Amenities

C.T. Martin Recreation Center is within one-half mile north of the subject property on M.L.K. Jr Drive and offers several activity areas including a natatorium with an eight-lane, heated, 50 meter competition pool, a playground, a basketball court, classrooms, and an outdoor sports field. Several public parks are also within two miles of the subject property including West Manor Park, Isabel Gates Webster Park, and Dr. Mary Shy Scott Memorial Park. Adamsville-Collier Heights Public Library is within one mile northwest of the subject on M.L.K. Jr Drive.

5. Location of Low Income Housing

A list and map of existing low-income housing in the London Market Area are provided in the Existing Low Income Rental Housing section of this report, starting on page 69.

E. Site Conclusion

The subject property is in an established neighborhood in western Atlanta within two miles of neighborhood amenities and services including public transportation, recreation, medical facilities, schools, Family Dollar, a pharmacy, convenience stores, restaurants, and a grocery store. The subject is close to major traffic arteries including Interstates 20 and 285 within one mile. Surrounding land uses are compatible with affordable multi-family rental housing including several multi-family rental communities within one-half mile of the subject property. The subject is the proposed rehabilitation of an existing community and its renovation will not alter the area's land use composition.



5. MARKET AREA

A. Introduction

The primary market area, referred to as the London Market Area for the purposes of this report, is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the London Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The London Market Area includes census tracts surrounding the Interstate 20 and Interstate 285 interchange in western Atlanta (Map 4). This market area includes the portions of Atlanta/Fulton County that are most comparable to the area surrounding the site. The most comparable rental communities to the subject property are in the London Market Area and residents of this area would likely consider the subject site a suitable shelter location. The market area is centered on the Interstate 20 and Interstate 285 interchange and several additional major thoroughfares cross through the market area including Martin Luther King Jr Drive, Donald Lee Hollowell Parkway, and Fulton Industrial Boulevard, providing excellent connectivity in the market area. The market area is bounded to the north and west by Cobb County and does not extend further east given a transition to denser development in or near downtown Atlanta. The market area does not extend further south due to distance from the site and intervening rental opportunities.

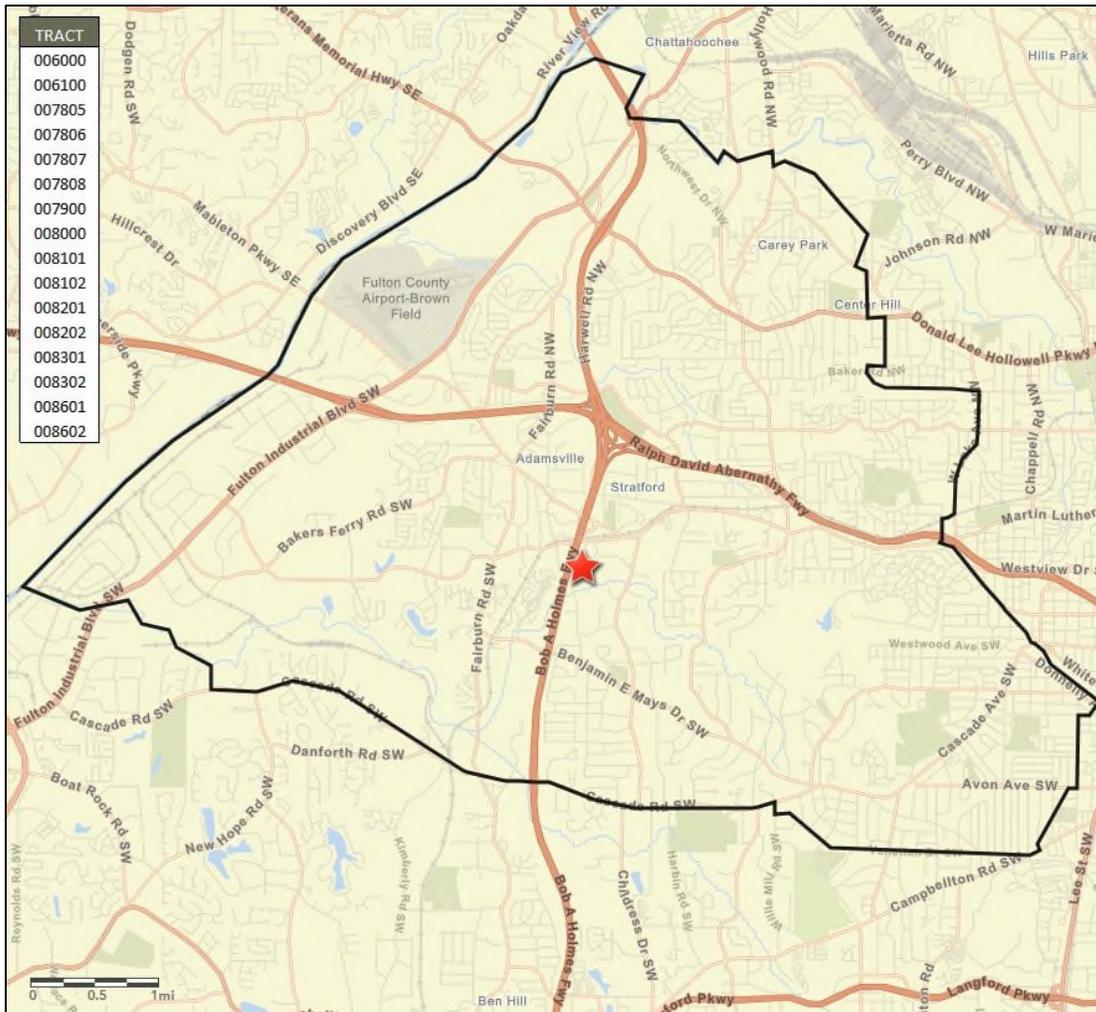
The boundaries of the London Market Area and their approximate distance from the subject site are:

- North:** Chattahoochee River / Proctor Creek (4.0 miles)
- East:** W. Lake Avenue / Oakland Drive SW (3.1 miles)
- South:** Cascade Road (1.9 miles)
- West:** Chattahoochee River / Cobb County (4.2 miles)

As appropriate for this analysis, the London Market Area is compared to Fulton County, which is considered the secondary market area for demographic purposes. Demand estimates are based only on the London Market Area.



Map 4 London Market Area





6. COMMUNITY DEMOGRAPHIC DATA

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the London Market Area and Fulton County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Data is presented for the current year (2019) and five-year projection based on HUD’s MAP Guidelines. Alternate years are interpolated for demand estimates per DCA requirements.

B. Trends in Population and Households

1. Recent Past Trends

The London Market Area lost 10,835 people (15.6 percent) and 2,518 households (10.0 percent) between 2000 and 2010 Census counts (**Error! Reference source not found.**). This trend reversed with the addition of 1,727 people (2.9 percent) and 647 households (2.9 percent) from 2010 to 2019 reaching 60,464 people and 23,287 households in 2019. The market area’s average annual growth over the past nine years was 192 people (0.3 percent) and 72 households (0.3 percent).

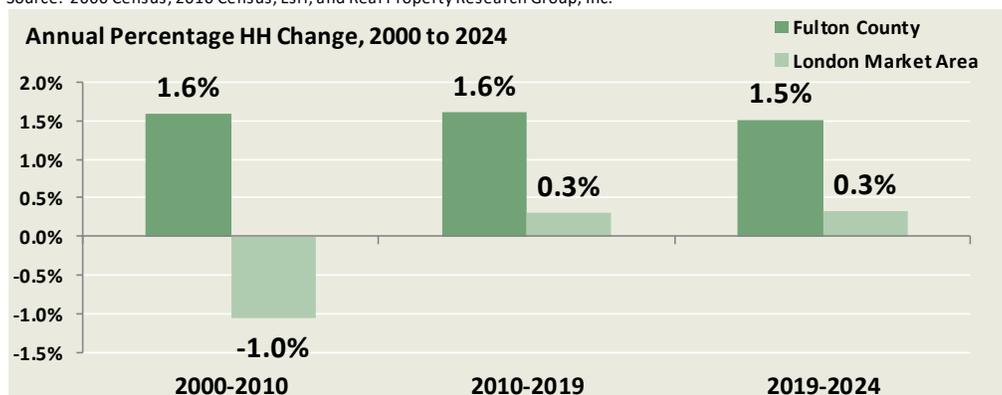
Population and household growth rates in Fulton County were steady in the previous decade at 10,458 people (1.2 percent) and 5,514 households (1.6 percent) per year. Annual growth in the county from 2010 to 2019 is estimated to have remained steady at 14,889 people (1.5 percent) and 6,432 households (1.6 percent) per year.

Table 5 Population and Household Projections

| Population | Fulton County | | | | | London Market Area | | | | |
|------------|---------------|--------------|-------|---------------|------|--------------------|--------------|--------|---------------|-------|
| | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | |
| | | # | % | # | % | | # | % | # | % |
| 2000 | 816,006 | | | | | 69,572 | | | | |
| 2010 | 920,581 | 104,575 | 12.8% | 10,458 | 1.2% | 58,737 | -10,835 | -15.6% | -1,084 | -1.7% |
| 2019 | 1,054,583 | 134,002 | 14.6% | 14,889 | 1.5% | 60,464 | 1,727 | 2.9% | 192 | 0.3% |
| 2024 | 1,132,785 | 78,202 | 7.4% | 15,640 | 1.4% | 61,654 | 1,190 | 2.0% | 238 | 0.4% |

| Households | Fulton County | | | | | London Market Area | | | | |
|------------|---------------|--------------|-------|---------------|------|--------------------|--------------|--------|---------------|-------|
| | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | |
| | | # | % | # | % | | # | % | # | % |
| 2000 | 321,242 | | | | | 25,158 | | | | |
| 2010 | 376,377 | 55,135 | 17.2% | 5,514 | 1.6% | 22,640 | -2,518 | -10.0% | -252 | -1.0% |
| 2019 | 434,262 | 57,885 | 15.4% | 6,432 | 1.6% | 23,287 | 647 | 2.9% | 72 | 0.3% |
| 2024 | 468,082 | 33,820 | 7.8% | 6,764 | 1.5% | 23,677 | 390 | 1.7% | 78 | 0.3% |

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.





2. Projected Trends

Growth is expected to accelerate slightly in the market area with the annual addition of 238 people (0.4 percent) and 78 households (0.3 percent) from 2019 to 2024 (**Error! Reference source not found.**). The market area will reach 61,654 people and 23,677 households by 2024.

Annual growth rates in Fulton County are projected to remain higher than in the market area at 1.4 percent among population and 1.5 percent among households over the next five years.

The average household size in the market area of 2.57 persons per household in 2019 is expected to remain the same through 2021 (Table 6).

| Average Household Size | | | |
|------------------------|-------------|-------------|-------------|
| Year | 2010 | 2019 | 2021 |
| Population | 58,737 | 60,464 | 60,940 |
| Group Quarters | 663 | 579 | 767 |
| Households | 22,640 | 23,287 | 23,443 |
| Avg. HH Size | 2.57 | 2.57 | 2.57 |

Table 6 Persons per Household, London Market Area

Source: 2010 Census; Esri; and RPRG, Inc.

3. Building Permit Trends

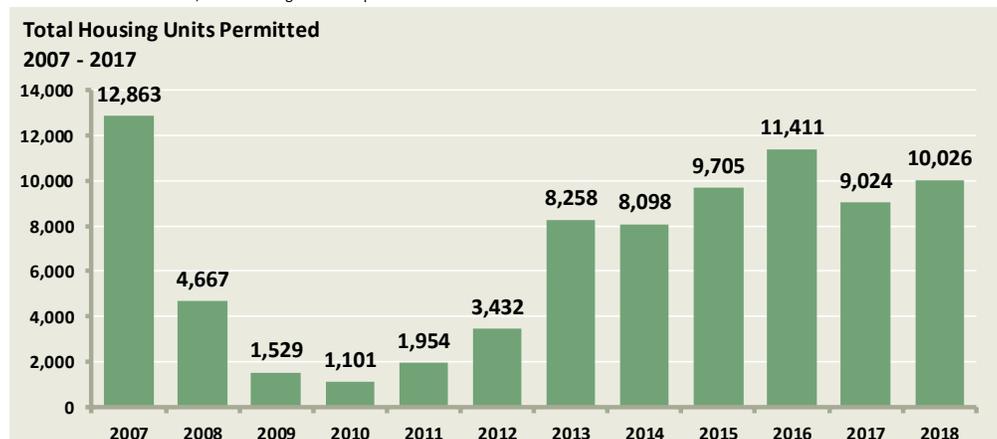
Permitted units in Fulton County increased significantly from a recession-era low of 1,101 in 2010 to an annual average of 9,420 permitted units since 2013 with at least 8,000 permitted units in each of the past six years (Table 7). It is important to note that Fulton County is the largest of the metro Atlanta counties and includes areas well outside the London Market Area.

Multi-family structures (5+ units) contain nearly two-thirds (63 percent) of units permitted in Fulton County since 2007 and roughly 36 percent of residential permits were for single-family homes. Approximately two-thirds (66.3 percent) of permitted units in the county over the past six years were in multi-family structures with five or more units.

Table 7 Building Permits by Structure Type, Fulton County

| Fulton County | | | | | | | | | | | | | | 2007-2018 | Annual Average |
|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|--------------|----------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | | | |
| Single Family | 4,552 | 2,211 | 775 | 783 | 961 | 1,668 | 2,121 | 2,405 | 3,016 | 3,281 | 3,766 | 4,369 | 29,908 | 2,492 | |
| Two Family | 50 | 14 | 8 | 0 | 4 | 0 | 6 | 14 | 8 | 10 | 6 | 10 | 130 | 11 | |
| 3 - 4 Family | 51 | 27 | 4 | 7 | 7 | 4 | 20 | 0 | 0 | 0 | 4 | 0 | 124 | 10 | |
| 5+ Family | 8,210 | 2,415 | 742 | 311 | 982 | 1,760 | 6,111 | 5,679 | 6,681 | 8,120 | 5,248 | 5,647 | 51,906 | 4,326 | |
| Total | 12,863 | 4,667 | 1,529 | 1,101 | 1,954 | 3,432 | 8,258 | 8,098 | 9,705 | 11,411 | 9,024 | 10,026 | 82,068 | 6,839 | |

Source: U.S. Census Bureau, C-40 Building Permit Reports.





C. Demographic Characteristics

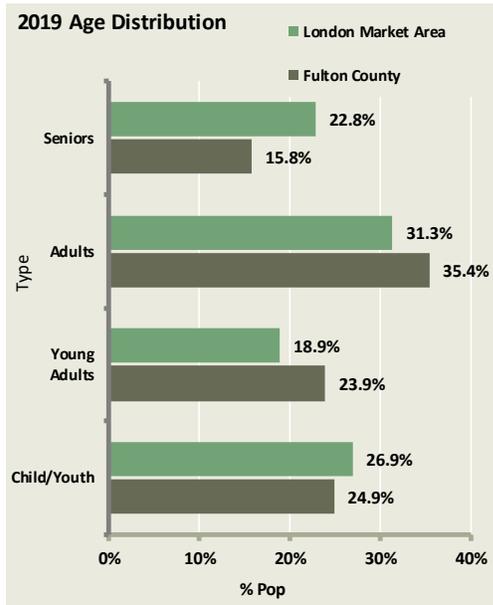
1. Age Distribution and Household Type

The population of the London Market Area is older than Fulton County’s with median ages of 38 and 35, respectively (Table 8). The London Market Area has a large proportion of Adults age 35 to 61 (31.3 percent) and Children/Youth under 20 years old (26.9 percent). A significant percentage (22.8 percent) of the market area’s population are Seniors ages 62 and older and Young Adults ages 20 to 34 account for 18.9 percent of the population. Fulton County has a larger proportion of Adults ages 20 to 61 when compared to the market area (59.3 percent versus 50.2 percent) while the market area has a larger proportion of Children/Youth under 20 years old and Seniors ages 62 and older.

Table 8 Age Distribution

| 2019 Age Distribution | Fulton County | | London Market Area | |
|-----------------------|------------------|--------------|--------------------|--------------|
| | # | % | # | % |
| Children/Youth | 262,430 | 24.9% | 16,281 | 26.9% |
| Under 5 years | 63,469 | 6.0% | 4,305 | 7.1% |
| 5-9 years | 64,254 | 6.1% | 4,145 | 6.9% |
| 10-14 years | 65,243 | 6.2% | 4,017 | 6.6% |
| 15-19 years | 69,464 | 6.6% | 3,814 | 6.3% |
| Young Adults | 252,237 | 23.9% | 11,424 | 18.9% |
| 20-24 years | 79,820 | 7.6% | 3,717 | 6.1% |
| 25-34 years | 172,417 | 16.3% | 7,707 | 12.7% |
| Adults | 373,613 | 35.4% | 18,953 | 31.3% |
| 35-44 years | 149,933 | 14.2% | 6,737 | 11.1% |
| 45-54 years | 138,717 | 13.2% | 6,965 | 11.5% |
| 55-61 years | 84,962 | 8.1% | 5,251 | 8.7% |
| Seniors | 166,304 | 15.8% | 13,806 | 22.8% |
| 62-64 years | 36,412 | 3.5% | 2,250 | 3.7% |
| 65-74 years | 80,004 | 7.6% | 6,441 | 10.7% |
| 75-84 years | 34,910 | 3.3% | 3,668 | 6.1% |
| 85 and older | 14,977 | 1.4% | 1,446 | 2.4% |
| TOTAL | 1,054,583 | 100% | 60,464 | 100% |
| Median Age | 35 | | 38 | |

Source: Esri; RPRG, Inc.

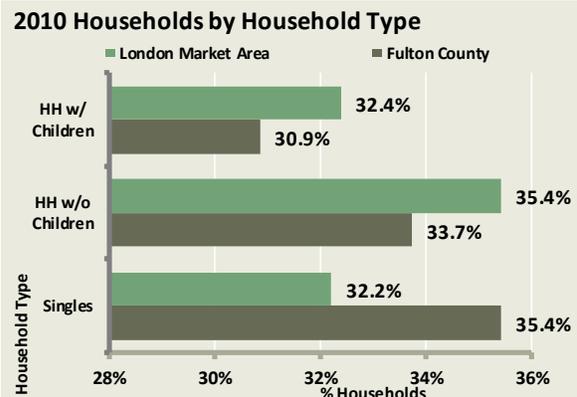


The market area’s households were relatively evenly distributed among households with children (32.4 percent), households with at least two adults but no children (35.4 percent), and single person households (32.2 percent) (Table 9). Fulton County had a higher percentage of single-person households when compared to the market area.

Table 9 2010 Households by Household Type

| 2010 Households by Household Type | Fulton County | | London Market Area | |
|-----------------------------------|----------------|--------------|--------------------|--------------|
| | # | % | # | % |
| Married w/Children | 66,799 | 17.7% | 1,678 | 7.4% |
| Other w/ Children | 49,326 | 13.1% | 5,653 | 25.0% |
| Households w/ Children | 116,125 | 30.9% | 7,331 | 32.4% |
| Married w/o Children | 67,509 | 17.9% | 2,949 | 13.0% |
| Other Family w/o Children | 26,434 | 7.0% | 3,738 | 16.5% |
| Non-Family w/o Children | 33,002 | 8.8% | 1,330 | 5.9% |
| Households w/o Children | 126,945 | 33.7% | 8,017 | 35.4% |
| Singles | 133,307 | 35.4% | 7,292 | 32.2% |
| Total | 376,377 | 100% | 22,640 | 100% |

Source: 2010 Census; RPRG, Inc.



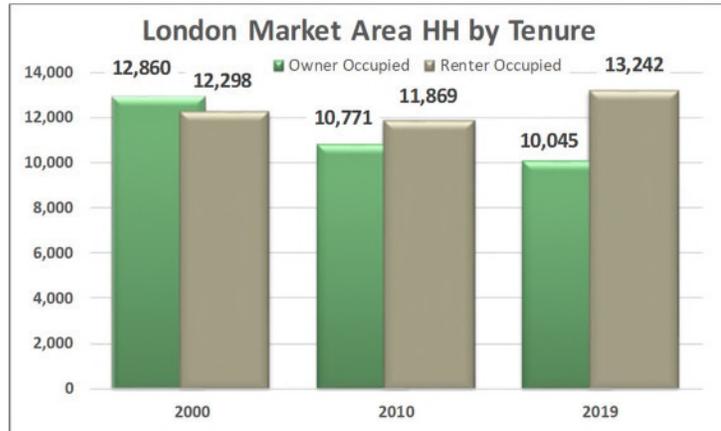


2. Household Trends by Tenure

a. Recent Past Trends

The number of renter households in the London Market Area increased from 12,298 in 2000 to 13,242 in 2019 for a net increase of 944 renter households or 7.7 percent¹ (Figure 5); the market area added 50 renter households per year over the past 19 years. By comparison, the market area lost 2,815 owner households over the past 19 years dropping from 12,860 owner households in 2000 to 10,045 owner households in 2019.

Figure 5 London Market Area Households by Tenure 2000 to 2019



The London Market Area’s renter percentage of 56.9 percent in 2019 is higher than Fulton County’s 50.5 percent (Table 10). The London Market Area’s annual average renter household growth over the past 19 years was 50 renter households (0.4 percent) compared to an annual loss of 148 owner households (1.3 percent) increasing the renter percentage from 48.9 percent in 2000 to 56.9 percent in 2019. By comparison, renter households contributed 57.5 percent of Fulton County’s net household growth since 2000.

Table 10 Households by Tenure, 2000-2019

| Fulton County | 2000 | | 2010 | | 2019 | | Change 2000-2019 | | | | % of Change 2000 - 2019 |
|-----------------------|----------------|-------------|----------------|-------------|----------------|-------------|------------------|----------------|-----------------|-----------------|-------------------------|
| | # | % | # | % | # | % | Total Change # | Total Change % | Annual Change # | Annual Change % | |
| Housing Units | | | | | | | | | | | |
| Owner Occupied | 167,119 | 52.0% | 202,262 | 53.7% | 215,121 | 49.5% | 48,002 | 28.7% | 2,526 | 1.3% | 42.5% |
| Renter Occupied | 154,123 | 48.0% | 174,115 | 46.3% | 219,141 | 50.5% | 65,018 | 42.2% | 3,422 | 1.9% | 57.5% |
| Total Occupied | 321,242 | 100% | 376,377 | 100% | 434,262 | 100% | 113,020 | 35.2% | 5,948 | 1.6% | 100% |
| Total Vacant | 27,390 | | 60,728 | | 57,865 | | | | | | |
| TOTAL UNITS | 348,632 | | 437,105 | | 492,127 | | | | | | |

| London Market Area | 2000 | | 2010 | | 2019 | | Change 2000-2019 | | | | % of Change 2000 - 2019 |
|-----------------------|---------------|-------------|---------------|-------------|---------------|-------------|------------------|----------------|-----------------|-----------------|-------------------------|
| | # | % | # | % | # | % | Total Change # | Total Change % | Annual Change # | Annual Change % | |
| Housing Units | | | | | | | | | | | |
| Owner Occupied | 12,860 | 51.1% | 10,771 | 47.6% | 10,045 | 43.1% | -2,815 | -21.9% | -148 | -1.3% | |
| Renter Occupied | 12,298 | 48.9% | 11,869 | 52.4% | 13,242 | 56.9% | 944 | 7.7% | 50 | 0.4% | |
| Total Occupied | 25,158 | 100% | 22,640 | 100% | 23,287 | 100% | -1,871 | -7.4% | -98 | -0.4% | |
| Total Vacant | 2,100 | | 5,534 | | 5,943 | | | | | | |
| TOTAL UNITS | 27,258 | | 28,174 | | 29,230 | | | | | | |

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

b. Projected Household Tenure Trends

Esri’s data suggests the market area will lose renter households and add owner households over the next five years which reverses the long-term trend over the past 19 years of renter household growth and losses among owner household. Esri changed its methodology for determining household tenure

¹ Based on change from 2000 to 2010 Census counts and Esri’s 2018 Estimate



in its most recent² data release to include national multi-family property data from Axiometrics in addition to other changes³.

Esri’s new methodology is producing significant deviations from recent past trends that are inconsistent with verified construction and lease-up activity in many markets across the United States, including the London Market Area. As detailed in Table 11, Esri’s data suggests the number of renter households in the market area will decrease compared to annual growth of 50 renter households over the past 19 years. Given the limited new for-sale development in the market area, the pipeline LIHTC rental community (Creekside at Adamsville Place), and the renovation of Hidden Pines which is reintroducing abandoned apartments into the market area, Esri’s projection of owner household growth accounting for all household growth is not supported by market conditions and local development activity.

Based on our research including an analysis of demographic and multi-family trends, RPRG projects that renter households will conservatively contribute at least 56.9 percent of net household growth in the market area over the next five years which is equal to the market area’s 2019 renter percentage. This results in annual growth of 44 renter households from 2019 to 2024 which is less than the annual addition of 50 renter households in the market area over the past 19 years.

Table 11 Households by Tenure, 2019-2024

| London Market Area | 2019 | | 2024 Esri HH by Tenure | | Esri Change by Tenure | |
|-----------------------|---------------|-------------|------------------------|-------------|-----------------------|-------------|
| | # | % | # | % | # | % |
| Housing Units | | | | | | |
| Owner Occupied | 10,045 | 43.1% | 10,634 | 44.9% | 589 | |
| Renter Occupied | 13,242 | 56.9% | 13,043 | 55.1% | -199 | |
| Total Occupied | 23,287 | 100% | 23,677 | 100% | 390 | 100% |
| Total Vacant | 5,943 | | 6,154 | | | |
| TOTAL UNITS | 29,230 | | 29,831 | | | |

| London Market Area | 2019 | | 2024 RPRG HH by Tenure | | RPRG Change by Tenure | |
|-----------------------|---------------|-------------|------------------------|-------------|-----------------------|-------------|
| | # | % | # | % | # | % |
| Housing Units | | | | | | |
| Owner Occupied | 10,045 | 43.1% | 10,213 | 43.1% | 168 | 43.1% |
| Renter Occupied | 13,242 | 56.9% | 13,464 | 56.9% | 222 | 56.9% |
| Total Occupied | 23,287 | 100% | 23,677 | 100% | 390 | 100% |
| Total Vacant | 5,943 | | 6,154 | | | |
| TOTAL UNITS | 29,230 | | 29,831 | | | |

Source: Esri, RPRG, Inc.

3. Renter Household Characteristics

London Market Area renter households are relatively evenly distributed among age cohorts with 40.8 percent ages 25 to 44, 16.8 percent ages 45 to 54, and roughly 36 percent older adults and seniors ages 55 and older (Table 12). Roughly seven percent of market area renter households are young

² July 2018 Release

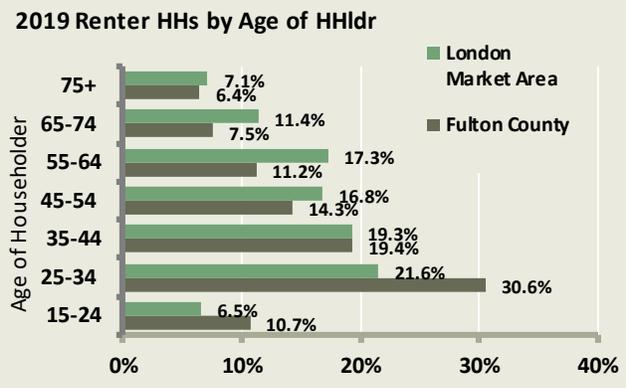
³ Correspondence with Douglas Skuta or Esri on 7/27/18



householders ages 15 to 24. Fulton County has a significantly larger proportion of renters under 45 years old when compared to the market area (60.6 percent versus 47.4 percent).

Table 12 Renter Households by Age of Householder

| Renter Households | Fulton County | | London Market Area | |
|-------------------|----------------|-------------|--------------------|-------------|
| | # | % | # | % |
| Age of HHldr | | | | |
| 15-24 years | 23,447 | 10.7% | 863 | 6.5% |
| 25-34 years | 66,952 | 30.6% | 2,856 | 21.6% |
| 35-44 years | 42,410 | 19.4% | 2,551 | 19.3% |
| 45-54 years | 31,286 | 14.3% | 2,229 | 16.8% |
| 55-64 years | 24,574 | 11.2% | 2,289 | 17.3% |
| 65-74 years | 16,418 | 7.5% | 1,512 | 11.4% |
| 75+ years | 14,055 | 6.4% | 943 | 7.1% |
| Total | 219,141 | 100% | 13,242 | 100% |

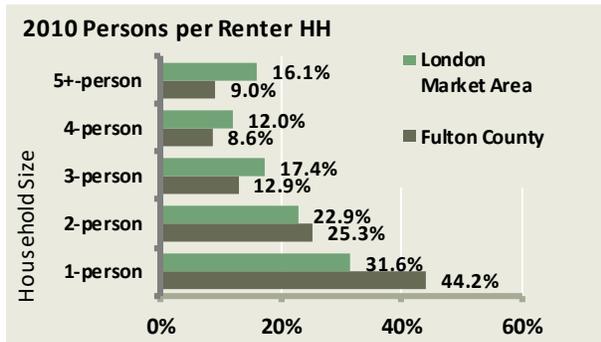


Source: Esri, Real Property Research Group, Inc.

Reflecting the even distribution of household types, the market area’s renter households are well distributed among household sizes. Roughly 55 percent of market area renter households contained one or two people including 31.6 percent with one person as of the 2010 Census (Table 13). Approximately 29 percent of market area renter households had three or four people and 16.1 percent had five or more people. Fulton County had significantly higher percentages of smaller renter households (one and two-person) and much smaller percentages of larger renter households with three or more people.

Table 13 Renter Households by Household Size

| Renter Occupied | Fulton County | | London Market Area | |
|-----------------|----------------|-------------|--------------------|-------------|
| | # | % | # | % |
| 1-person hhld | 76,903 | 44.2% | 3,751 | 31.6% |
| 2-person hhld | 44,044 | 25.3% | 2,719 | 22.9% |
| 3-person hhld | 22,463 | 12.9% | 2,062 | 17.4% |
| 4-person hhld | 14,953 | 8.6% | 1,425 | 12.0% |
| 5+-person hhld | 15,752 | 9.0% | 1,912 | 16.1% |
| TOTAL | 174,115 | 100% | 11,869 | 100% |



Source: 2010 Census

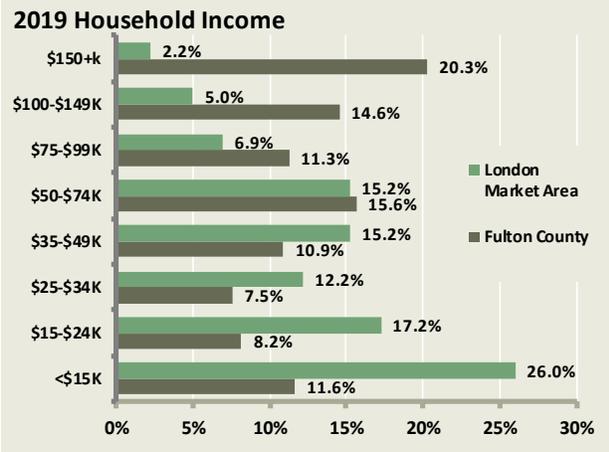
4. Income Characteristics

According to income distributions provided by Esri, households in the London Market Area earn a median of \$30,542 per year, less than half the \$68,772 median in Fulton County (Table 14). Roughly 43 percent of market area households earn less than \$25,000 including 26.0 percent earning less than \$15,000. Approximately 27 percent of market area households earn \$25,000 to \$49,999 and 15.2 percent earn \$50,000 to \$74,999. Roughly 14 percent of market area households earn upper incomes of at least \$75,000. Fulton County has a significantly larger proportion of households earning \$50,000 or more when compared to the market area (61.7 percent versus 29.3 percent).



Table 14 Household Income

| Estimated 2019 Household Income | Fulton County | | London Market Area | |
|---------------------------------|-----------------|-------------|--------------------|-------------|
| | # | % | # | % |
| less than \$15,000 | 50,568 | 11.6% | 6,054 | 26.0% |
| \$15,000 \$24,999 | 35,439 | 8.2% | 4,017 | 17.2% |
| \$25,000 \$34,999 | 32,765 | 7.5% | 2,837 | 12.2% |
| \$35,000 \$49,999 | 47,342 | 10.9% | 3,551 | 15.2% |
| \$50,000 \$74,999 | 67,938 | 15.6% | 3,547 | 15.2% |
| \$75,000 \$99,999 | 48,915 | 11.3% | 1,611 | 6.9% |
| \$100,000 \$149,999 | 63,198 | 14.6% | 1,157 | 5.0% |
| \$150,000 Over | 88,096 | 20.3% | 514 | 2.2% |
| Total | 434,262 | 100% | 23,287 | 100% |
| Median Income | \$68,772 | | \$30,542 | |

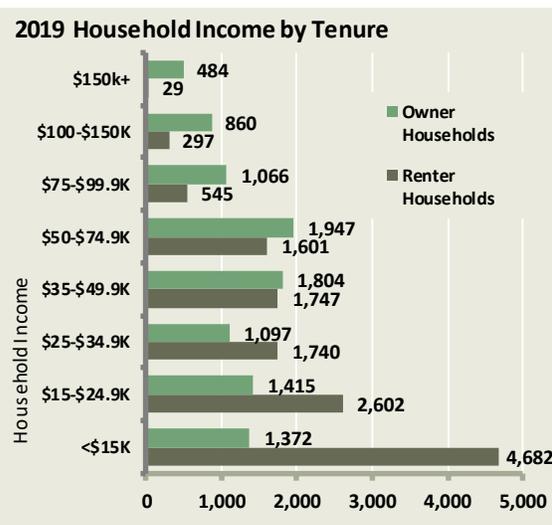


Source: Esri; Real Property Research Group, Inc.

Based on the U.S. Census Bureau’s American Community Survey data, the breakdown of tenure, and household estimates, RPRG estimates that the median income of London Market Area households by tenure is a modest \$22,452 for renters and \$44,464 for owners (Table 15). Fifty-five percent of market area renter households earn modest incomes of less than \$25,000 including more than one-third (35.4 percent) earning less than \$15,000. Approximately 26 percent of renter households earn \$25,000 to \$49,999 and 12.1 percent earn \$50,000 to \$74,999. Roughly seven percent of renter households earn upper incomes of \$75,000 or more.

Table 15 Household Income by Tenure

| Estimated 2019 HH Income | Renter Households | | Owner Households | |
|--------------------------|-------------------|-------------|------------------|-------------|
| | # | % | # | % |
| less than \$15,000 | 4,682 | 35.4% | 1,372 | 13.7% |
| \$15,000 \$24,999 | 2,602 | 19.6% | 1,415 | 14.1% |
| \$25,000 \$34,999 | 1,740 | 13.1% | 1,097 | 10.9% |
| \$35,000 \$49,999 | 1,747 | 13.2% | 1,804 | 18.0% |
| \$50,000 \$74,999 | 1,601 | 12.1% | 1,947 | 19.4% |
| \$75,000 \$99,999 | 545 | 4.1% | 1,066 | 10.6% |
| \$100,000 \$149,999 | 297 | 2.2% | 860 | 8.6% |
| \$150,000 over | 29 | 0.2% | 484 | 4.8% |
| Total | 13,242 | 100% | 10,045 | 100% |
| Median Income | \$22,452 | | \$44,464 | |



Source: American Community Survey 2013-2017 Estimates, RPRG, Inc.

The majority (52.5 percent) of renter households in the London Market Area pay at least 35 percent of income for rent (Table 16). Less than three percent (2.7 percent) of renter households are living in substandard conditions; this includes only overcrowding and incomplete plumbing.



Table 16 Rent Burdened and Substandard Housing, London Market Area

| Rent Cost Burden | | |
|--|---------------|---------------|
| Total Households | # | % |
| Less than 10.0 percent | 328 | 2.5% |
| 10.0 to 14.9 percent | 553 | 4.2% |
| 15.0 to 19.9 percent | 930 | 7.1% |
| 20.0 to 24.9 percent | 1,375 | 10.5% |
| 25.0 to 29.9 percent | 1,243 | 9.5% |
| 30.0 to 34.9 percent | 1,312 | 10.0% |
| 35.0 to 39.9 percent | 916 | 7.0% |
| 40.0 to 49.9 percent | 1,214 | 9.3% |
| 50.0 percent or more | 4,209 | 32.1% |
| Not computed | 1,032 | 7.9% |
| Total | 13,112 | 100.0% |
| > 35% income on rent 6,339 52.5% | | |

Source: American Community Survey 2013-2017

| Substandardness | |
|---------------------------------------|-------------|
| Total Households | |
| Owner occupied: | |
| Complete plumbing facilities: | 9,472 |
| 1.00 or less occupants per room | 9,383 |
| 1.01 or more occupants per room | 89 |
| Lacking complete plumbing facilities: | 26 |
| Overcrowded or lacking plumbing | 115 |
| Renter occupied: | |
| Complete plumbing facilities: | 13,108 |
| 1.00 or less occupants per room | 12,761 |
| 1.01 or more occupants per room | 347 |
| Lacking complete plumbing facilities: | 4 |
| Overcrowded or lacking plumbing | 351 |
| Substandard Housing | 466 |
| % Total Stock Substandard | 2.1% |
| % Rental Stock Substandard | 2.7% |

7. EMPLOYMENT TREND

A. Introduction

This section of the report discusses economic trends and conditions in Fulton County, the jurisdiction in which London Towne Houses is located. We have also presented economic trends in Georgia and the nation for comparison purposes.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

Fulton County's labor force grew most years from 2007 to 2018 reaching an all-time high of 558,437 workers in 2018 with the net addition of 69,546 workers (14.2 percent) over the past 11 years (Table 17); the labor force increased by more than 43,000 net workers over the past three years (8.5 percent growth). The employed portion of the county's labor force has grown significantly following the recession-era (2008-2010) with the net addition of 102,261 total employed workers (23.5 percent net growth) from 2011 to 2018. The number of unemployed workers has been more than halved (57 percent decrease) from a peak of 50,827 in 2011 to 21,861 in 2018.

2. Trends in County Unemployment Rate

The unemployment rate in Fulton County decreased significantly to 3.9 percent in 2018 from a recession-era high of 10.5 percent in 2010 (Table 17). The county's 2018 unemployment rate of 3.9 percent is the lowest rate since at least 2007 and is just above the state rate (3.7 percent) and equal to the national rate (3.9 percent).

C. Commutation Patterns

According to 2013-2017 American Community Survey (ACS) data, the majority (54.7 percent) of workers residing in the London Market Area commuted 15 to 34 minutes to work. Approximately nine percent of London Market Area workers commuted less than 15 minutes and 31.1 percent commuted at least 35 minutes (Table 18).

Nearly three-quarters (74.3 percent) of workers residing in the London Market Area worked in Fulton County while 25.2 percent worked in another Georgia county. Less than one percent of London Market Area workers were employed outside the state. The large proportion of moderate commute times and high percentage of workers employed in Fulton County reflects the market area's relative proximity/accessibility to employment concentrations along the Interstates 20 and 285 corridors as well as the large job base in downtown Atlanta and Midtown. The significant percentage of workers employed outside the county illustrates the market area's convenient access to several major thoroughfares (Interstates 20 and 285) which connect to several Metro Atlanta counties including Cobb, Clayton, Douglas, and DeKalb.



Table 17 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

| Annual Unemployment | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Labor Force | 488,891 | 497,388 | 486,984 | 485,001 | 498,861 | 511,185 | 508,273 | 509,435 | 514,749 | 531,690 | 548,022 | 558,437 |
| Employment | 465,409 | 465,380 | 437,746 | 434,315 | 448,034 | 464,673 | 467,197 | 473,594 | 483,972 | 503,142 | 521,549 | 536,576 |
| Unemployment | 23,482 | 32,008 | 49,237 | 50,687 | 50,827 | 46,512 | 41,076 | 35,842 | 30,777 | 28,548 | 26,474 | 21,861 |
| Unemployment Rate | | | | | | | | | | | | |
| Fulton County | 4.8% | 6.4% | 10.1% | 10.5% | 10.2% | 9.1% | 8.1% | 7.0% | 6.0% | 5.4% | 4.8% | 3.9% |
| Georgia | 5.0% | 8.1% | 10.4% | 10.6% | 9.7% | 8.7% | 7.4% | 6.2% | 5.4% | 5.1% | 4.2% | 3.7% |
| United States | 4.6% | 5.8% | 9.3% | 9.6% | 8.8% | 8.3% | 7.4% | 6.2% | 5.3% | 4.9% | 4.4% | 3.9% |

Source: U.S. Department of Labor, Bureau of Labor Statistics

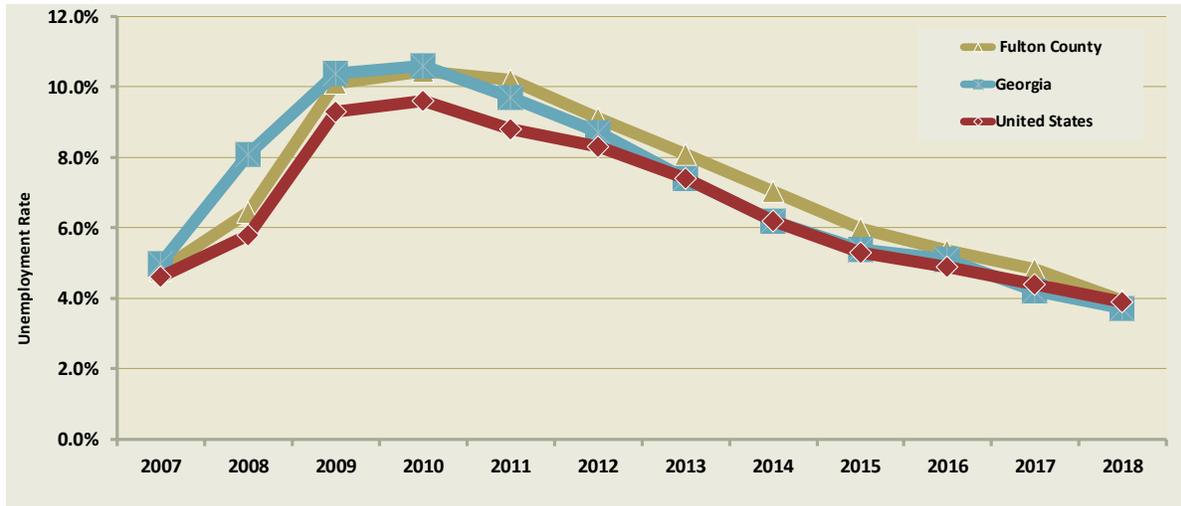
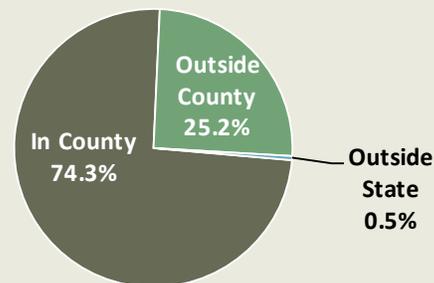


Table 18 Commuting Patterns, London Market Area

| Travel Time to Work | | | Place of Work | | |
|----------------------|---------------|-------|------------------------------------|---------------|-------------|
| Workers 16 years+ | # | % | Workers 16 years and over | # | % |
| Did not work at home | 20,616 | 94.7% | Worked in state of residence: | 21,662 | 99.5% |
| Less than 5 minutes | 103 | 0.5% | Worked in county of residence | 16,180 | 74.3% |
| 5 to 9 minutes | 534 | 2.5% | Worked outside county of residence | 5,482 | 25.2% |
| 10 to 14 minutes | 1,299 | 6.0% | Worked outside state of residence | 103 | 0.5% |
| 15 to 19 minutes | 2,654 | 12.2% | Total | 21,765 | 100% |
| 20 to 24 minutes | 4,755 | 21.8% | | | |
| 25 to 29 minutes | 1,354 | 6.2% | | | |
| 30 to 34 minutes | 3,139 | 14.4% | | | |
| 35 to 39 minutes | 536 | 2.5% | | | |
| 40 to 44 minutes | 871 | 4.0% | | | |
| 45 to 59 minutes | 1,786 | 8.2% | | | |
| 60 to 89 minutes | 2,290 | 10.5% | | | |
| 90 or more minutes | 1,295 | 5.9% | | | |
| Worked at home | 1,149 | 5.3% | | | |
| Total | 21,765 | | | | |

Source: American Community Survey 2013-2017

**2013-2017 Commuting Patterns
London Market Area**



Source: American Community Survey 2013-2017



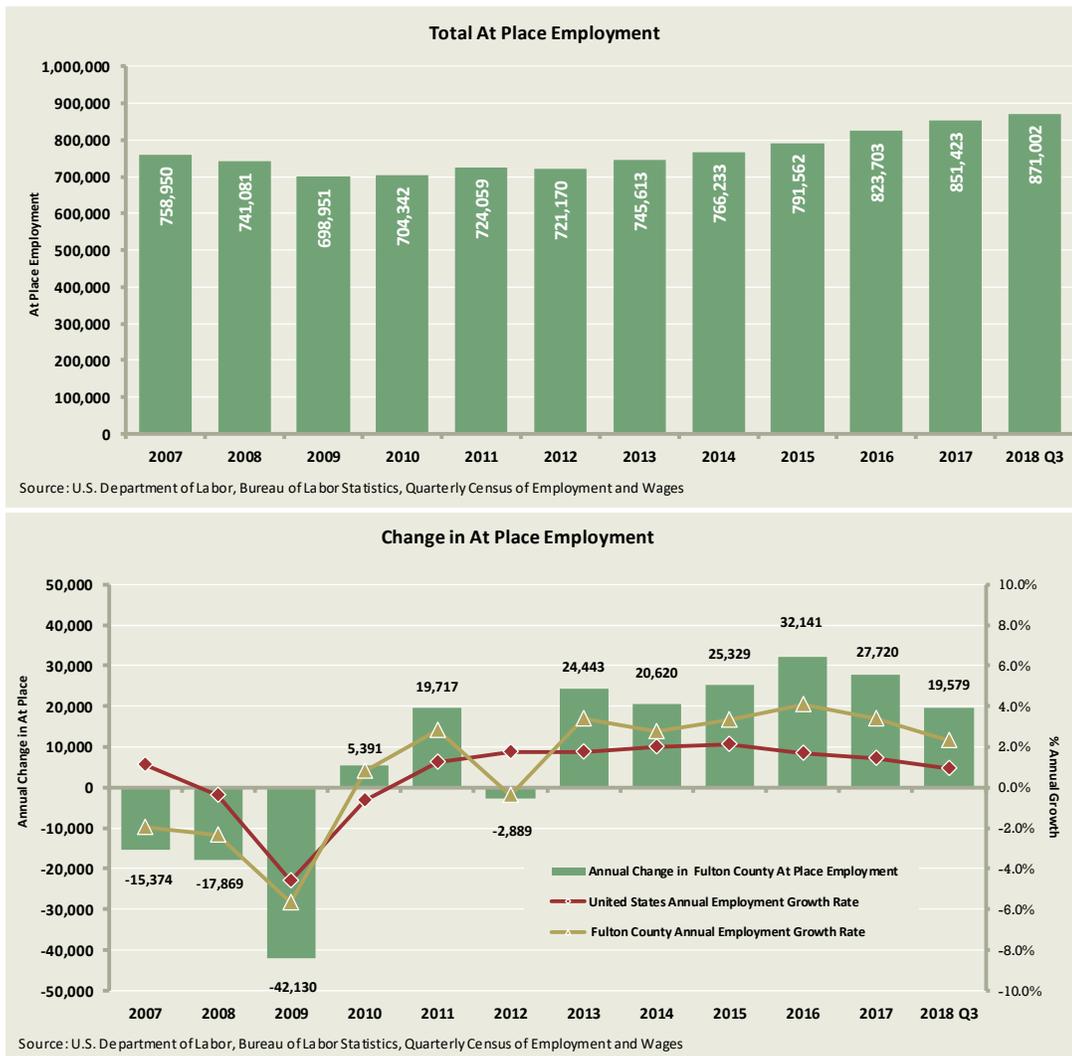
D. At-Place Employment

1. Trends in Total At-Place Employment

Fulton County added 152,472 net jobs (21.8 percent net growth) from 2010 to 2017 with job growth in seven of the past eight years. This job growth is more than double the jobs lost in 2008 and 2009 during the recession, resulting in an all-time high annual average At-Place Employment of 851,423 jobs in 2017 (Figure 6). The county added at least 20,000 jobs in each of the past five years including more than 27,000 jobs in 2016 and 2017 which are the largest single-year additions since at least 2008. Fulton County continued adding jobs in 2018 with the addition of 19,579 jobs through the third quarter.

As illustrated by the lines in the bottom portion of Figure 6, Fulton County experienced a larger dip in jobs on a percentage basis during the recession when compared to the nation; however, the county has rebounded faster with job growth rates exceeding the nation's on a percentage basis in seven of the past eight years.

Figure 6 At-Place Employment

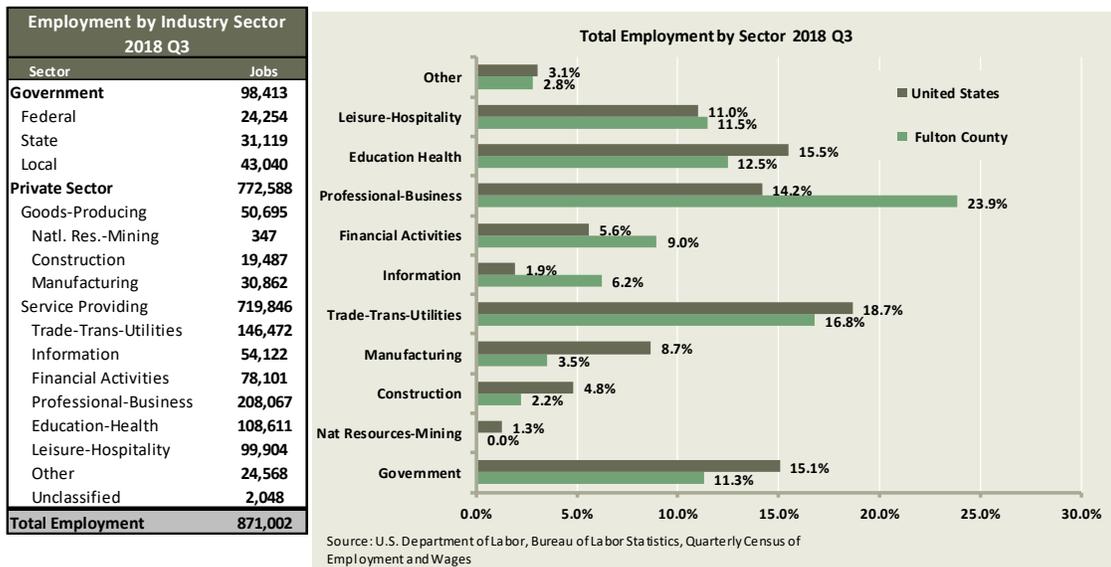




2. At-Place Employment by Industry Sector

Professional-Business is the largest employment sector in Fulton County at 23.9 percent of all jobs in 2018 Q3 compared to 14.2 percent of jobs nationally (Figure 7). The Trade-Transportation-Utilities, Education-Health, Government, and Leisure-Hospitality sectors account for significant percentages of jobs in Fulton County, with each accounting for at least 11 percent of the county’s jobs. In addition to the Professional-Business sector discussed above, the Financial Activities and Information sectors account for a significantly higher percentage of jobs relative to the nation. Fulton County has a significantly smaller percentage of jobs in the Government, Construction, Manufacturing, and Education-Health sectors when compared to the nation.

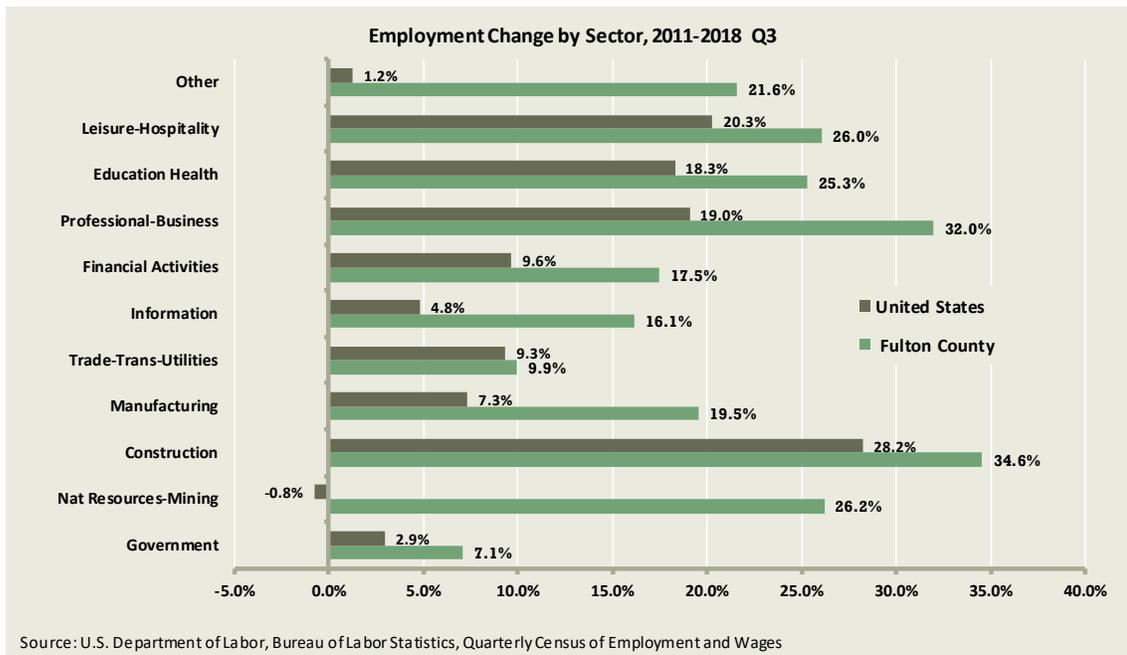
Figure 7 Total Employment by Sector



All sectors added jobs in Fulton County from 2011 to 2018 Q3 with the largest percentage gains in the Construction (34.6 percent), Professional-Business (32.0 percent), Natural Resources-Mining (26.2 percent), Leisure-Hospitality (26.0 percent), and Education-Health (25.3 percent) sectors (Figure 8). Three of the top five largest sectors in the county grew by at least 25 percent including the largest sector of Professional-Business with 32.0 percent growth. The remaining sectors all grew by at least seven percent.



Figure 8 Change in Employment by Sector 2011-2018 (Q3)



E. Wage Data

The average annual wage in 2017 for Fulton County was \$74,840, \$22,678 or 43.5 percent above the state-wide average (\$52,162) and \$19,465 or 35.2 percent above the national average (\$55,375) (Table 19). Fulton County’s average annual wage in 2017 represents a net increase of \$12,581 or 20.2 percent since 2010.

Table 19 Wage Data, Fulton County

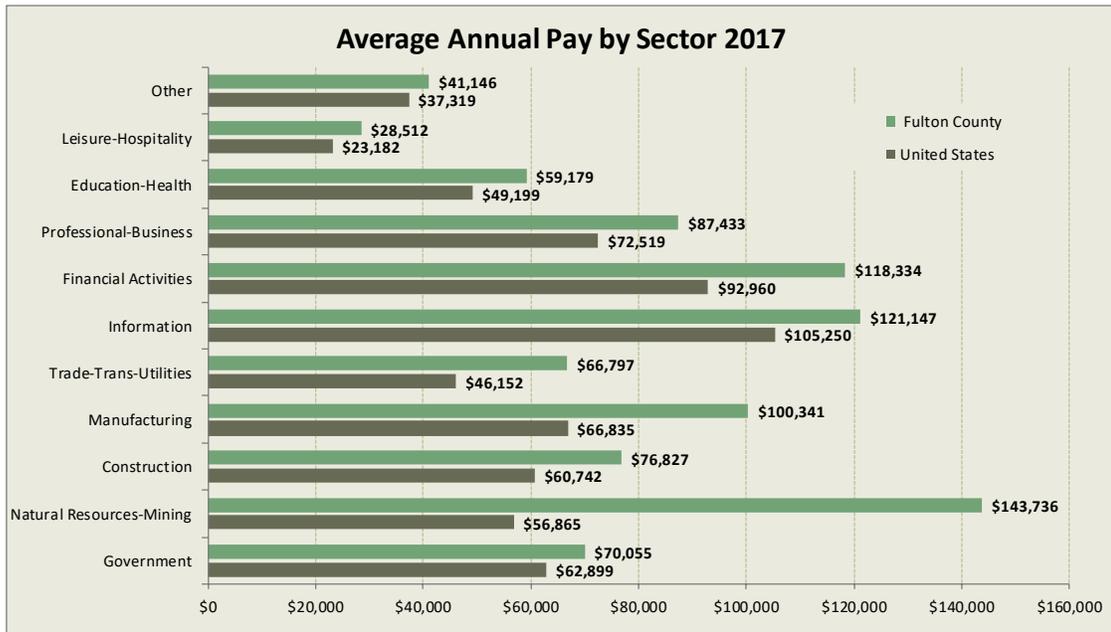
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Fulton County | \$62,259 | \$64,430 | \$65,698 | \$66,400 | \$68,722 | \$70,623 | \$72,399 | \$74,890 |
| Georgia | \$43,899 | \$45,090 | \$46,267 | \$46,760 | \$48,138 | \$49,551 | \$50,676 | \$52,189 |
| United States | \$46,751 | \$48,043 | \$49,289 | \$49,804 | \$51,361 | \$52,942 | \$53,621 | \$55,375 |

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

The average wage in Fulton County was higher than national averages in all economic sectors in 2017 with the largest disparities in the Natural Resources-Mining, Manufacturing, Trade-Transportation-Utilities, and Financial Activities sectors (Figure 9). Four sectors (Financial Activities, Information, Natural-Resources-Mining, and Manufacturing) have average wages of \$100,000 or more and the county’s largest sector (Professional-Business) has an average wage of \$87,433.



Figure 9 Wage by Sector, Fulton County



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

3. Major Employers

Most Metro Atlanta major employers fall into two industry sectors – Education-Health (eight employers) and Trade-Transportation-Utilities (seven employers) (Table 20). Education-Health employers are comprised of major medical providers in the region, Centers for Disease Control and Prevention, and Georgia Institute of Technology. Trade-Transportation-Utilities employers include a major airline (Delta), three retailers (Publix, Kroger, and The Home Depot), two utilities/telecommunications providers (AT&T and Southern Company), and a shipping/delivery company (UPS).

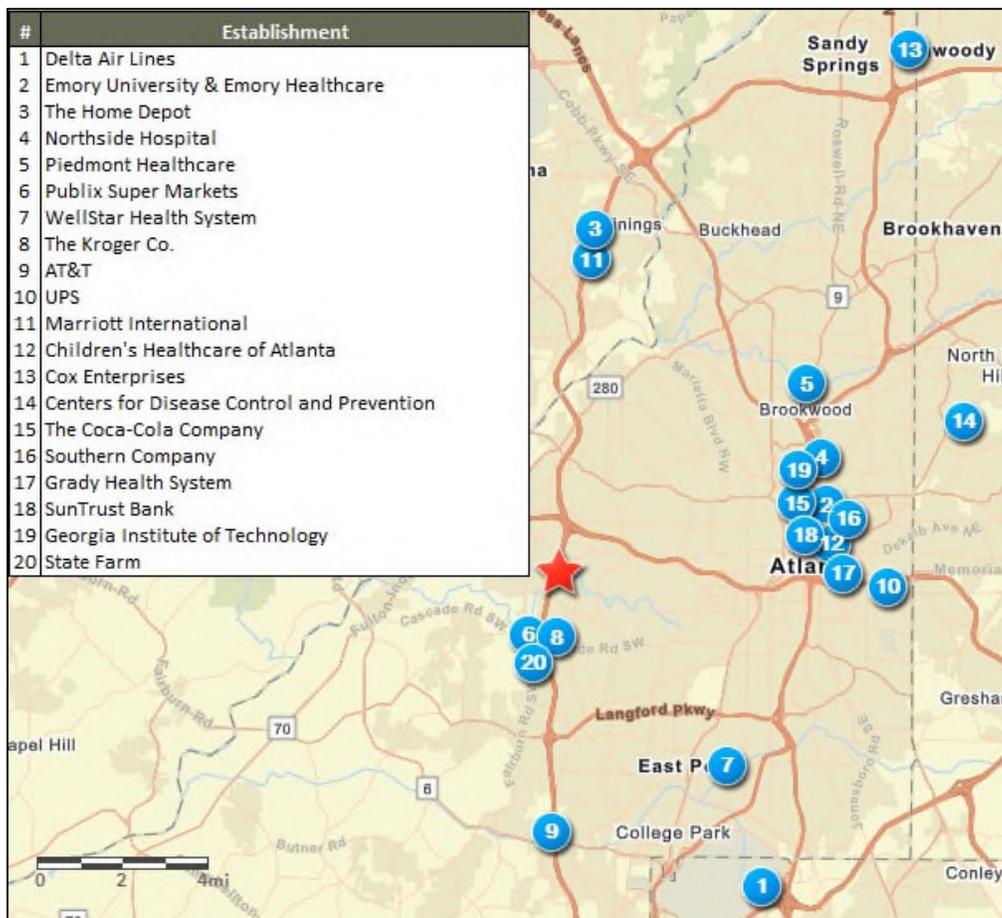
The largest employment concentration in the Atlanta Metro Area is in downtown Atlanta which is roughly eight miles to the east and is home to corporate headquarters for The Coca-Cola Company, Southern Company, AT&T, and UPS (Map 5). The largest employer in Metro Atlanta is Delta Airlines which is at Hartsfield-Jackson International Airport roughly 13 miles southeast of the site. Given the site’s proximity to Interstates 20 and 285, downtown Atlanta and most major employers throughout the Metro Atlanta Area are convenient to the site. Numerous industrial/distribution employers are along Fulton Industrial Boulevard within five miles west of the site including the newly built UPS distribution facility which is expected to employ 3,000 people one fully staffed.

Table 20 Major Employers, Atlanta Metro Area

| Rank | Name | Sector | Employment |
|------|--|-------------------------|------------|
| 1 | Delta Air Lines | Transportation | 34,500 |
| 2 | Emory University & Emory Healthcare | Education / Healthcare | 32,091 |
| 3 | The Home Depot | Retail | 16,510 |
| 4 | Northside Hospital | Healthcare | 16,000+ |
| 5 | Piedmont Healthcare | Healthcare | 15,900 |
| 6 | Publix Super Markets | Retail | 15,591 |
| 7 | WellStar Health System | Healthcare | 15,353 |
| 8 | The Kroger Co. | Retail | 15,000+ |
| 9 | AT&T | Telecommunications | 15,000 |
| 10 | UPS | Distribution | 14,594 |
| 11 | Marriott International | Travel & Leisure | 12,000+ |
| 12 | Children's Healthcare of Atlanta | Healthcare | 9,000 |
| 13 | Cox Enterprises | Media | 8,894 |
| 14 | Centers for Disease Control and Prevention | Government / Healthcare | 8,403 |
| 15 | The Coca-Cola Company | Manufacturing / Retail | 8,000 |
| 16 | Southern Company | Utilities | 7,753 |
| 17 | Grady Health System | Healthcare | 7,600 |
| 18 | SunTrust Bank | Financial Activities | 7,478 |
| 19 | Georgia Institute of Technology | Education | 7,139 |
| 20 | State Farm | Financial Services | 6,000 |

Source: Metro Atlanta Chamber of Commerce

Map 5 Major Employers, Atlanta Metro Area





4. Recent Economic Expansions and Contractions

Many notable company expansions have been announced or have taken place in Atlanta (near downtown and Midtown) recently including at NCR Corporation (5,000 new jobs), Norfolk Southern (850 jobs), Accenture (800 jobs), Blackrock (1,000 jobs), Google (500 jobs), Honeywell International Inc. (1,100 jobs), and Kaiser Permanente (900 jobs). The Fulton Industrial Boulevard Redevelopment Area was created in 2010 by the state to offer tax incentives to businesses to relocate or grow their business on the more than 4,500 acres of industrial and commercial property along the Fulton Industrial Boulevard corridor roughly three miles west of the site. UPS recently opened its third largest distribution facility in the county on a 340-acre tract on Fulton Industrial Boulevard next to the Fulton County Airport roughly three miles northwest of the subject property. The company invested \$400 million in the 1.2 million square foot facility and plans to hire 3,000 workers (2,400 part-time and 600 full-time).

RPRG identified several notable layoff announcements in Fulton County since 2017 including Comcast (405 jobs), DHL (498 jobs), Aramark Educational Services, LLC (416 jobs), Parsec (206 jobs), Morrison Healthcare (162 jobs), Owens-Brockway Glass Container, Inc. (256 jobs), Newell Brands (258 jobs), Sodexo (372 jobs), Coca-Cola (549 jobs), Menzies Aviation (298 jobs), Worldpay (234 jobs), and ABM (1,179 jobs). Additionally, several hundred managerial jobs at AT&T were expected to move from Atlanta to either Dallas or the Los Angeles area and its southeast retail headquarters is expected to move to New Jersey with 100 jobs leaving Atlanta. SunTrust Bank announced a merger with BB&T in early 2019 which will likely lead to layoffs at its current headquarters in downtown Atlanta as the headquarters of the new merged company will be in Charlotte.

5. Conclusions on Local Economics

Fulton County's economy is growing with significant job growth over the past eight years reaching an all-time high annual average At-Place-Employment in 2017. The county added at least 20,000 jobs each year since 2013 including at least 27,000 jobs in 2016 and 2017. The unemployment rate in the county has decreased significantly since 2010 to 3.9 percent in 2018 which is just above the state rate (3.7 percent) and equal to the national rate. The large number of announced job expansions in the county suggests that it will continue adding jobs over the next several years, further strengthening the economy and housing demand.

8. PROJECT-SPECIFIC AFFORDABILITY & DEMAND ANALYSIS

A. Effective Demand (Affordability/Penetration) Analysis

1. Methodology

The Affordability Analysis tests the percentage of income-qualified households in the market area that the subject community must capture to achieve full occupancy.

The first component of the Affordability Analysis involves looking at the total household income distribution and renter household income distribution among primary market area households for the target year of 2021. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2013-2017 American Community Survey along with estimates and projected income growth as projected by Esri (Table 21).

A housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For the Affordability Analysis of this general occupancy community, RPRG employs a 35 percent gross rent burden. This rent burden only applies for tenants who do not receive PBRA. As 150 LIHTC units at the subject property will have PBRA and minimum income limits will not apply for these units, the affordability analysis has been conducted without this additional subsidy.

HUD has computed a 2019 median household income of \$79,700 for the Atlanta-Sandy Springs-Roswell HUD Metro FMR Area. Based on that median income, adjusted for household size, the maximum income limit and minimum income requirements are computed for each floor plan (Table 22). The minimum income limits are calculated assuming up to 35 percent of income is spent on total housing cost (rent plus utilities). The maximum allowable incomes for LIHTC units are based on an average of 1.5 persons per bedroom rounded up to the nearest whole number for all other floor plans per DCA requirements. Maximum gross rents, however, are based on the federal regulation of 1.5 persons per bedroom. The Affordability Analysis assumes all proposed units with PBRA are considered standard LIHTC units without PBRA; however, minimum income limits will not apply for these units.



Table 21 2021 Total and Renter Income Distribution

| London Market Area | | 2021 Total Households | | 2021 Renter Households | |
|----------------------|-----------|-----------------------|-------------|------------------------|-------------|
| 2021 Income | | # | % | # | % |
| less than | \$15,000 | 5,902 | 25.2% | 4,124 | 30.9% |
| \$15,000 | \$24,999 | 4,006 | 17.1% | 2,799 | 21.0% |
| \$25,000 | \$34,999 | 2,838 | 12.1% | 1,661 | 12.5% |
| \$35,000 | \$49,999 | 3,594 | 15.3% | 1,992 | 14.9% |
| \$50,000 | \$74,999 | 3,643 | 15.5% | 1,619 | 12.1% |
| \$75,000 | \$99,999 | 1,688 | 7.2% | 688 | 5.2% |
| \$100,000 | \$149,999 | 1,209 | 5.2% | 370 | 2.8% |
| \$150,000 | Over | 562 | 2.4% | 79 | 0.6% |
| Total | | 23,443 | 100% | 13,331 | 100% |
| Median Income | | \$31,389 | | \$24,081 | |

Source: American Community Survey 2013-2017 Projections, RPRG, Inc.

Table 22 LIHTC Income and Rent Limits, Atlanta-Sandy Springs-Roswell, GA MSA

| HUD 2019 Median Household Income | | | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|-----------|-----------|-----------------|-----------|---------|
| Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area | | | | | | | | | \$79,700 | | |
| Very Low Income for 4 Person Household | | | | | | | | | \$39,850 | | |
| 2019 Computed Area Median Gross Income | | | | | | | | | \$79,700 | | |
| Utility Allowance: | | | | | | | | | | | |
| 1 Bedroom | | | | | | | | | \$97 | | |
| 2 Bedroom | | | | | | | | | \$130 | | |
| 3 Bedroom | | | | | | | | | \$164 | | |
| 4 Bedroom | | | | | | | | | \$198 | | |
| Household Income Limits by Household Size: | | | | | | | | | | | |
| Household Size | 30% | 40% | 50% | 60% | 80% | 100% | 120% | 150% | 200% | | |
| 1 Person | \$16,740 | \$22,320 | \$27,900 | \$33,480 | \$44,640 | \$55,800 | \$66,960 | \$83,700 | \$111,600 | | |
| 2 Persons | \$19,140 | \$25,520 | \$31,900 | \$38,280 | \$51,040 | \$63,800 | \$76,560 | \$95,700 | \$127,600 | | |
| 3 Persons | \$21,540 | \$28,720 | \$35,900 | \$43,080 | \$57,440 | \$71,800 | \$86,160 | \$107,700 | \$143,600 | | |
| 4 Persons | \$23,910 | \$31,880 | \$39,850 | \$47,820 | \$63,760 | \$79,700 | \$95,640 | \$119,550 | \$159,400 | | |
| 5 Persons | \$25,830 | \$34,440 | \$43,050 | \$51,660 | \$68,880 | \$86,100 | \$103,320 | \$129,150 | \$172,200 | | |
| 6 Persons | \$27,750 | \$37,000 | \$46,250 | \$55,500 | \$74,000 | \$92,500 | \$111,000 | \$138,750 | \$185,000 | | |
| Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom): | | | | | | | | | | | |
| Persons | # Bed-rooms | 30% | 40% | 50% | 60% | 80% | 100% | 120% | 150% | 200% | |
| 2 | 1 | \$19,140 | \$25,520 | \$31,900 | \$38,280 | \$51,040 | \$63,800 | \$76,560 | \$95,700 | \$127,600 | |
| 3 | 2 | \$21,540 | \$28,720 | \$35,900 | \$43,080 | \$57,440 | \$71,800 | \$86,160 | \$107,700 | \$143,600 | |
| 5 | 3 | \$25,830 | \$34,440 | \$43,050 | \$51,660 | \$68,880 | \$86,100 | \$103,320 | \$129,150 | \$172,200 | |
| 6 | 4 | \$27,750 | \$37,000 | \$46,250 | \$55,500 | \$74,000 | \$92,500 | \$111,000 | \$138,750 | \$185,000 | |
| LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom): | | | | | | | | | | | |
| # Persons | | 30% | | 40% | | 50% | | 60% | | 80% | |
| | | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| 1 Bedroom | | \$448 | \$351 | \$598 | \$501 | \$747 | \$650 | \$897 | \$800 | \$1,196 | \$1,099 |
| 2 Bedroom | | \$538 | \$408 | \$718 | \$588 | \$897 | \$767 | \$1,077 | \$947 | \$1,436 | \$1,306 |
| 3 Bedroom | | \$621 | \$457 | \$829 | \$665 | \$1,036 | \$872 | \$1,243 | \$1,079 | \$1,658 | \$1,494 |
| 4 Bedroom | | \$693 | \$495 | \$925 | \$727 | \$1,156 | \$958 | \$1,387 | \$1,189 | \$1,850 | \$1,652 |

Source: U.S. Department of Housing and Urban Development



2. Affordability Analysis

The steps below look at the affordability of the proposed units at the subject property without PBRA (Table 23).

- Looking at the one-bedroom units at 60 percent AMI, the overall shelter cost at the proposed rent would be \$897 (\$800 net rent plus a utility allowance of \$97 to cover all utilities except trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a 60 percent AMI one-bedroom unit would be affordable to households earning at least \$30,754 per year. A projected 5,453 renter households in the London Market Area will earn at least this amount in 2021.
- The maximum income limit for a one-bedroom unit at 60 percent AMI is \$38,280 based on a maximum household size of two people. An estimated 4,312 renter households will have incomes above this maximum in 2021.
- Subtracting the 4,312 renter households with incomes above the maximum income limit from the 5,453 renter households that could afford to rent this unit, RPRG computes that an estimated 1,141 renter households in the London Market Area will be within the target income segment for the one-bedroom 60 percent AMI units.
- The capture rate for the eight 60 percent AMI one-bedroom units is 0.7 percent for renter households.
- Using the same methodology, we determined the band of qualified households for the remaining floor plans and the project overall.
- The renter capture rates for the remaining proposed floor plans range from 0.04 percent to 10.0 percent and capture rates by AMI level are 5.9 percent for 60 percent AMI LIHTC units and 0.6 percent for market rate units. The project's overall renter capture rate is 4.0 percent.
- We also conducted a penetration rate analysis without accounting for PBRA, which includes all units at surveyed communities without PBRA, the proposed units at the subject property, and the units at the two pipeline communities. The project's overall penetration rate is 47.8 percent without accounting for the proposed PBRA.
- Removal of the minimum income limit for the LIHTC units with PBRA increases the number of income-qualified renter households to 12,882. The project's overall renter capture rate when accounting for PBRA is 1.6 percent. The penetration rate drops to 20.5 percent when accounting for PBRA; the penetration rate includes the proposed units at London Towne Houses, all surveyed units (with and without PBRA), and the pipeline units.

3. Conclusions of Affordability

The affordability analysis was conducted without accounting for the proposed PBRA on 150 LIHTC units; contract rents were utilized for the analysis of PBRA units. All affordability capture rates are acceptable without accounting for PBRA including an overall renter capture rate of 4.0 percent. The capture rate drops to 1.6 percent when accounting for the proposed PBRA. The penetration rate of 47.6 percent without accounting for PBRA leaves more than half of income-qualified renter households to fill scattered site rentals while the very low penetration rate of 20.5 percent when accounting for PBRA suggests an underserved affordable rental market in the market area.



Table 23 Affordability Analysis, London Towne Houses without PBRA

| 60% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | | Four Bedroom Units | |
|-------------------------------|-----------------|-------------------|------|-------------------|------|---------------------|------|--------------------|------|
| | | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. |
| Number of Units | | 8 | | 55 | | 109 | | 8 | |
| Net Rent | | \$800 | | \$947 | | \$1,079 | | \$1,189 | |
| Gross Rent | | \$897 | | \$1,077 | | \$1,243 | | \$1,387 | |
| Income Range (Min, Max) | | \$30,754 \$38,280 | | \$36,926 \$43,080 | | \$42,617 \$51,660 | | \$47,554 \$55,500 | |
| Renter Households | | | | | | | | | |
| Range of Qualified Hhlds | | 5,453 4,312 | | 4,492 3,675 | | 3,736 2,649 | | 3,081 2,400 | |
| # Qualified Hhlds | | 1,141 | | 817 | | 1,088 | | 681 | |
| Renter HH Capture Rate | | 0.7% | | 6.7% | | 10.0% | | 1.2% | |

| 100% AMI | 35% Rent Burden | Two Bedroom Units | | Three Bedroom Units | | Four Bedroom Units | |
|-------------------------------|-----------------|-------------------|--|---------------------|--|--------------------|--|
| Number of Units | | 6 | | 13 | | 1 | |
| Net Rent | | \$1,047 | | \$1,179 | | \$1,289 | |
| Gross Rent | | \$1,177 | | \$1,343 | | \$1,487 | |
| Income Range (Min, Max) | | \$40,354 \$71,800 | | \$46,046 \$86,100 | | \$50,983 \$92,500 | |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 4,037 1,344 | | 3,281 831 | | 2,692 449 | |
| # Qualified Households | | 2,692 | | 2,450 | | 2,244 | |
| Renter HH Capture Rate | | 0.2% | | 0.5% | | 0.04% | |

| Income Target | # Units | Renter Households = 13,331 | | | | | Total Units | Penetration Rate |
|---------------|---------|----------------------------|----------------|-----------------|--------------|------|-------------|------------------|
| | | Band of Qualified Hhlds | | # Qualified HHs | Capture Rate | | | |
| 60% AMI | 180 | Income Households | \$30,754 5,453 | \$55,500 2,400 | 3,053 | 5.9% | 1,459 | 47.8% |
| Market Rate | 20 | Income Households | \$40,354 4,037 | \$92,500 449 | 3,588 | 0.6% | 921 | 25.7% |
| Total Units | 200 | Income Households | \$30,754 5,453 | \$92,500 449 | 5,004 | 4.0% | 2,380 | 47.6% |

Source: Income Projections, RPRG, Inc.

B. DCA/LIHTC Demand Estimates and Capture Rates

1. Methodology

DCA’s LIHTC demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of income-qualified renter households projected to move into the London Market Area between the base year (2019) and the placed-in-service year of 2021.
- The next component of demand is income-qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to ACS data, the percentage of renter households in the primary market area that are “substandard” is 2.7 percent (see Table 16 on page 40). This substandard percentage is applied to current household numbers.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 52.5 percent of London Market Area renter households are categorized as cost burdened (see Table 16 on page 40).



The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 24. Income qualification percentages for demand estimates are derived by using the Affordability Analysis detailed in Table 23.

2. Demand Analysis

According to DCA’s demand methodology, all comparable units recently funded by DCA, proposed for funding for a bond allocation from DCA, or any comparable units at communities undergoing lease-up are to be subtracted from the demand estimates to arrive at net demand. The comparable 60 percent and 80 percent AMI units proposed at Creekside at Adamsville Place are subtracted from demand estimates; the 80 percent AMI units are subtracted from demand estimates for the subject’s market rate units as they will target similar income households. Additionally, the 168 two-bedroom market rate units being renovated at Hidden Pines are subtracted from demand.

We have calculated demand without PBRA to test market conditions. The project’s demand capture rates are 11.4 percent for the 60 percent AMI LIHTC units, 1.1 percent for the market rate units, and the project’s overall capture rate is 8.1 percent (Table 24). Capture rates by floor plan within an AMI level range from 0.3 to 45.5 percent and capture rates by floor plan are 1.3 percent for all one-bedroom units, 4.0 percent for all two-bedroom units, 17.6 percent for all three-bedroom units, and 2.2 percent for all four-bedroom units (Table 25); three and four-bedroom capture rates have been adjusted to include only larger households of three or more people for three-bedroom units and four or more people for four-bedroom units. Capture rates would be lower when accounting for PBRA as removing the minimum income limit would increase the number of income-qualified renter households significantly.

Table 24 DCA Demand Estimates without PBRA

| | Income Target | 60% AMI | Market Rate | Total Units |
|--|----------------------|--------------|--------------|--------------|
| | Minimum Income Limit | \$30,754 | \$40,354 | \$30,754 |
| | Maximum Income Limit | \$55,500 | \$92,500 | \$92,500 |
| (A) Renter Income Qualification Percentage | | 22.9% | 26.9% | 37.5% |
| Demand from New Renter Households <i>Calculation (C-B) *F*A</i> | | 20 | 24 | 33 |
| PLUS | | | | |
| Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i> | | 81 | 95 | 133 |
| PLUS | | | | |
| Demand from Existing Renter HHs (Overburdened) <i>- Calculation B*E*F*A</i> | | 1,591 | 1,870 | 2,608 |
| Total Demand | | 1,693 | 1,990 | 2,775 |
| LESS | | | | |
| Comparable Units | | 117 | 180 | 297 |
| Net Demand | | 1,576 | 1,810 | 2,478 |
| Proposed Units | | 180 | 20 | 200 |
| Capture Rate | | 11.4% | 1.1% | 8.1% |

| Demand Calculation Inputs | |
|---|-----------|
| A). % of Renter Hhlds with Qualifying Income | see above |
| B). 2019 Householders | 23,287 |
| C). 2021 Householders | 23,443 |
| D). Substandard Housing (% of Rental Stock) | 2.7% |
| E). Rent Overburdened (% of Renter HHs at >35%) | 52.5% |
| F). Renter Percentage (% of all 2019 HHs) | 56.9% |

Table 25 DCA Demand by Floor Plan without PBRA

| Income/Unit Size | Income Limits | Units Proposed | Renter Income Qualification % | Total Demand | Large Household Size Adjustment (3/4+ Persons) | Adjusted Demand | Supply | Net Demand | Capture Rate |
|----------------------|----------------------------|----------------|-------------------------------|--------------|--|-----------------|--------|------------|--------------|
| 60% AMI | \$30,754 - \$55,500 | | | | | | | | |
| One Bedroom | | 8 | 8.6% | 632 | | 632 | 19 | 613 | 1.3% |
| Two Bedroom | | 55 | 6.1% | 453 | | 453 | 63 | 390 | 14.1% |
| Three Bedroom | | 109 | 8.2% | 603 | 45.5% | 274 | 35 | 239 | 45.5% |
| Four Bedroom | | 8 | 5.1% | 378 | 28.1% | 106 | 0 | 106 | 7.5% |
| Market Rate | \$40,354 - \$92,500 | | | | | | | | |
| Two Bedroom | | 6 | 20.2% | 1,493 | | 1,493 | 174 | 1,319 | 0.5% |
| Three Bedroom | | 13 | 18.4% | 1,358 | 45.5% | 618 | 6 | 612 | 2.1% |
| Four Bedroom | | 1 | 16.8% | 1,244 | 28.1% | 350 | 0 | 350 | 0.3% |
| By Bedroom | | | | | | | | | |
| One Bedroom | | 8 | 8.6% | 632 | | 632 | 19 | 613 | 1.3% |
| Two Bedroom | | 61 | 23.6% | 1,745 | | 1,745 | 237 | 1,508 | 4.0% |
| Three Bedroom | | 122 | 21.8% | 1,611 | 45.5% | 733 | 41 | 692 | 17.6% |
| Four Bedroom | | 9 | 19.7% | 1,459 | 28.1% | 410 | 0 | 410 | 2.2% |
| Project Total | \$30,754 - \$92,500 | | | | | | | | |
| 60% AMI | \$30,754 - \$55,500 | 180 | 22.9% | 1,693 | | | 117 | 1,576 | 11.4% |
| Market Rate | \$40,354 - \$92,500 | 20 | 26.9% | 1,990 | | | 180 | 1,810 | 1.1% |
| Total Units | \$30,754 - \$92,500 | 200 | 37.5% | 2,775 | | | 297 | 2,478 | 8.1% |

3. DCA Demand Conclusions

All capture rates are well below DCA thresholds and indicate more than sufficient demand in the market area to support the proposed London Towne Houses with or without PBRA.

C. HUD Net Demand Calculation

1. Methodology

In this section, RPRG presents a Derivation of Demand calculation that is intended to gauge whether sufficient demand from renter households exists in the London Market Area to absorb the number of units proposed for the subject project plus those units proposed at other pipeline rental communities that are expected to be brought on-line over a coming three-year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply), a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question), or very rarely zero (in which case rental supply and rental demand would be perfectly in balance in terms of number of units demanded versus number of units supplied). The three-year period in question for this analysis is the period spanning June 2019 to June 2022. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the subject project was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG's Derivation of Demand examines the balance of the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses upon the change in demand over the period in question, as opposed to focusing on the market's total demand. Considerations such as household incomes, floor plan types, and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the subsequent related Affordability Analysis and Penetration Analysis sections.

RPRG sums demand generated from three broad sources to arrive at 'Total Demand for New Rental Units' over the June 2019 to June 2022 period:

- **Projected Change in the Household Base.** Recall that in the Growth Trends section of this report, we presented projections of household change within the primary market area over the 2010 to 2024 period. We factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2019 to 2022). Note that net household change incorporates growth or decline stemming from both organic changes within existing households (i.e. new household formation as children move out of their parents' homes, divorces, roommates electing to begin renting separately) and household migration into and out of the market area.
- **Need for Housing Stock Upgrades.** Demand for new housing units within a primary market area is generated when the stock of available housing units ceases to meet the housing needs of households that wish to remain residents of that primary market. In such instances, the housing stock needs to be upgraded either through the renovation of existing units or the construction of new units. That a particular housing unit has ceased to meet the housing needs of a market area's households becomes evident in any number of ways, including:
 - **Physical Removal or Demolition.** Clearly, if a unit is demolished or otherwise physically removed from a market, it is no longer available to serve local households. Many factors contribute to the removal of housing units. Housing units are occasionally removed from any given market through disasters such as fires and various types of weather phenomenon. While such disasters occur somewhat randomly, the decision whether to repair or demolish a unit is based on the economic value of the property. Thus, a unit being permanently lost in a disaster should be correlated with factors such as its age, structure type, and physical condition. Demolitions can also be instigated through the loss of economic value or in response to a situation where vacant land has become more valuable than the land plus its existing structure. Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH) (Table 26). CINCH data indicated that renter-occupied or vacant units were far more likely to be demolished than owner-occupied units; among renter-occupied and vacant units, single-family detached units were more likely to be demolished than multifamily units.
 - **Permanent Abandonment.** Housing units can be technically removed from the stock available to serve households without being physically removed. This happens when a housing unit's owner elects to permanently abandon the unit – due to obsolescence, overwhelming repair costs, or other factors – without going through the steps (and costs) of demolishing it. If a dilapidated unit was occupied up until the time of permanent abandonment, the former occupant represents a source of demand for other units in the area.
 - **Overcrowding.** As defined by the U.S. Census Bureau, a housing unit is classified as overcrowded if the household occupying the unit has more people than the housing unit has rooms. Particularly in markets with high housing costs, lower-income individuals and families are often driven into an overcrowded housing situation. Overcrowded households constitute pent-up demand for new housing units not typically captured in household growth projections; were two affordable units to become available, an overcrowded household would very likely split into two households and generate an additional net unit of housing demand.
 - **Mismatch between Household Incomes and Housing Stock Quality.** While permanent abandonment and overcrowding are two factors likely to lead to net new demand for affordable housing units, limited recent housing construction in a stable, long-established neighborhood can be an indicator of pent-up demand for new housing units serving middle- to upper-income households. Areas that exhibit this phenomenon are often downtown, inner city, or inner ring suburban locations that currently have – and have had



for years – limited to no undeveloped land available for new housing construction/growth. When a neighborhood is stable in terms of overall household numbers but near the point of build-out for many years, many resident households develop a desire for a modern housing unit and the wherewithal to rent or purchase one but have no stock of modern units from which to choose. Such households are ‘under-housed’ in that the quality of the housing stock in the area where they live (and wish to remain) does not match the type of housing they demand and could afford. Such pent-up demand is rarely captured in public projections of household growth and is difficult to translate to specific calculations. However, this pent-up demand is a very real factor driving demand for new housing units in stable, established residential neighborhoods.

Table 26 Components of Inventory Change in Housing (CINCH)

| A. Characteristics | C. Present in 2011 | D. 2011 units present in 2013 | 2011 Unit change | | | | | | | TOTAL Lost to Stock | Total exclude MH | 2011-13 Annual |
|----------------------------|--------------------|-------------------------------|------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|-------------------------------|-----------------------|---------------------|------------------|----------------|
| | | | E. Change in characteristics | F. lost due to conversion /merger | G. house or mobile home moved out | H. changed to non residential use | I. lost through demolition or disaster | J. badly damaged or condemned | K. lost in other ways | | | |
| Total Housing Stock | 132,420 | 130,852 | | 98 | 161 | 202 | 470 | 212 | 424 | 1,567 | 1,406 | 703 |
| | | | | 0.07% | 0.12% | 0.15% | 0.35% | 0.16% | 0.32% | 1.18% | 1.06% | 0.53% |
| Occupancy | | | | | | | | | | | | |
| Occupied units | 114,907 | 105,864 | 8,313 | 58 | 99 | 68 | 238 | 59 | 207 | 729 | 630 | 315 |
| | | | | 0.05% | 0.09% | 0.06% | 0.21% | 0.05% | 0.18% | 0.63% | 0.55% | 0.27% |
| Vacant | 13,381 | 5,123 | 7,642 | 38 | 50 | 85 | 175 | 110 | 158 | 616 | 566 | 283 |
| | | | | 0.28% | 0.37% | 0.64% | 1.31% | 0.82% | 1.18% | 4.60% | 4.23% | 2.11% |
| Seasonal | 4,132 | 2,132 | 1,778 | 2 | 11 | 49 | 57 | 43 | 59 | 221 | 210 | 105 |
| | | | | 0.05% | 0.27% | 1.19% | 1.38% | 1.04% | 1.43% | 5.35% | 5.08% | 2.54% |
| Region (All Units) | | | | | | | | | | | | |
| Northeast | 23,978 | 23,718 | | 38 | 0 | 28 | 55 | 40 | 99 | 260 | 260 | 130 |
| | | | | 0.16% | 0.00% | 0.12% | 0.23% | 0.17% | 0.41% | 1.08% | 1.08% | 0.54% |
| Midwest | 29,209 | 28,849 | | 14 | 28 | 49 | 117 | 56 | 95 | 359 | 331 | 166 |
| | | | | 0.05% | 0.10% | 0.17% | 0.40% | 0.19% | 0.33% | 1.23% | 1.13% | 0.57% |
| South | 50,237 | 49,526 | | 29 | 120 | 75 | 235 | 94 | 159 | 712 | 592 | 296 |
| | | | | 0.06% | 0.24% | 0.15% | 0.47% | 0.19% | 0.32% | 1.42% | 1.18% | 0.59% |
| West | 28,996 | 28,759 | | 17 | 13 | 50 | 63 | 23 | 71 | 237 | 224 | 112 |
| | | | | 0.06% | 0.04% | 0.17% | 0.22% | 0.08% | 0.24% | 0.82% | 0.77% | 0.39% |
| Owner occupied | | | | | | | | | | | | |
| | 76,092 | 69,324 | 6,418 | 14 | 83 | 14 | 116 | 26 | 97 | 350 | 267 | 134 |
| | | | | 0.02% | 0.11% | 0.02% | 0.15% | 0.03% | 0.13% | 0.46% | 0.35% | 0.18% |
| Renter occupied | | | | | | | | | | | | |
| | 38,815 | 31,181 | 7,253 | 45 | 16 | 54 | 122 | 33 | 110 | 380 | 364 | 182 |
| | | | | 0.12% | 0.04% | 0.14% | 0.31% | 0.09% | 0.28% | 0.98% | 0.94% | 0.47% |
| Metro Status | | | | | | | | | | | | |
| In Central Cities | 37,400 | 36,974 | | 49 | 3 | 70 | 124 | 67 | 112 | 425 | 422 | 211 |
| | | | | 0.13% | 0.01% | 0.19% | 0.33% | 0.18% | 0.30% | 1.14% | 1.13% | 0.56% |
| In Suburbs | 65,872 | 65,311 | | 26 | 57 | 54 | 169 | 69 | 186 | 561 | 504 | 252 |
| | | | | 0.04% | 0.09% | 0.08% | 0.26% | 0.10% | 0.28% | 0.85% | 0.77% | 0.38% |
| Outside Metro Area | 29,148 | 28,567 | | 23 | 101 | 78 | 177 | 76 | 125 | 580 | 479 | 240 |
| | | | | 0.08% | 0.35% | 0.27% | 0.61% | 0.26% | 0.43% | 1.99% | 1.64% | 0.82% |

Source: American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; April 2016. Note: Data in Thousands

- Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of demand for rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand (whereby that amount of demand would not need to be met through the development of new units).
- In considering competitive vacancy rates, we focus on multifamily units for several reasons. One of the primary reasons is that the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly. We leave rent-subsidized multifamily properties out of this calculation to avoid

overestimating demand, as we know that the subsidized rental market is generally fully subscribed with waiting lists.

2. Demand Analysis

We apply the above discussion of sources of demand for new rental units to the London Market Area (Table 27). The steps in our Derivation of Demand analysis are as follows:

- Per the household trend information discussed earlier, RPRG estimates that 23,287 households resided in the London Market Area as of January 2019, a number that is projected to increase to 23,677 by January 2024. Based on this estimate and projection, RPRG derived the number of households in the market area as of June 2019 and June 2022 through interpolation.
- RPRG estimates that 23,320 households reside in the London Market Area as of June 2019, a number that is projected to increase to 23,554 households by June 2022. Allowing for rounding, the London Market Area would thus gain 234 net households during the three-year study period.
- Using national statistical observations from 2011 and 2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock (See Table 26). This blended rate includes an annual loss of 0.47 percent of renter-occupied units and 0.18 percent of owner-occupied units. In the interest of conservatively estimating demand, we assume the lower blended rate of 0.27 percent rather than the higher renter-occupied rate of 0.47 percent. We determined the size of the housing stock in 2019, 2020, and 2021 via interpolation of household projections. Applying the removal rate over the three years in question, we estimate that 238 units are likely to be lost in the London Market Area.
- Demand for new housing units will total 472 units based on household change and unit removal.
- Renter households accounted for all net household growth from 2000 to 2019 as the market area added 944 net renter households and lost owner households over this period. Esri data suggests owner households will account for all net household growth over the next five years with a loss of renter households, which is a significant departure from the trend over the past 19 years. Esri's new methodology is producing significant deviations from recent past trends that are not supported by local conditions. RPRG projects renter households to contribute at least 56.9 percent of the market area's net household growth over the next five years which is equal to the market area's 2019 renter percentage. Applying the 56.9 percent rental share of net household growth to new housing demand results in demand for 268 new rental units over the next three years.
- The surveyed communities had 33 vacancies among 2,136 combined units for an aggregate vacancy rate of 1.5 percent (see Table 31 on page 63).
- Typically, it is assumed that a five percent vacancy rate is required to keep a rental market relatively fluid; vacant and available units are necessary to accommodate households seeking rental units with a choice among units. With a total stock of 2,136 units, 107 vacant units would be required for a five percent vacancy rate. Subtracting the 33 current vacancies from the 107 vacant units required for five percent vacancy indicates 74 units would need to be added to the market to reach five percent vacancy.
- Adding these 74 units to the total rental demand results in demand for 342 new rental units from household growth, unit replacement, and the preferred vacancy rate.



- Total rental demand must be balanced against new rental stock likely to be added between June 2019 and June 2022. The subject property is not included in planned supply as it is not an expansion of the market area’s rental housing stock given it is a planned rehab of an existing community. The 147 rental units planned at Creekside at Adamsville Place and the 168 units being reintroduced into the market at Hidden Pines combine for 315 units, or 299 units assuming a structural vacancy rate of five percent. Subtracting the supply of 299 units from the net demand for 342 rental units yields an excess demand for 43 rental units in the market area.

Table 27 Derivation of Net Demand

| Demand | | | |
|---|------------------|--------------|----------------|
| <i>Projected Change in Household Base</i> | | | Units |
| June 2019 Households | | | 23,320 |
| June 2022 Households | | | 23,554 |
| Net Change in Households | | | 234 |
| | Housing | Removal | Units |
| <u>Add: Units Removed from Housing Stock</u> | <u>Stock</u> | <u>Rate</u> | <u>Removed</u> |
| 2019 Housing Stock | 29,230 | 0.27% | 79 |
| 2020 Housing Stock | 29,350 | 0.27% | 79 |
| 2021 Housing Stock | 29,470 | 0.27% | 80 |
| Total Units Removed from Housing Stock | | | 238 |
| New Housing Demand | | | 472 |
| Average Percent Renter Households over Analysis Period | | | 56.9% |
| New Rental Housing Demand | | | 268 |
| <u>Add: Multifamily Competitive Vacancy</u> | <u>Inventory</u> | | <u>Vacant</u> |
| Surveyed Multifamily Communities | 1,880 | | 24 |
| Deep-Subsidy Multifamily Communities | 256 | | 9 |
| Total Competitive Inventory | | 2,136 | 33 |
| Market Vacancy at 5% | | | 107 |
| Less: Current Vacant Units | | | -33 |
| Vacant Units Required to Reach 5% Market Vacancy | | | 74 |
| Total Demand for New Rental Units | | | 342 |
| Planned Additions to the Supply | | | |
| | | Total Units | 95% Occupancy |
| Creekside at Adamsville Place | | 147 | 140 |
| Hidden Pines | | 168 | 160 |
| Total New Rental Supply | | 315 | 299 |
| Excess Demand for Rental Housing | | | 43 |

Source: RPRG, Inc.

3. Conclusions on Demand

The derivation of net demand estimate suggests excess demand for roughly 43 units of rental housing over the next three years in the London Market Area beyond the identified near-term pipeline.



9. COMPETITIVE RENTAL ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the London Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the London Market Area. We spoke to planning officials with City of South Fulton and reviewed recent approved permits in the City of Atlanta’s online permit database. We also reviewed LIHTC allocation lists provided by DCA. The rental survey was conducted in June 2019.

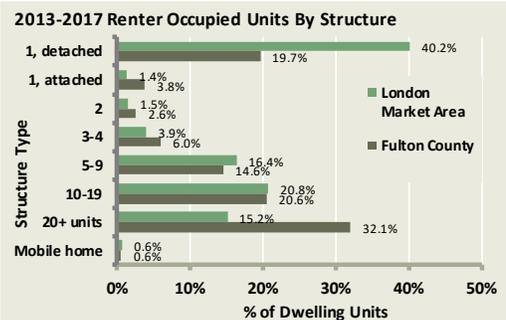
B. Overview of Market Area Housing Stock

The renter occupied housing stock in both the London Market Area and Fulton County include a large proportion of multi-family structures with market area rentals less dense than the county’s. Multi-family structures with five or more units account for the majority (52.4 percent) of market area renter occupied units including 36.0 percent in structures with 10 or more units (Table 28). Single-family detached homes account for 40.2 percent of renter occupied units in the market area. The London Market Area contains a larger proportion of single-family detached home rentals and a smaller proportion of rentals in multi-family structures when compared to the county.

Table 28 Occupied Unit by Structure Type and Tenure

| Structure Type | Owner Occupied | | | | Renter Occupied | | | |
|----------------|----------------|-------------|--------------------|-------------|-----------------|-------------|--------------------|-------------|
| | Fulton County | | London Market Area | | Fulton County | | London Market Area | |
| | # | % | # | % | # | % | # | % |
| 1, detached | 158,101 | 78.6% | 8,783 | 92.5% | 37,509 | 19.7% | 5,266 | 40.2% |
| 1, attached | 18,314 | 9.1% | 344 | 3.6% | 7,229 | 3.8% | 177 | 1.4% |
| 2 | 633 | 0.3% | 8 | 0.1% | 4,988 | 2.6% | 192 | 1.5% |
| 3-4 | 2,539 | 1.3% | 48 | 0.5% | 11,390 | 6.0% | 516 | 3.9% |
| 5-9 | 3,850 | 1.9% | 142 | 1.5% | 27,897 | 14.6% | 2,152 | 16.4% |
| 10-19 | 3,297 | 1.6% | 20 | 0.2% | 39,248 | 20.6% | 2,725 | 20.8% |
| 20+ units | 13,472 | 6.7% | 12 | 0.1% | 61,155 | 32.1% | 1,988 | 15.2% |
| Mobile home | 929 | 0.5% | 141 | 1.5% | 1,121 | 0.6% | 83 | 0.6% |
| TOTAL | 201,135 | 100% | 9,498 | 100% | 190,537 | 100% | 13,099 | 100% |

Source: American Community Survey 2013-2017



The market area’s housing stock is significantly older than Fulton County’s. Renter-occupied units have a median year built of 1967 in the market area and 1987 in the county (Table 29). The majority of renter-occupied units in the market area were built from 1950 to 1979 with 30.9 percent built in the 1960’s. Recent rental development is evident with 18.2 percent of renter-occupied units built in the 2000’s. London Market Area owner-occupied units are older when compared to renter-occupied units with a median year built of 1961; roughly 57 percent of owner-occupied units in the market area were built in the 1950’s or 1960’s and less than eight percent have been built since 2000.



Table 29 Dwelling Units by Year Built and Tenure

| Year Built | Owner Occupied | | | | Renter Occupied | | | |
|--------------------------|----------------|-------------|--------------------|-------------|-----------------|-------------|--------------------|-------------|
| | Fulton County | | London Market Area | | Fulton County | | London Market Area | |
| | # | % | # | % | # | % | # | % |
| 2014 or later | 1,830 | 0.9% | 8 | 0.1% | 3,500 | 1.8% | 0 | 0.0% |
| 2010 to 2013 | 4,519 | 2.2% | 4 | 0.0% | 7,226 | 3.8% | 238 | 1.8% |
| 2000 to 2009 | 47,955 | 23.8% | 711 | 7.5% | 43,063 | 22.6% | 2,148 | 16.4% |
| 1990 to 1999 | 38,946 | 19.4% | 457 | 4.8% | 34,030 | 17.8% | 664 | 5.1% |
| 1980 to 1989 | 31,880 | 15.8% | 479 | 5.0% | 28,156 | 14.8% | 819 | 6.2% |
| 1970 to 1979 | 18,745 | 9.3% | 811 | 8.5% | 26,361 | 13.8% | 1,757 | 13.4% |
| 1960 to 1969 | 19,292 | 9.6% | 2,608 | 27.5% | 20,448 | 10.7% | 4,050 | 30.9% |
| 1950 to 1959 | 15,237 | 7.6% | 2,841 | 29.9% | 13,073 | 6.9% | 2,381 | 18.2% |
| 1940 to 1949 | 7,712 | 3.8% | 993 | 10.5% | 5,271 | 2.8% | 695 | 5.3% |
| 1939 or earlier | 15,029 | 7.5% | 586 | 6.2% | 9,577 | 5.0% | 360 | 2.7% |
| TOTAL | 201,145 | 100% | 9,498 | 100% | 190,705 | 100% | 13,112 | 100% |
| MEDIAN YEAR BUILT | 1987 | | 1961 | | 1987 | | 1967 | |

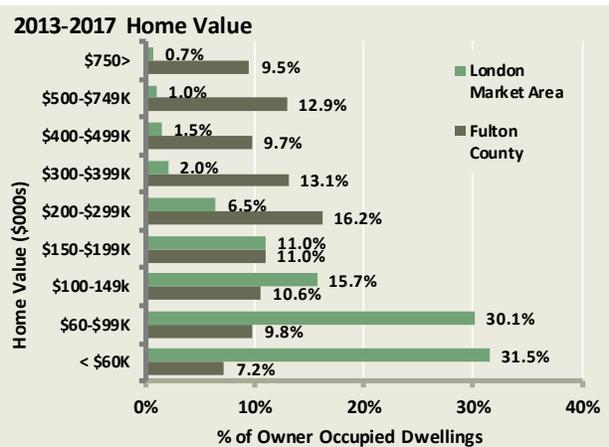
Source: American Community Survey 2013-2017

According to 2013-2017 ACS data, the median value among owner-occupied housing units in the London Market Area was \$84,896, which is less than one-third the \$270,591 median in Fulton County (Table 30). ACS estimates home values based upon values from homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight of relative housing values among two or more areas.

Table 30 Value of Owner Occupied Housing Stock

| 2013-2017 Home Value | | Fulton County | | London Market Area | |
|----------------------|-----------------------|------------------|-------------|--------------------|-------------|
| | | # | % | # | % |
| less than | \$60,000 | 14,524 | 7.2% | 2,991 | 31.5% |
| | \$60,000 - \$99,999 | 19,752 | 9.8% | 2,862 | 30.1% |
| | \$100,000 - \$149,999 | 21,314 | 10.6% | 1,490 | 15.7% |
| | \$150,000 - \$199,999 | 22,043 | 11.0% | 1,046 | 11.0% |
| | \$200,000 - \$299,999 | 32,496 | 16.2% | 613 | 6.5% |
| | \$300,000 - \$399,999 | 26,311 | 13.1% | 194 | 2.0% |
| | \$400,000 - \$499,999 | 19,555 | 9.7% | 140 | 1.5% |
| | \$500,000 - \$749,999 | 25,994 | 12.9% | 95 | 1.0% |
| | \$750,000 over | 19,156 | 9.5% | 67 | 0.7% |
| Total | | 201,145 | 100% | 9,498 | 100% |
| Median Value | | \$270,591 | | \$84,896 | |

Source: American Community Survey 2013-2017





C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

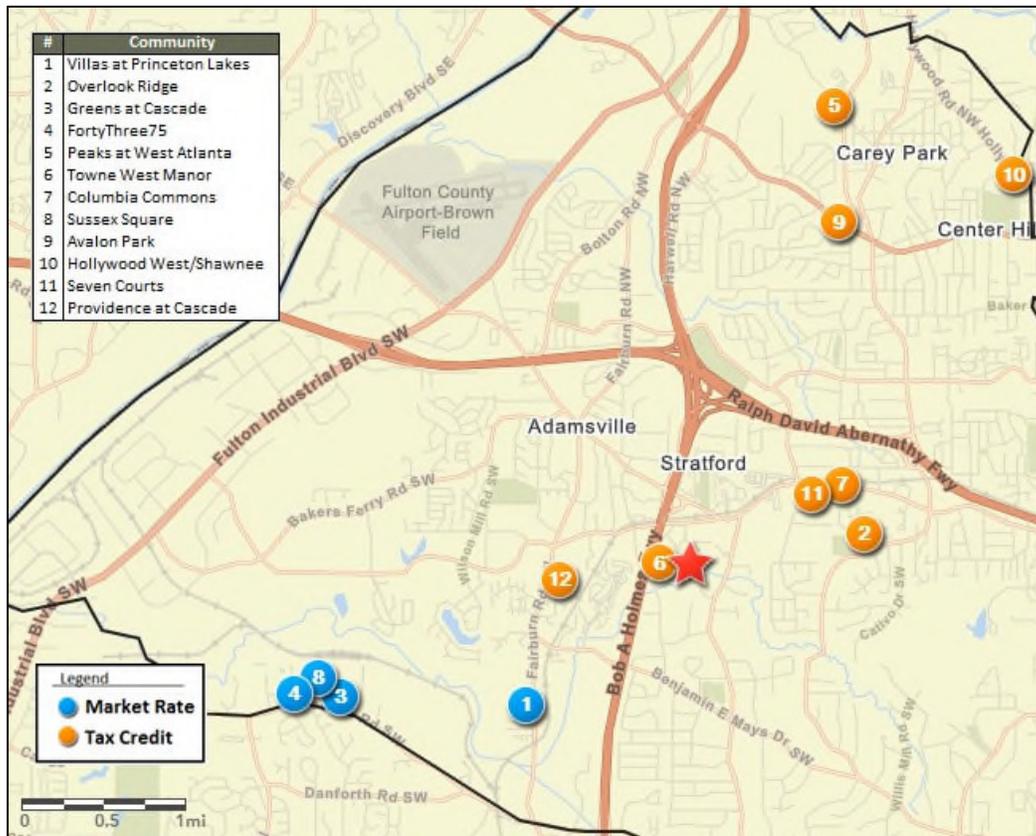
RPRG surveyed 12 general occupancy communities in the London Market Area including four market rate communities and eight LIHTC communities. Five of the eight LIHTC communities are mixed-income properties with LIHTC and market rate units. Two LIHTC communities (Hollywood West/Shawnee and Providence at Cascade) offer units with Project Based Rental Assistance (PBRA) and these units are analyzed separately as tenants only pay a percentage of income for rent. All surveyed communities are considered comparable to the subject property as London Towne Houses will offer LIHTC units (with and without PBRA) and market rate units. Management at two LIHTC communities (Peaks at MLK and The Preserve at Collier Ridge) refused to participate in our survey and we could not survey Rolling Bends (LIHTC community with PBRA on all units) following repeated attempts to reach management by phone and in person. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 8.

Five surveyed LIHTC communities (Peaks at West Atlanta, Columbia Commons, Avalon Park, Hollywood West/Shawnee, and Providence at Cascade) have a HUD insured mortgage. Two communities which recently received an allocation of Low Income Housing Tax Credits and are undergoing renovations (The Commons and Rolling Bends) have HUD insured mortgages; we could not reach management at Rolling Bends and management at The Commons (formerly Allen Hills) was unsure of occupancy levels given the current renovations. According to prior statements by management, both of these properties were at least 90 percent occupied prior to renovations and all tenants are expected to be retained given the continuation of PBRA on all units at both properties. We identified several age-restricted communities with HUD insured mortgages in the market area, but these communities were excluded from our analysis due to a difference in target market when compared to the subject property (age-restricted versus general occupancy).

2. Location

Towne West Manor (LIHTC) is adjacent to the subject property, three LIHTC communities are to the northeast within one-half mile of Donald Lee Hollowell Parkway, and three LIHTC communities are just to the east. Five communities are to the southwest (outside the perimeter) including one LIHTC community with PBRA (Providence at Cascade) and all four surveyed market rate communities along Fairburn Road or Cascade Road (Map 6).

Map 6 Surveyed Rental Communities



3. Size of Communities

The surveyed communities without PBRA range from 88 to 260 units and average 171 units. LIHTC communities without PBRA range from 96 to 240 units with an average of 166 units. Six of eight surveyed LIHTC communities (with an without PBRA) have 158 to 240 units while two have just over 100 units (Table 31); Hollywood West/Shawnee has 96 units without deep subsidies and 16 units with deep subsidies.

4. Age of Communities

The average year built of all surveyed communities without PBRA is 1986. LIHTC communities are slightly newer with an average year built of 1987; however, the three LIHTC communities built in the 1960's have been rehabbed since 2002 (Table 31). All surveyed LIHTC communities without PBRA were built or rehabbed from 2002 to 2008 including the newest community in the market area (Avalon Park) which is a mixed-income property built in 2008. Three of four market rate communities were built in 1989 or earlier; Villas at Princeton Lakes is the newest market rate community built in 2005. Both communities with PBRA units were built in the 1960's and rehabbed since 2004.

5. Structure Type

All surveyed communities offer garden apartments including Towne West Manor (LIHTC) which also offers townhomes (Table 31).



6. Vacancy Rates

The rental market is strong with 24 vacancies among 1,880 combined units without PBRA for an aggregate vacancy rate of 1.3 percent (Table 31). Ten of 11 communities without PBRA have a vacancy rate of less than three percent including five communities which are fully occupied. The LIHTC rental market is outperforming the overall market with seven vacancies among 1,162 combined units for an aggregate vacancy rate of 0.6 percent; five of seven LIHTC communities are fully occupied with a waiting list. Nine of 256 combined units with PBRA are vacant for an aggregate vacancy rate of 3.5 percent among deeply subsidized units.

7. Rent Concessions

Greens at Cascade (market rate) is offering one month free rent (Table 31). None of the surveyed LIHTC communities are offering rental incentives.

8. Absorption History

No surveyed community has been built in the past 10 years and absorption information is not relevant to the current market.

Table 31 Rental Summary, Surveyed Communities

| Map # | Community | Year Built | Year Rehab | Structure Type | Total Units | Vacant Units | Vacancy Rate | Avg 1BR Rent (1) | Avg 2BR Rent (1) | Incentive |
|-------|-------------------------------|-------------|------------|----------------|--------------|--------------|--------------|------------------|------------------|--------------|
| | Subject - 60% AMI/PBRA | | | TH | 150 | | | \$800 | \$947 | |
| | Subject - 60% AMI | | | TH | 30 | | | | \$947 | |
| | Subject - Market | | | TH | 20 | | | | \$1,047 | |
| 1 | Villas at Princeton Lakes | 2005 | | Gar | 210 | 2 | 1.0% | \$1,050 | \$1,225 | None |
| 2 | Overlook Ridge* | 2003 | | Gar | 240 | 0 | 0.0% | \$974 | \$1,137 | None |
| 3 | Greens at Cascade | 1989 | | Gar | 160 | 9 | 5.6% | \$945 | \$1,080 | 1 month free |
| 4 | FortyThree75 | 1970 | | Gar | 260 | 6 | 2.3% | \$795 | \$945 | None |
| 5 | Peaks at West Atlanta*^ | 2002 | | Gar | 214 | 0 | 0.0% | \$806 | \$900 | None |
| 6 | Towne West Manor* | 1964 | 2002 | Gar/TH | 108 | 0 | 0.0% | | \$868 | None |
| 7 | Columbia Commons*^ | 2003 | | Gar | 158 | 0 | 0.0% | | \$803 | None |
| 8 | Sussex Square | 1974 | | Gar | 88 | 0 | 0.0% | \$685 | \$795 | None |
| 9 | Avalon Park*^ | 2008 | | Gar | 175 | 2 | 1.1% | \$668 | \$792 | None |
| 10 | Hollywood West/Shawnee*^ | 1968 | 2004 | Gar | 96 | 0 | 0.0% | \$525 | \$650 | None |
| 11 | Seven Courts* | 1964 | 2008 | Gar | 171 | 5 | 2.9% | \$595 | \$625 | None |
| | Total | | | | 1,880 | 24 | 1.3% | | | |
| | Average | 1986 | | | 171 | | | \$782 | \$893 | |
| | LIHTC Total | | | | 1,162 | 7 | 0.6% | | | |
| | LIHTC Average | 1987 | | | 166 | | | \$713 | \$825 | |

(1) Rent is contract rent, and not adjusted for utilities or incentives

(*) Tax Credit Community

Source: Phone Survey, RPRG, Inc. June 2019

(^) HUD Insured

| Map # | Community | Year Built | Year Rehab | Structure Type | Total Units | Vacant Units | Vacancy Rate | Incentive |
|-------|--------------------------|-------------|------------|----------------|-------------|--------------|--------------|-----------|
| 11 | Hollywood West/Shawnee*^ | 1968 | 2004 | Gar | 16 | 0 | 0.0% | None |
| 12 | Providence at Cascade*^ | 1969 | 2013 | Gar | 240 | 9 | 3.8% | None |
| | Total | | | | 256 | 9 | 3.5% | |
| | Average | 1969 | | | 128 | | | |

(*) LIHTC/Deeply Subsidized Community

(^) HUD Insured

Source: Phone Survey, RPRG, Inc. June 2019



D. Analysis of Product Offerings

1. Payment of Utility Costs

All surveyed communities include the cost of trash removal and four also include water and sewer (Table 32); one LIHTC community (Seven Courts) includes all utilities. London Towne Houses will include the cost of trash removal.

2. Unit Features

All but one surveyed community without PBRA (Hollywood West/Shawnee) offer a dishwasher in each unit and washer and dryer connections in at least select units; two LIHTC communities offer microwaves (Table 32). Six of seven LIHTC communities offer a dishwasher and washer and dryer connections in each unit. London Towne Houses will offer a dishwasher, stove, refrigerator, microwave, patio/balcony, and washer and dryer connections in each unit which is comparable or superior to all surveyed communities. The subject will be one of just three communities offering a microwave.

3. Parking

All surveyed communities include free surface parking as the standard parking option. None of the surveyed communities include covered parking options.

4. Community Amenities

The highest-priced market rate communities and the four newest LIHTC communities generally offer extensive amenities with all offering at least three amenities; the older and lower priced market rate and LIHTC communities offer limited to no amenities. The most common amenities are a playground (eight properties), swimming pool (seven properties), a clubhouse/community room (six properties). A fitness center and business/computer center are offered at four communities each while five communities are gated including four of seven LIHTC communities (Table 31). Among the LIHTC communities, the four newest communities offer a clubhouse/community room, fitness center, swimming pool, business/computer center, and are gated; three of these communities offer a playground. The remaining LIHTC communities offer a playground only or no amenities. London Towne Houses will offer a clubhouse/community room, a computer/business room, a playground, gazebo, covered picnic pavilion with grills, and a fenced community garden. These amenities will be less extensive than the newest built LIHTC communities in the market area given the lack of a fitness center and swimming pool. The lower level of amenities at London Towne Houses when compared to these communities is acceptable given the inclusion of PBRA on nearly half of the units. Furthermore, the proposed market rate rents are comparable or below the majority of market rate rents at these communities, all of which are fully occupied or have few vacancies which suggests the communities could charge higher rents. The proposed amenities are appropriate for the target market of very low to moderate income households and will be competitive at the proposed rents.



Table 32 Utility Arrangement and Unit Features

| Community | Utilities Included in Rent | | | | | | Dish-washer | Micro-wave | Parking | In-Unit Laundry |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------|------------|----------------|-----------------|
| | Heat | Hot Water | Cooking | Electric | Water | Trash | | | | |
| Subject Property | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Villas at Princeton Lakes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Overlook Ridge* | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Greens at Cascade | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| FortyThree75 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Select - HU |
| Peaks at West Atlanta* | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Towne West Manor* | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | Select | Surface | Hook Ups |
| Columbia Commons* | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Sussex Square | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Avalon Park* | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Hollywood West/Shawnee* | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | Surface | |
| Seven Courts* | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |

Source: Phone Survey, RPRG, Inc. June 2019

LIHTC Community*

Table 33 Community Amenities

| Community | Clubhouse | Fitness Room | Pool | Playground | Community Garden | Tennis Court | Business Center | Gated Entry |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Subject Property | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Villas at Princeton Lakes | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Overlook Ridge* | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Greens at Cascade | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FortyThree75 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Peaks at West Atlanta* | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Towne West Manor* | <input type="checkbox"/> |
| Columbia Commons* | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Sussex Square | <input type="checkbox"/> |
| Avalon Park* | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Hollywood West/Shawnee* | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Seven Courts* | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Source: Phone Survey, RPRG, Inc. June 2019

LIHTC Community*

5. Unit Distribution

All surveyed communities offer two-bedroom units, nine offer one-bedroom units, and nine offer three-bedroom units (Table 34). One LIHTC community (Seven Courts) offers four-bedroom units. All but one surveyed community (Overlook Ridge) reported a unit distribution, accounting for 87.2



percent of surveyed units. Two-bedroom units are the most common at nearly two-thirds (63.0 percent) of surveyed units and one and three-bedroom units are nearly evenly distributed at 17.1 and 18.7 percent of units, respectively. Four-bedroom units account for 1.2 percent of surveyed units.

6. Effective Rents

Unit rents presented in Table 34 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where rents include the cost of trash removal.

Among all surveyed rental communities without PBRA, net rents, unit sizes, and rents per square foot were as follows:

- **One-bedroom** effective rents average \$706 per month. The average one-bedroom unit size is 728 square feet, resulting in a net rent per square foot of \$0.97. The range for one-bedroom effective rents is \$231 to \$1,050.
- **Two-bedroom** effective rents average \$806 per month. The average two-bedroom unit size is 1,016 square feet, resulting in a net rent per square foot of \$0.79. The range for two-bedroom effective rents is \$260 to \$1,225.
- **Three-bedroom** effective rents average \$1,006 per month. The average three-bedroom unit size is 1,253 square feet, resulting in a net rent per square foot of \$0.80. The range for three-bedroom effective rents is \$339 to \$1,450.
- **Four-bedroom** effective rents average \$672 per month. The only community to offer four-bedroom units is Seven Courts (LIHTC) which offers 30 percent, 50 percent, and 60 percent AMI units. The four-bedroom unit size is 1,400 square feet.

Table 34 Unit Distribution, Size, and Pricing

| Community | Total Units | One Bedroom Units | | | | Two Bedroom Units | | | | Three Bedroom Units | | | | Four Bedroom Units | | | |
|---------------------------------|--------------|-------------------|--------------|------------|---------------|-------------------|--------------|--------------|---------------|---------------------|----------------|--------------|---------------|--------------------|----------------|--------------|---------------|
| | | Units | Rent(1) | SF | Rent/SF | Units | Rent(1) | SF | Rent/SF | Units | Rent(1) | SF | Rent/SF | Units | Rent(1) | SF | Rent/SF |
| Subject - 60% AMI/PBRA | 150 | 8 | \$800 | 702 | \$1.14 | 50 | \$947 | 1,006 | \$0.94 | 86 | \$1,079 | 1,105 | \$0.98 | 6 | \$1,189 | 1,397 | \$0.85 |
| Subject - 60% AMI | 30 | | | | | 5 | \$947 | 1,006 | \$0.94 | 23 | \$1,079 | 1,105 | \$0.98 | 2 | \$1,189 | 1,397 | \$0.85 |
| Subject - Market | 20 | | | | | 6 | \$1,047 | 1,006 | \$1.04 | 13 | \$1,179 | 1,105 | \$1.07 | 1 | \$1,289 | 1,397 | \$0.92 |
| Subject Total/Average | 200 | 8 | \$800 | 702 | \$1.14 | 61 | \$957 | 1,006 | \$0.95 | 122 | \$1,089 | 1,105 | \$0.99 | 9 | \$1,200 | 1,397 | \$0.86 |
| Villas at Princeton Lakes | 210 | 42 | \$1,050 | 975 | \$1.08 | 140 | \$1,225 | 1,175 | \$1.04 | 28 | \$1,450 | 1,350 | \$1.07 | | | | |
| Overlook Ridge | | | \$1,035 | 803 | \$1.29 | | \$1,195 | 1,103 | \$1.08 | | \$1,375 | 1,277 | \$1.08 | | | | |
| Peaks at West Atlanta | 54 | 12 | \$1,005 | 757 | \$1.33 | 24 | \$1,170 | 1,012 | \$1.16 | 18 | \$1,305 | 1,211 | \$1.08 | | | | |
| Overlook Ridge 60% AMI* | 240 | | \$912 | 803 | \$1.14 | | \$1,079 | 1,103 | \$0.98 | | \$1,240 | 1,277 | \$0.97 | | | | |
| Peaks at West Atlanta 60% AMI* | 80 | 12 | \$868 | 757 | \$1.15 | 40 | \$1,022 | 1,012 | \$1.01 | 28 | \$1,164 | 1,211 | \$0.96 | | | | |
| Avalon Park | 51 | 11 | \$859 | 700 | \$1.23 | 29 | \$1,019 | 1,044 | \$0.98 | 11 | \$1,199 | 1,218 | \$0.98 | | | | |
| Greens at Cascade | 160 | 24 | \$852 | 908 | \$0.94 | 96 | \$970 | 1,152 | \$0.84 | 40 | \$1,158 | 1,390 | \$0.83 | | | | |
| FortyThree75 | 260 | 48 | \$795 | 612 | \$1.30 | 176 | \$945 | 805 | \$1.17 | 36 | \$1,078 | 1,017 | \$1.06 | | | | |
| Columbia Commons | 78 | | | | | 39 | \$905 | 1,122 | \$0.81 | 39 | \$1,009 | 1,423 | \$0.71 | | | | |
| Avalon Park 60% AMI* | 53 | 11 | \$765 | 700 | \$1.09 | 31 | \$881 | 1,044 | \$0.84 | 11 | \$979 | 1,218 | \$0.80 | | | | |
| Towne West Manor 60% AMI* | 108 | | | | | 102 | \$868 | 921 | \$0.94 | 6 | \$925 | 1,034 | \$0.89 | | | | |
| Sussex Square | 88 | 24 | \$670 | 744 | \$0.90 | 56 | \$775 | 927 | \$0.84 | 8 | \$880 | 1,175 | \$0.75 | | | | |
| Columbia Commons 54% AMI* | 40 | | | | | 20 | \$722 | 1,122 | \$0.64 | 20 | \$805 | 1,423 | \$0.57 | | | | |
| Avalon Park 50% AMI* | 44 | 11 | \$611 | 700 | \$0.87 | 25 | \$696 | 1,044 | \$0.67 | 8 | \$766 | 1,218 | \$0.63 | | | | |
| Columbia Commons 50% AMI* | 40 | | | | | 20 | \$684 | 1,122 | \$0.61 | 20 | \$766 | 1,423 | \$0.54 | | | | |
| Hollywood West/Shawnee | 96 | 20 | \$535 | 640 | \$0.84 | 76 | \$630 | 761 | \$0.83 | | | | | | | | |
| Hollywood West/Shawnee 60% AMI* | | | \$485 | 640 | \$0.76 | | \$630 | 761 | \$0.83 | | | | | | | | |
| Peaks at West Atlanta 50% AMI* | 80 | 12 | \$544 | 757 | \$0.72 | 40 | \$616 | 1,012 | \$0.61 | 28 | \$672 | 1,211 | \$0.55 | | | | |
| Seven Courts 60% AMI* | 171 | 47 | \$696 | 633 | \$1.10 | 104 | \$583 | 1,023 | \$0.57 | | | | | 20 | \$1,011 | 1,400 | \$0.72 |
| Seven Courts 50% AMI* | | | \$499 | 633 | \$0.79 | | \$533 | 1,023 | \$0.52 | | | | | | \$710 | 1,400 | \$0.51 |
| Avalon Park 30% AMI* | 27 | 7 | \$304 | 700 | \$0.43 | 15 | \$327 | 1,044 | \$0.31 | 5 | \$339 | 1,218 | \$0.28 | | | | |
| Seven Courts 30% AMI* | | | \$231 | 633 | | | \$260 | 1,023 | \$0.25 | | | | | | \$295 | 1,400 | \$0.21 |
| Total/Average | 1,880 | | \$706 | 728 | \$0.97 | | \$806 | 1,016 | \$0.79 | | \$1,006 | 1,253 | \$0.80 | | \$672 | 1,400 | \$0.48 |
| Unit Distribution | 1,640 | 281 | | | | 1,033 | | | | 306 | | | | 20 | | | |
| % of Total | 87.2% | 17.1% | | | | 63.0% | | | | 18.7% | | | | 1.2% | | | |

(1) Rent is adjusted to include only trash and incentives

Contract rent

LIHTC Communities*

Source: Phone Survey, RPRG, Inc. June 2019



7. Scattered Site Rentals

Given the many multi-family rental options in the market area and rent and income restrictions proposed at the subject property on nearly all units including 80 units with PBRA, scattered site rentals are not expected to be a significant source of competition for London Towne Houses. Foreclosure activity in the local area has been limited with a 0.3 percent foreclosure rate in April 2019 for Zip Code 30311 which is comparable to state and national rates (see Table 38 on page 71), limiting the shadow rental market.

8. DCA Average Market Rent

To determine average “market rents” as outlined in DCA’s 2019 Market Study Manual, market rate rents were averaged at the two newest market rate communities and the four mixed-income LIHTC communities built since 2002 and in generally good condition. It is important to note, “average market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property. LIHTC units are not used in this calculation.

The “average market rent” is \$960 for one-bedroom units, \$1,081 for two-bedroom units, \$1,249 for three-bedroom units (Table 35). We added \$100 to the average three-bedroom market rent to determine the average four-bedroom market rent as none of the surveyed communities offer market rate four-bedroom units. The proposed 60 percent AMI rents have market rent advantages ranging from 13.5 percent to 20.0 percent with an overall weighted average market advantage of 15.4 percent among LIHTC units. Tenants will only pay a percentage of their income for rent for the 150 LIHTC units with PBRA, thus, rent advantages will be significantly higher for these units. All proposed market rate rents are below average market rents. The project has a weighted average market rent advantage of 14.3 percent even when including the market rate units (Table 36).

Table 35 Average Market Rent

| Community | One Bedroom Units | | | Two Bedroom Units | | | Three Bedroom Units | | |
|---------------------------|-------------------|------------|---------------|-------------------|--------------|---------------|---------------------|--------------|---------------|
| | Rent(1) | SF | Rent/SF | Rent(1) | SF | Rent/SF | Rent(1) | SF | Rent/SF |
| Villas at Princeton Lakes | \$1,050 | 975 | \$1.08 | \$1,225 | 1,175 | \$1.04 | \$1,450 | 1,350 | \$1.07 |
| Overlook Ridge | \$1,035 | 803 | \$1.29 | \$1,195 | 1,103 | \$1.08 | \$1,375 | 1,277 | \$1.08 |
| Peaks at West Atlanta | \$1,005 | 757 | \$1.33 | \$1,170 | 1,012 | \$1.16 | \$1,305 | 1,211 | \$1.08 |
| Avalon Park | \$859 | 700 | \$1.23 | \$1,019 | 1,044 | \$0.98 | \$1,199 | 1,218 | \$0.98 |
| Greens at Cascade | \$852 | 908 | \$0.94 | \$970 | 1,152 | \$0.84 | \$1,158 | 1,390 | \$0.83 |
| Columbia Commons | | | | \$905 | 1,122 | \$0.81 | \$1,009 | 1,423 | \$0.71 |
| Total/Average | \$960 | 829 | \$1.16 | \$1,081 | 1,101 | \$0.98 | \$1,249 | 1,312 | \$0.95 |

(1) Rent is adjusted to include only trash and incentives

Source: Phone Survey, RPRG, Inc. June 2019

Table 36 Average Market Rent and Rent Advantage Summary

| | 1 BR | 2 BR | 3 BR | 4 BR |
|---------------------------------|--------------|----------------|----------------|----------------|
| Average Market Rent | \$960 | \$1,081 | \$1,249 | \$1,349 |
| Proposed 60% AMI Rent | \$800 | \$947 | \$1,079 | \$1,189 |
| Advantage (\$) | \$160 | \$134 | \$170 | \$160 |
| Advantage (%) | 20.0% | 14.1% | 15.8% | 13.5% |
| Total Units | 8 | 55 | 109 | 8 |
| Overall LIHTC Advantage | | | | 15.4% |
| Proposed Market Rents | | \$1,047 | \$1,179 | \$1,289 |
| Advantage (\$) | | \$34 | \$70 | \$60 |
| Advantage (%) | | 3.2% | 6.0% | 4.7% |
| Total Units | | 6 | 13 | 1 |
| Overall Market Advantage | | | | 14.3% |

Source: Phone Survey, RPRG, Inc. June 2019

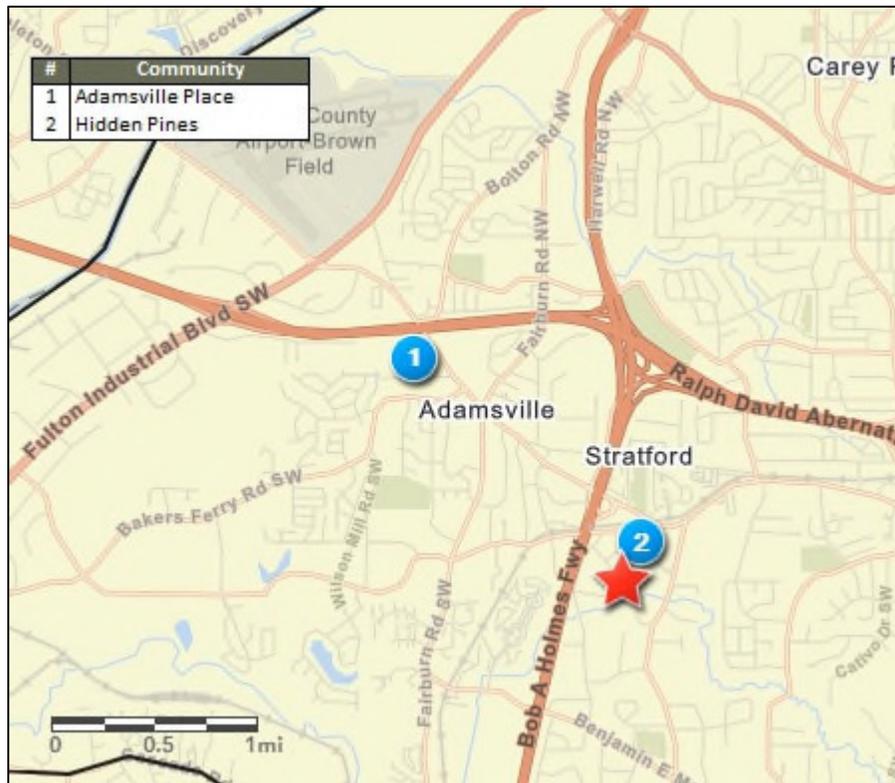
E. Multi-Family Pipeline

One comparable new construction LIHTC community (Creekside at Adamsville Place) was identified as planned in the market area. An application for four percent Low Income Housing Tax Credits has been submitted to DCA and the site is currently being cleared. According to the market study submitted to DCA, this community would include 147 LIHTC units targeting households earning up to 30 percent, 60 percent, and 80 percent of the Area Median Income (AMI) among one, two, and three-bedroom units. The proposed 60 percent AMI LIHTC units are comparable to the proposed LIHTC units without PBRA at the subject property given similar income targeting while the 80 percent AMI units at Creekside at Adamsville Place will target similar income households as the proposed market rate units at London Towne Houses.

Hidden Pines (market rate) is being renovated adjacent to the site; the community was abandoned and in disrepair prior to renovations. A timeline for renovations of all 168 units at the community was not identified but according to management, units are expected to be released slowly with five units recently completed and available for rent. The market rate units at this community are comparable to the proposed market rate units at London Towne Houses.

Two existing deeply subsidized rental communities (Rolling Bends and Allen Hills) with a combined 812 units were acquired by Preservation Partners in March 2018 and have been awarded four percent Low Income Housing Tax Credits for renovations. These two communities will continue to benefit from Project Based Rental Assistance (PBRA) on all units through the Section 8 program. The renovation of these two communities will not result in an expansion of the market area's multi-family rental stock. Both properties were at least 90 percent occupied prior to renovations beginning and are expected to retain all residents given the continuation of PBRA. Preservation Partners expects renovations at Rolling Bends to be complete in 2020 and renovations at Allen Hills to be complete by the end of 2019. Allen Hills has changed names to The Commons.

Map 7 Pipeline Communities, London Market Area



F. Housing Authority Data

The London Market Area is served by the Atlanta Housing Authority (AHA). The waiting list for Housing Choice Vouchers is closed; the last time the waiting list was open was March 27, 2017 when the housing authority added 10,000 people to the list. According to the Atlanta Housing Authority's 2019 Budget publication, the AHA serves roughly 25,000 households with more than 9,000 Housing Choice Vouchers and roughly 13,000 Public Housing/HomeFlex/AHA mixed-income units.

G. Existing Low Income Rental Housing

Eleven general occupancy LIHTC communities are in the market area including five with PBRA on all or a portion of units. Eight of 11 general occupancy LIHTC communities were included in our analysis given similar income and rent restrictions as those at the subject property; we were unable to survey The Preserve at Collier Ridge, Peaks at MLK, and Rolling Bends (Table 37). One existing LIHTC community (Rolling Bends) and another deeply subsidized community (The Commons – formerly Allen Hills) were allocated Low Income Housing Tax Credits for renovations while Creekside at Adamsville Place applied for four percent tax credits for new construction. Four age-restricted LIHTC communities are in the market area and were not included in our analysis given a difference in age targeting; additionally, Avalon Park has an age-restricted component. The remaining communities are deeply subsidized through the Public Housing or Section 8 programs. The location of these communities relative to the subject site is shown in Map 8.



Table 37 Subsidized Communities, London Market Area

| Community | Subsidy | Type | Address | Distance |
|----------------------------------|------------------------|-----------------|---------------------------------|-----------|
| Columbia Commons | LIHTC | Family | 2524 MLK Jr Dr. | 2 miles |
| Creekside at Adamsville Place | LIHTC | Family | Adamsville Place Pkwy. SW | 1.9 miles |
| Overlook Ridge | LIHTC | Family | 2640 MLK Jr Dr. | 1.7 miles |
| Peaks at West Atlanta | LIHTC | Family | 1212 James Jackson Pkwy. | 4.5 miles |
| Seven Courts | LIHTC | Family | 2800 MLK Jr Dr. | 1.5 miles |
| The Preserve at Collier Ridge | LIHTC | Family | 1021 Harwell Rd. | 3.6 miles |
| Towne West Manor | LIHTC | Family | 330 Brownlee Rd. | 0.1 mile |
| Adamsville Green Senior | LIHTC | Senior | 3537 MLK Jr Dr NW | 1.3 miles |
| Big Bethel Village | LIHTC | Senior | 500 Richard Allen Blvd. | 1.9 miles |
| Peaks at MLK | LIHTC / Public Housing | Family | 2423 MLK Jr. Dr. | 2.3 miles |
| Hollywood West/Shawnee | LIHTC / Section 8 | Family | 1033 Hollywood Rd. NW | 4.8 miles |
| Providence at Cascade | LIHTC / Section 8 | Family | 320 Fairburn Road SW | 1.4 miles |
| Rolling Bends | LIHTC / Section 8 | Family | 2500 Center St. NW | 4.7 miles |
| The Commons (Allen Hills) | LIHTC / Section 8 | Family | 3086 Middleton Rd. | 0.9 mile |
| Avalon Park | LIHTC / Section 8 | Family / Senior | 2798 Peek Rd. | 3.8 miles |
| Martin House at Adamsville Place | LIHTC / Section 8 | Senior | 3724 MLK Jr. Dr. | 1.9 miles |
| The Remington | LIHTC / Section 8 | Senior | 954 Hightower Rd. NW | 3.8 miles |
| Hightower Manor | Public Housing | Senior | 2610 MLK Jr Dr SW | 1.8 miles |
| Atlanta Manor | Section 8 | Disabled | 450 Fairburn Rd.SW | 1.7 miles |
| Fairburn Gordon | Section 8 | Family | 195 Fairburn RD NW | 1.6 miles |
| Fairburn Gordon II | Section 8 | Family | 213 Fairburn RD NW | 1.6 miles |
| Fairburn Townhomes | Section 8 | Family | 400 Fairburn Rd. SW | 1.6 miles |
| Johnnie B Moore Towers | Section 8 | Senior | 2451 Donald Lee Hollowell Pkwy. | 3.9 miles |

Allocated Low Income Housing Tax Credits and are Undergoing Renovations
 Applied for four percent Low Income Housing Tax Credits

Source: HUD, GA DCA, Atlanta Housing Authority

Map 8 Subsidized Rental Communities



H. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations, limited abandoned / vacant single and multi-family homes exist in the London Market Area. In addition, to understand the state of foreclosure in the community around



the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 30311 in which the subject property will be located and the broader areas of Atlanta, Fulton County, Georgia, and the United States for comparison purposes.

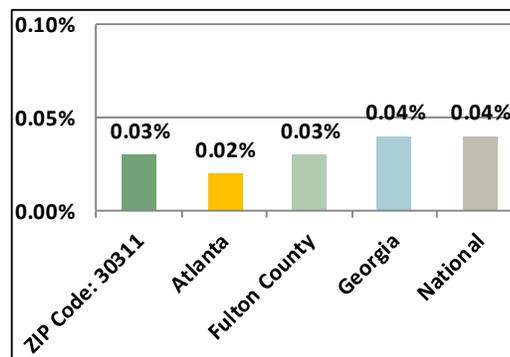
Our RealtyTrac search revealed that five foreclosures (0.03 percent foreclosure rate) were registered in the subject property’s ZIP Code (30311) in April 2019 compared to foreclosure rates of 0.02 percent in Atlanta, 0.03 percent in Fulton County, and 0.04 percent in Georgia and the nation (Table 38). The monthly number of foreclosures in the subject’s ZIP Code ranged from four to 15 units over the past year.

While the conversion of foreclosure properties can affect the demand for new multi-family rental housing in some markets, the impact on primarily affordable housing is typically limited due to their tenant rent and income restrictions. Furthermore, current foreclosure activity in the subject site’s ZIP Code was minimal over the past year. We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units.

Table 38 Foreclosure Rate and Recent Foreclosure Activity, ZIP Code 30311

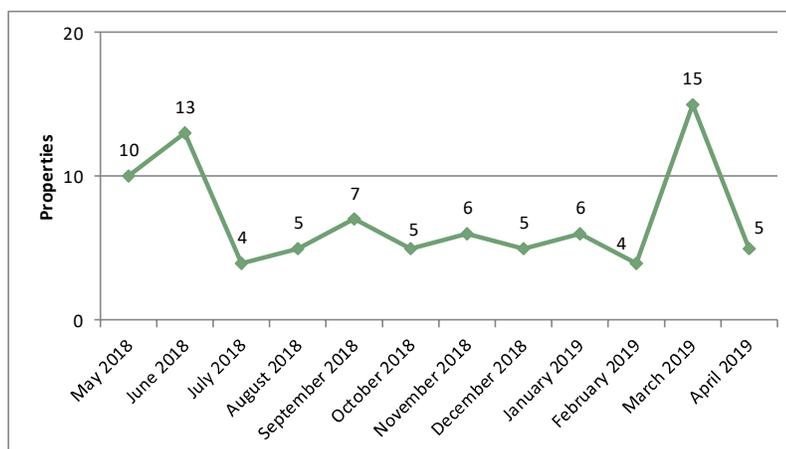
| Geography | April 2019 Foreclosure Rate |
|-----------------|-----------------------------|
| ZIP Code: 30311 | 0.03% |
| Atlanta | 0.02% |
| Fulton County | 0.03% |
| Georgia | 0.04% |
| National | 0.04% |

Source: Realtytrac.com



| ZIP Code: 30311 | |
|-----------------|-------------------|
| Month | # of Foreclosures |
| May 2018 | 10 |
| June 2018 | 13 |
| July 2018 | 4 |
| August 2018 | 5 |
| September 2018 | 7 |
| October 2018 | 5 |
| November 2018 | 6 |
| December 2018 | 5 |
| January 2019 | 6 |
| February 2019 | 4 |
| March 2019 | 15 |
| April 2019 | 5 |

Source: Realtytrac.com



10. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the London Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has access to amenities, services, employers, and transportation arteries.

- The subject property is on Scott Street, just south of Boulder Park Drive and within one-quarter mile south of M.L.K. Jr Drive. The Interstate 20 and Interstate 285 interchange is within roughly one mile north of the subject property. Several multi-family rental communities are in the subject's immediate area including an adjacent LIHTC community (Towne West Manor) and one market rate community that was shuttered but is being rehabbed (Hidden Pines). Additional surrounding land uses include a church and modest to moderate value single-family detached homes and townhomes.
- The site is within two miles of public transit, shopping, recreation, schools, a pharmacy, convenience stores, grocery store, and medical facilities; several MARTA bus stops are along Scott Street adjacent to the subject property's buildings. An additional concentration of neighborhood amenities and services is near the Interstate 285 and Cascade Road interchange roughly three miles to the south including Walmart Supercenter, banks, Publix and Kroger (grocery stores), and Walgreens (pharmacy).
- Interstate 285 is roughly one-half mile north of the site via M.L.K. Jr Drive and Interstate 20 is accessible via Interstate 285 roughly one mile to the north. These major thoroughfares connect the site to employment concentrations throughout the Atlanta Metro Area. Several State Highways are within one mile of the site providing additional connectivity to the region.
- London Towne Houses has visibility from Cushman Circle and Brownlee Road, both of which have light traffic. The subject property's overall drive-by visibility is limited.
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace.

2. Economic Context

Fulton County's economy is growing with significant job growth during the past eight years resulting in an all-time high At-Place-Employment and the county's unemployment rate has dropped each year since 2010.

- The unemployment rate in Fulton County decreased significantly to 3.9 percent in 2018 from a recession-era high of 10.5 percent in 2010; the county's unemployment rate is slightly above the state rate (3.7 percent) and equal to the national rate.
- Fulton County added jobs in seven of the past eight years including more than 20,000 jobs in each of the past five years and more than 25,000 jobs in each of the past three years. The county added more than 152,000 net jobs from 2010 to 2017 for net growth of 21.8 percent. Fulton County continued adding jobs in 2018 with the addition of 19,579 jobs through the third quarter.



- The county's economy is balanced and diverse with five sectors each accounting for at least 11 percent of the total jobs. Professional-Business is the largest employment sector in Fulton County at 23.9 percent of jobs in 2018 (Q3) compared to 14.2 percent of jobs nationally.
- All employment sectors added jobs in Fulton County from 2011 to 2018 (Q3) indicating a healthy and balanced economy. The largest sector (Professional-Business) grew by 32.0 percent and six additional sectors grew by at least 19 percent.
- Many large job expansions have been announced recently in or near downtown Atlanta in the past two years and UPS recently opened a distribution facility along Fulton Industrial Boulevard which is expected to create 3,000 jobs (2,400 part time and 600 full-time) once fully staffed.

3. Population and Household Trends

The London Market Area lost population and households from 2000 to 2010 but this trend reversed with growth during the past nine years. Population and household growth is expected to continue over the next five years.

- The market area lost 10,835 people (15.6 percent) and 2,518 households (10.0 percent) between the 2000 and 2010 Census counts. This trend reversed with the addition of 1,727 people (2.9 percent) and 647 households (2.9 percent) from 2010 to 2019; annual growth during the past nine years was 192 people (0.3 percent) and 78 households (0.3 percent).
- Growth is expected to accelerate slightly over the next five years with the annual addition of 238 people (0.4 percent) and 78 households (0.3 percent) from 2019 to 2024.

4. Demographic Trends

The population and household base of the London Market Area is less affluent, more likely to rent, and has larger renter household sizes when compared to Fulton County. The market area has large proportions of low to moderate-income renter households.

- Working age households (ages 25 to 54) account for the majority (57.7 percent) of renter households in the market area including 21.6 percent ages 25 to 34 years. Approximately 36 percent of market area renters are ages 55 and older and 6.5 percent are younger renters ages 15 to 24.
- The market area's households were relatively evenly distributed among households with children, households with at least two adults but no children, and single person households with each accounting for roughly one-third of households.
- Roughly 57 percent of market area households are renters in 2019 compared to 50.5 percent in Fulton County. The market area added 944 net renter households and lost 2,815 owner households over the past 19 years which increased the renter percentage from 48.9 percent in 2000 to 56.9 percent in 2019. RPRG projects the market area to add 222 net renter households (56.9 percent of net household growth) over the next five years.
- Roughly 55 percent of market area renter households contained one or two people including 31.6 percent with one person. Approximately 29 percent of market area renter households had three or four people and 16.1 percent had five or more people.
- The 2019 median household income in the London Market Area is \$30,542 which is less than half the \$68,772 median in Fulton County. RPRG estimates that the median income of renter households in the London Market Area is \$22,452. The majority (55.0 percent) of renter

households in the market area earn less than \$25,000 including 35.4 percent earning less than \$15,000. Approximately 26 percent of market area renter households earn \$25,000 to \$49,999 and 16.2 percent earn \$50,000 to \$99,999.

5. Competitive Housing Analysis

RPRG surveyed 12 multi-family rental communities in the London Market Area including eight LIHTC communities and four market rate communities; five LIHTC communities are mixed-income with LIHTC and market rate units. The rental market is strong with limited vacancies.

- The surveyed communities without PBRA have 24 vacancies among 1,880 combined units for an aggregate vacancy rate of 1.3 percent. LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 0.6 percent among 1,162 combined units. Ten of 11 communities without PBRA have a vacancy rate less than three percent including six communities that are fully occupied. All seven surveyed LIHTC communities without PBRA have a vacancy rate of less than three percent including five that are fully occupied with a waiting list. The surveyed communities with PBRA have nine vacancies among 256 deeply subsidized units for an aggregate vacancy rate of 3.5 percent.
- Among the surveyed communities without PBRA, net rents, unit sizes, and rents per square foot were as follows:
 - **One-bedroom** effective rents average \$706 per month. The average one-bedroom unit size is 728 square feet, resulting in a net rent per square foot of \$0.97.
 - **Two-bedroom** effective rents average \$806 per month. The average two-bedroom unit size is 1,016 square feet, resulting in a net rent per square foot of \$0.79.
 - **Three-bedroom** effective rents average \$1,006 per month. The average three-bedroom unit size is 1,253 square feet, resulting in a net rent per square foot of \$0.80.
 - **Four-bedroom** effective rents average \$672 per month. The average four-bedroom unit size is 1,400 square feet, resulting in a net rent per square foot of \$0.48. Four-bedroom units are offered only at Seven Courts (LIHTC) which offers 30 percent, 60 percent, and 80 percent AMI units.
- The “average market rent” is \$960 for one-bedroom units, \$1,081 for two-bedroom units, \$1,249 for three-bedroom units. We added \$100 to the average three-bedroom market rent to determine the average four-bedroom market rent as none of the surveyed communities offer market rate four-bedroom units. The proposed 60 percent AMI rents have market rent advantages ranging from 13.5 percent to 20.0 percent with an overall weighted average market advantage of 15.4 percent among LIHTC units. Tenants will only pay a percentage of their income for rent for the 150 LIHTC units with PBRA, thus, rent advantages will be significantly higher for these units. All proposed market rate rents are below average market rents. The project has a weighted average market rent advantage of 14.3 percent even when including the market rate units.
- One comparable new construction LIHTC community (Creekside at Adamsville Place) was identified as planned in the market area. An application for four percent Low Income Housing Tax Credits has been submitted to DCA. This community would include 147 LIHTC units targeting households earning up to 30 percent, 60 percent, and 80 percent of the Area Median Income (AMI) among one, two, and three-bedroom units. One market rate community (Hidden Pines) is undergoing renovations adjacent to the subject property after being abandoned and the units at this community will be comparable to the market rate units proposed at the subject property. Two deeply subsidized communities in the market area (Rolling Bends and Allen Hills) were

awarded Low Income Housing Tax Credits for renovations but these renovations will not result in an expansion of the market area's rental housing stock given the continuation of Project Based Rental Assistance (PBRA) on all units at both communities. Both properties were at least 90 percent occupied prior to renovations and all tenants are expected to be retained given the continuation of PBRA on all units. Allen Hills has changed names to The Commons.

B. Product Evaluation

Considered in the context of the competitive environment, the relative position of London Towne Houses is as follows:

- **Site:** The subject site is acceptable for a rental housing development targeting very low to moderate income renter households. The proposed renovation of the subject property will not alter the land use composition of the immediate area and surrounding land uses are compatible with multi-family development and are appropriate for an affordable rental community. The site is convenient to Interstates 20 and 285 as well as several State Highways within two miles which connect the site to employment concentrations in the Atlanta Metro Area. The site is considered generally comparable to the location of all surveyed communities given similar access to major traffic arteries and neighborhood amenities/services.
- **Unit Distribution:** London Towne Houses includes eight one-bedroom units (4.0 percent), 61 two-bedroom units (30.5 percent), 122 three-bedroom units (61.0 percent), and nine four-bedroom units (4.5 percent). One, two, and three-bedroom floor plans are common in the market area with most surveyed communities offering all three floor plans. The surveyed rental stock offers 17.1 percent one-bedroom units, 63.0 percent two-bedroom units, and 18.7 percent three-bedroom units. The subject property will offer a larger proportion of three-bedroom units when compared to the existing market and will be one of two communities offering four-bedroom units which is acceptable given the significant percentage of multi-person households in the market area (67.8 percent) and high percentage of large renter households with three or more people (45.5 percent). The higher percentage of large floorplans is appropriate given the primarily affordable nature of the subject property including 180 LIHTC units with 150 units having PBRA; affordable units typically attract a higher percentage of larger family households than the overall rental stock. Furthermore, the affordability analysis illustrates sufficient income-qualified households to support the subject's unit distribution at the proposed price points (with or without PBRA). The proposed unit mix will be well received in the market area and is not an alteration from the current configuration.
- **Unit Size:** The weighted average unit sizes at London Towne Houses are 702 square feet for one-bedroom units, 1,006 square feet for two-bedroom units, 1,105 square feet for three-bedroom units, and four-bedroom units have 1,397 square feet. The proposed one, two, and four-bedroom units are comparable to market averages while the three-bedroom units are roughly 150 square feet smaller than the market average. The disadvantage of the smaller three-bedroom units at the subject property will be offset with the newly renovated units which will be appealing in a market that has seen little new or renovated rental housing in the past decade. The proposed unit sizes will be well received by the proposed target market especially given London Towne Houses' primarily affordable nature including PBRA on most proposed units.
- **Unit Features:** London Towne Houses will offer a dishwasher, stove, refrigerator, microwave, patio/balcony, and washer and dryer connections in each unit which is comparable or superior to all surveyed communities. The subject will be one of just three communities offering a microwave.
- **Community Amenities:** London Towne Houses will offer a clubhouse/community room, a computer/business room, a playground, gazebo, covered picnic pavilion with grills, and a fenced community garden. These amenities will be less extensive than the newest built LIHTC communities in the market area given the lack of a fitness center and swimming pool. The lower level of amenities at London Towne Houses when compared to these communities is acceptable



given the inclusion of PBRA on most units. Furthermore, the proposed market rate rents are comparable or below the majority of market rate rents at these communities, all of which are fully occupied or have few vacancies which suggests the communities could charge higher rents. The proposed amenities are appropriate for the target market of very low to moderate income households and will be competitive at the proposed rents.

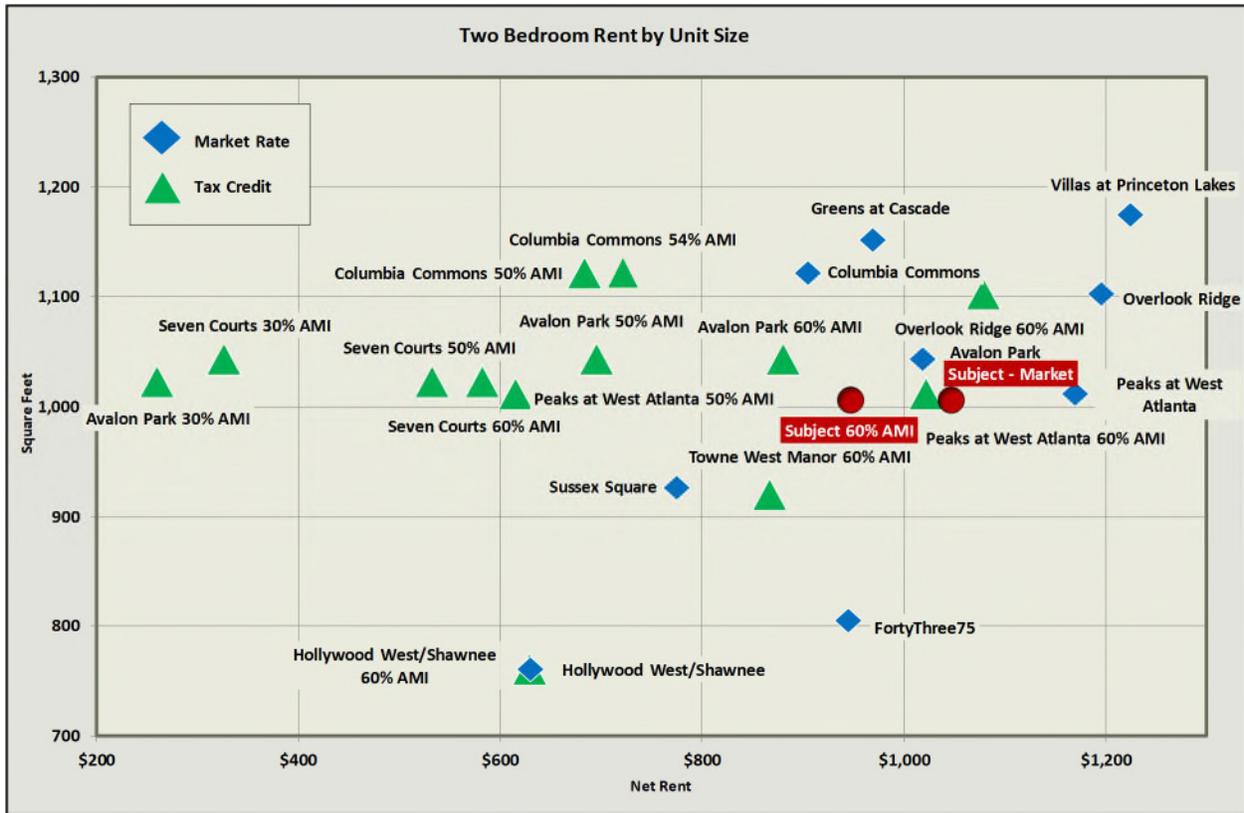
- **Marketability:** The subject property will offer an attractive product that is suitable for the target market. It will also improve the quality of the rental housing stock in the London Market Area.

C. Price Position

The proposed 60 percent AMI rents are within the range of existing 60 percent AMI rents in the market area, well below the highest-priced LIHTC and market rate rents (Figure 10). The proposed market rate rents are well below the top of the market and below the highest LIHTC rents. All proposed LIHTC rents result in a market rent advantage of at least 13 percent and the proposed market rate rents are all below average market rents. Furthermore, affordability estimates indicate sufficient income-qualified renter households will exist in the market area able to afford the proposed unit mix and rents. All proposed rents are appropriate and will be competitive in the market.

Figure 10 Price Position – London Towne Houses





11. ABSORPTION AND STABILIZATION RATES

A. Absorption Estimate

The newest multi-family rental community in the market area was built in 2008 (Avalon Park), thus absorption history is not relevant to the current market. Absorption estimates are based on a variety of factors including:

- The London Market Area is projected to add 390 net households from 2019 to 2024 including 222 renter households.
- Roughly 2,400 renter households will be income-qualified for at least one of the proposed units at the subject property without accounting for PBRA; the project's overall affordability renter capture rate without accounting for PBRA is 4.0 percent. When accounting for the proposed PBRA, nearly 13,000 renter households will be income-qualified for one of the proposed units and the project's overall affordability renter capture rate drops to 1.6 percent.
- All DCA demand capture rates overall and by floor plan are well below DCA thresholds without accounting for PBRA with an overall demand capture rate of 8.1 percent indicating significant demand for the units proposed at the subject property. The addition of PBRA will lower capture rates.
- The net demand analysis reveals excess demand of roughly 43 units of rental housing in the market area over the next three years in addition to the identified pipeline.
- The rental market in the London Market Area is strong with an overall vacancy rate of 1.3 percent. LIHTC communities have just seven vacancies among 1,162 combined units for an aggregate vacancy rate of 0.6 percent; seven of eight surveyed LIHTC communities have a vacancy rate of less than three percent including five that are fully occupied with a waiting list.
- The newly renovated units at London Towne Houses will be very appealing in a market that has seen little new or renovated rental housing in the past decade and the subject will offer competitive unit features and amenities. The proposed product will be well received at the proposed price points.

Based on the proposed product and the factors discussed above, we expect London Towne Houses' non-PBRA LIHTC and market rate units to lease-up at a rate of 15 units per month. London Towne Houses' PBRA units will lease-up as fast as applications can realistically be processed (roughly four to five months) and given the differences in target market will lease concurrently with the LIHTC and market rate units. If all 200 units need to be re-leased following rehabilitation, the subject property would reach stabilization of at least 93 percent within roughly four to five months. As London Towne Houses is expected to retain some existing residents, the actual absorption period will be shorter. Without PBRA, the property would reach stabilization of at least 93 percent within 12 to 13 months assuming an average monthly absorption of 15 units and no tenant retention.

B. Impact on Existing Market

Given the strong rental market in the London Market Area and projected renter household growth, we do not expect London Towne Houses to have a negative impact on existing rental communities in the London Market Area including those with tax credits and/or HUD insured mortgages. As an existing rental community, the rehabilitation of London Towne Houses will not add any units to current housing supply.



12. INTERVIEWS

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and staff with the City of South Fulton.



13. CONCLUSIONS AND RECOMMENDATIONS

| Income/Unit Size | Income Limits | Units Proposed | Renter Income Qualification % | Total Demand | Large Household Size Adjustment (3/4+ Persons) | Adjusted Demand | Supply | Net Demand | Capture Rate | Absorption* | Average Market Rent | Market Rents Band | Proposed Rents |
|----------------------|----------------------------|----------------|-------------------------------|--------------|--|-----------------|--------|------------|--------------|--------------|---------------------|-------------------|----------------|
| 60% AMI | \$30,754 - \$55,500 | | | | | | | | | | | | |
| One Bedroom | | 8 | 8.6% | 632 | | 632 | 19 | 613 | 1.3% | 3 months | \$960 | \$852 - \$1,050 | \$800 |
| Two Bedroom | | 55 | 6.1% | 453 | | 453 | 63 | 390 | 14.1% | 9 months | \$1,081 | \$905 - \$1,225 | \$947 |
| Three Bedroom | | 109 | 8.2% | 603 | 45.5% | 274 | 35 | 239 | 45.5% | 12-13 months | \$1,249 | \$1,009 - \$1,450 | \$1,079 |
| Four Bedroom | | 8 | 5.1% | 378 | 28.1% | 106 | 0 | 106 | 7.5% | 3 months | \$1,349 | - | \$1,189 |
| Market Rate | \$40,354 - \$92,500 | | | | | | | | | | | | |
| Two Bedroom | | 6 | 20.2% | 1,493 | | 1,493 | 174 | 1,319 | 0.5% | 2 months | \$1,081 | \$905 - \$1,225 | \$1,047 |
| Three Bedroom | | 13 | 18.4% | 1,358 | 45.5% | 618 | 6 | 612 | 2.1% | 4 months | \$1,249 | \$1,009 - \$1,450 | \$1,179 |
| Four Bedroom | | 1 | 16.8% | 1,244 | 28.1% | 350 | 0 | 350 | 0.3% | 1 month | \$1,349 | - | \$1,289 |
| By Bedroom | | | | | | | | | | | | | |
| One Bedroom | | 8 | 8.6% | 632 | | 632 | 19 | 613 | 1.3% | 3 months | | | |
| Two Bedroom | | 61 | 23.6% | 1,745 | | 1,745 | 237 | 1,508 | 4.0% | 9 months | | | |
| Three Bedroom | | 122 | 21.8% | 1,611 | 45.5% | 733 | 41 | 692 | 17.6% | 12-13 months | | | |
| Four Bedroom | | 9 | 19.7% | 1,459 | 28.1% | 410 | 0 | 410 | 2.2% | 3 months | | | |
| Project Total | \$30,754 - \$92,500 | | | | | | | | | | | | |
| 60% AMI | \$30,754 - \$55,500 | 180 | 22.9% | 1,693 | | | 117 | 1,576 | 11.4% | 12-13 months | | | |
| Market Rate | \$40,354 - \$92,500 | 20 | 26.9% | 1,990 | | | 180 | 1,810 | 1.1% | 4 months | | | |
| Total Units | \$30,754 - \$92,500 | 200 | 37.5% | 2,775 | | | 297 | 2,478 | 8.1% | 12-13 months | | | |

Absorption timing is shown without accounting for PBRA or tenant retention; absorption will be significantly shorter when accounting for PBRA and tenant retention*

Based on projected household growth trends, affordability and demand estimates (with and without PBRA), current rental market conditions, and socio-economic and demographic characteristics of the London Market Area, RPRG believes that the subject property with or without PBRA will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing rental communities in the London Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

Brett Welborn
Analyst

Tad Scepaniak
Managing Principal



14. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



15. APPENDIX 2 ANALYST CERTIFICATIONS

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

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

A handwritten signature in black ink, appearing to read 'Brett Welborn', is positioned above a horizontal line.

Brett Welborn
Analyst

Real Property Research Group, Inc.

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.



16. APPENDIX 3 NCHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.



Real Property Research Group, Inc.

Tad Scepaniak
Name

Managing Principal
Title

June 4, 2019
Date



17. APPENDIX 4 MARKET ANALYST MAP CERTIFICATION

MARKET ANALYST MAP CERTIFICATION

Project Name: London Towne Houses
Location: Atlanta, Fulton County, Georgia
FHA Number: TBD

I understand that my market study will be used by The Benoit Group's HUD Lender to document to the U.S. Department of Housing and Urban Development that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my review was in accordance with the HUD requirements applicable on the date of my review and that I have no financial interest or family relationship with the officers, directors, stockholders, members or partners of the lender or affiliated entities, Borrower or affiliated entities, the general contractor, any subcontractors, the buyer or seller of the proposed property or engage in any business that might present a conflict of interest.

I hereby certify under penalty of perjury that all of the information I have provided on this form and in any accompanying documentation is true and accurate. I acknowledge that if I knowingly have made any false, fictitious, or fraudulent statement, representation, or certification on this form or on any accompanying documents, I may be subject to criminal, civil, and/or administrative sanctions, including fines, penalties, and/or imprisonment under applicable federal law, including but not limited to 12 U.S.C. § 1833a; 18 U.S.C. §§1001, 1006, 1010, 1012, and 1014; 12 U.S.C. §1708 and 1735f-14; and 31 U.S.C. §§3729 and 3802.

Name of Company: Real Property Research Group, Inc.

Date: June 4, 2019

By: Tad Scepaniak, Managing Principal

A handwritten signature in black ink, appearing to read 'Tad Scepaniak', is located below the signature line.



18. APPENDIX 5 ANALYST RESUMES

TAD SCEPANIAK Managing Principal

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

- **Low Income Tax Credit Rental Housing:** Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- **Senior Housing:** Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- **Market Rate Rental Housing:** Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- **Public Housing Authority Consultation:** Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



ROBERT M. LEFENFELD
Founding Principal

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentration:

- **Strategic Assessments:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- **Feasibility Analysis:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- **Information Products:** Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



BRETT WELBORN
Analyst

Brett Welborn entered the field of Real Estate Market Research in 2008, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Brett's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Through his experience, Brett progressed to serve as Analyst for RPRG for the past four years and has conducted market studies for LIHTC and market rate communities.

Areas of Concentration:

- **Low Income Housing Tax Credit Rental Housing:** Brett has worked with the Low Income Housing Tax Credit program, evaluating general occupancy and senior oriented developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a range of project types, including newly constructed communities and rehabilitations.
- **Market Rate Rental Housing** – Brett has conducted projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Education:

Bachelor of Business Administration – Real Estate; University of Georgia, Athens, GA



19. APPENDIX 6 DCA CHECKLIST

A. Executive Summary

| | | |
|---|---------|---|
| 1. Project Description: | | |
| i. Brief description of the project location including address and/or position relative to the closest cross-street..... | Page(s) | 6 |
| ii. Construction and Occupancy Types | Page(s) | 6 |
| iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowance | Page(s) | 6 |
| iv. Any additional subsidies available, including project based rental assistance (PBRA) | Page(s) | 6 |
| v. Brief description of proposed amenities and how they compare with existing properties | Page(s) | 6 |
| 2. Site Description/Evaluation: | | |
| i. A brief description of physical features of the site and adjacent parcels..... | Page(s) | 7 |
| ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural)..... | Page(s) | 7 |
| iii. A discussion of site access and visibility | Page(s) | 7 |
| iv. Any significant positive or negative aspects of the subject site..... | Page(s) | 7 |
| v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc | Page(s) | 7 |
| vi. A brief discussion discussion of public safety, including comments on local perceptions, maps, or statistics of crime in the area | Page(s) | 7 |
| vii. An overall conclusion of the site's appropriateness for the proposed development..... | Page(s) | 7 |
| 3. Market Area Definition: | | |
| i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject property | Page(s) | 8 |
| 4. Community Demographic Data: | | |
| i. Current and projected household and population counts for the PMA..... | Page(s) | 8 |
| ii. Household tenure including any trends in rental rates | Page(s) | 8 |
| iii. Household income level..... | Page(s) | 8 |
| iv. Impact of foreclosed, abandoned / vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development..... | Page(s) | 8 |
| 5. Economic Data: | | |
| i. Trends in employment for the county and/or region..... | Page(s) | 9 |
| ii. Employment by sector for the primary market area | Page(s) | 9 |
| iii. Unemployment trends for the county and/or region for the past five years..... | Page(s) | 9 |
| iv. Brief discussion of recent or planned employment contractions or expansions..... | Page(s) | 9 |
| v. Overall conclusion regarding the stability of the county's economic environment..... | Page(s) | 9 |
| 6. Project Specific Affordability and Demand Analysis: | | |
| i. Number of renter households income qualified for the proposed development given retention of current tenants (rehab only), the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households..... | Page(s) | 9 |
| ii. Overall estimate of demand based on DCA's demand methodology..... | Page(s) | 9 |



- iii. Capture rates for the proposed development including the overall project, all LIHTC units (excluding any PBRA or market rate units), by AMI, by bedroom type, and a conclusion regarding the achievability of these capture rates. Page(s) 9
- 7. Competitive Rental Analysis
 - i. An analysis of the competitive properties in the PMA. Page(s) 10
 - ii. Number of properties. Page(s) 10
 - iii. Rent bands for each bedroom type proposed. Page(s) 10
 - iv. Average market rents. Page(s) 10
- 8. Absorption/Stabilization Estimate:
 - i. An estimate of the number of units expected to be leased at the subject property, on average, per month. Page(s) 10
 - ii. Number of months required for the project to stabilize at 93% occupancy. Page(s) 10
- 9. Overall Conclusion:
 - i. Overall conclusion regarding potential for success of the proposed development. Page(s) 10
- 10. Summary Table. Page(s) 12

B. Project Description

- 1. Project address and location. Page(s) 17
- 2. Construction type. Page(s) 17
- 3. Occupancy Type. Page(s) 17
- 4. Special population target (if applicable). Page(s) 17
- 5. Number of units by bedroom type and income targeting (AMI). Page(s) 18
- 6. Unit size, number of bedrooms, and structure type. Page(s) 18
- 7. Rents and Utility Allowances. Page(s) 18
- 8. Existing or proposed project based rental assistance. Page(s) 18
- 9. Proposed development amenities. Page(s) 18
- 10. For rehab proposals, current occupancy levels, rents being charged, and tenant incomes, if available, as well as detailed information with regard to the scope of work planned. Scopes of work should include an estimate of the total and per unit construction cost. Page(s) N/A
- 11. Projected placed-in-service date. Page(s) 19

C. Site Evaluation

- 1. Date of site / comparables visit and name of site inspector. Page(s) 14
- 2. Physical features of the site and adjacent parcel, including positive and negative attributes. Page(s) 20-23
- 3. The site’s physical proximity to surrounding roads, transportation (including bus stops), amenities, employment, and community services. Page(s) 25-30
- 4. Labeled photographs of the subject property (front, rear and side elevations, on-site amenities, interior of typical units, if available), of the neighborhood, and street scenes with a description of each vantage point. Page(s) 21-23
- 5. A map clearly identifying the project and proximity to neighborhood amenities. A listing of the closest shopping areas, schools, employment centers, medical facilities and other amenities that would be important to the target population and the proximity in miles to each. Page(s) 20



| | | |
|---|---------|----|
| 6. The land use and structures of the area immediately surrounding the site including significant concentrations of residential, commercial, industrial, vacant, or agricultural uses; comment on the condition of these existing land uses. | Page(s) | 23 |
| 7. Any public safety issues in the area, including local perceptions of crime, crime statistics, or other relevant information. | Page(s) | 24 |
| 8. A map identifying existing low-income housing: 4% & 9% tax credit, tax exempt bond, Rural Development, Public Housing, DCA HOME funded, Sec. 1602 Tax Credit Exchange program, USDA financed, Georgia Housing Trust Fund of the Homeless financed properties, and HUD 202 or 811 and Project Based Rental Assistance (PBRA). Indicate proximity in miles of these properties to the proposed site..... | Page(s) | 70 |
| 9. Road or infrastructure improvements planned or under construction in the PMA..... | Page(s) | 25 |
| 10. Vehicular and pedestrian access, ingress/egress, and visibility of site..... | Page(s) | 25 |
| 11. Overall conclusions about the subject site, as it relates to the marketability of the proposed development..... | Page(s) | 30 |

D. Market Area

| | | |
|---|---------|----|
| 1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site..... | Page(s) | 31 |
| 2. Map Identifying subject property’s location within market area..... | Page(s) | 32 |

E. Community Demographic Data

| | | |
|---|---------|--------|
| 1. Population Trends | | |
| i. Total Population..... | Page(s) | 33 |
| ii. Population by age group..... | Page(s) | 35 |
| iii. Number of elderly and non-elderly..... | Page(s) | N/A |
| iv. If a special needs population is proposed, provide additional information on population growth patterns specifically related to the population..... | Page(s) | N/A |
| 2. Household Trends | | |
| i. Total number of households and average household size..... | Page(s) | 33, 34 |
| ii. Household by tenure (If appropriate, breakout by elderly and non-elderly)..... | Page(s) | 36 |
| iii. Households by income. (Elderly proposals should reflect the income distribution of elderly households only)..... | Page(s) | 39 |
| iv. Renter households by number of persons in the household..... | Page(s) | 38 |

F. Employment Trends

| | | |
|---|---------|----|
| 1. Total jobs in the county or region..... | Page(s) | 43 |
| 2. Total jobs by industry – numbers and percentages..... | Page(s) | 44 |
| 3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area..... | Page(s) | 47 |
| 4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past 10 years..... | Page(s) | 42 |
| 5. Map of the site and location of major employment concentrations..... | Page(s) | 47 |
| 6. Analysis of data and overall conclusions relating to the impact on housing demand..... | Page(s) | 48 |

G. Project-specific Affordability and Demand Analysis



| | | |
|--|---------|-----|
| 1. Income Restrictions / Limits | Page(s) | 50 |
| 2. Affordability estimates | Page(s) | 52 |
| 3. Demand | | |
| i. Demand from new households..... | Page(s) | 53 |
| ii. Demand from existing households..... | Page(s) | 53 |
| iii. Elderly Homeowners likely to convert to rentership..... | Page(s) | N/A |
| iv. Net Demand and Capture Rate Calculations | Page(s) | 53 |

H. Competitive Rental Analysis (Existing Competitive Rental Environment

| | | |
|---|---------|-------------------|
| 1. Detailed project information for each competitive rental community surveyed | | |
| i. Name and address of the competitive property development | Page(s) | App. 8 |
| ii. Name, title, and phone number of contact person and date contact was made..... | Page(s) | App. 8 |
| iii. Description of property..... | Page(s) | App. 8 |
| iv. Photographs..... | Page(s) | App. 8 |
| v. Square footages for each competitive unit type..... | Page(s) | 66 |
| vi. Monthly rents and the utilities included in the rents of each unit type..... | Page(s) | 65, 66, App. 8 |
| vii. Project age and current physical condition..... | Page(s) | 63, App. 8 |
| viii. Concessions given if any..... | Page(s) | 63 |
| ix. Current vacancy rates, historic vacancy factors, waiting lists, and turnover rates, broken down by bedroom size and structure type..... | Page(s) | 63 |
| x. Number of units receiving rental assistance, description of assistance as project or tenant based..... | Page(s) | App. 8 |
| xi. Lease-up history | Page(s) | 63 |

Additional rental market information

| | | |
|---|---------|--------|
| 1. An analysis of the vouchers available in the Market Area, including if vouchers go unused and whether waitlisted households are income-qualified and when the list was last updated..... | Page(s) | 69 |
| 2. If the proposed development represents an additional phase of an existing housing development, include a tenant profile and information on a waiting list of the existing phase..... | Page(s) | N/A |
| 3. A map showing the competitive projects and all LIHTC and Bond proposed projects which have received tax credit allocations within the market area..... | Page(s) | 70 |
| 4. An assessment as to the quality and compatibility of the proposed amenities to what is currently available in the market..... | Page(s) | 75 |
| 5. Consider tenancy type. If comparable senior units do not exist in the PMA, provide an overview of family-oriented properties, or vice versa. Account for differences in amenities, unit sizes, and rental levels..... | Page(s) | N/A |
| 6. Provide the name, address/location, name of owner, number of units, unit configuration, rent structure, estimated date of market entry, and any other relevant market analysis information of developments in the planning, rehabilitation, or construction stages. If there are none, provide a statement to that effect..... | Page(s) | 68 |
| 7. Provide documentation and diagrams on how the projected initial rents for the project compare to the rental range for competitive projects within the PMA and provide an average market rent for each of the proposed unit types..... | Page(s) | 67, 76 |



| | | |
|--|---------|-------|
| 8. Comment on any other DCA funded projects located outside of the primary area, but located within a reasonable distance from the proposed project..... | Page(s) | N/A |
| 9. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years. | N/A | |
| 10. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area..... | Page(s) | 70 |
| 11. Note whether the proposed project would adversely impact the occupancy and health of existing properties financed by Credits, USDA, HUD 202, or 811 (as appropriate), DCA or locally financed HOME properties, Sec. 1602 Tax Credit Exchange program, HTF, and HUD 221(d)(3) and HUD 221 (d) (4) and other market rate FHA insured properties (not including public housing properties)..... | Page(s) | 78 |
| I. Absorption and Stabilization Rates | | |
| 1. Anticipated absorption rate of the subject property..... | Page(s) | 78 |
| 2. Stabilization period..... | Page(s) | 78 |
| J. Interviews..... | | |
| | Page(s) | 79 |
| K. Conclusions and Recommendations | | |
| | Page(s) | 80 |
| L. Signed Statement Requirements..... | | |
| | Page(s) | App 2 |



20. APPENDIX 7 MAP CHECKLIST

| | Component (*First occurring page is noted) | *Page(s) |
|---------------|--|----------|
| 7.5 B. | Executive Summary | |
| 1. | Executive Summary | 6 |
| 7.5 C. | Description of the Proposed Project | |
| 1. | Project description with exact number of bedrooms and baths proposed, proposed rents, and square footage | 16-19 |
| 2. | The proposed contract, utility allowance and resulting gross rents by unit type | 18 |
| 3. | Description of any income or rent restrictions imposed on the project by the use of public financing and/or subsidies | 17 |
| 4. | Utility policy in terms of which costs are paid by the tenant and which costs are paid by the owner/landlord | 18 |
| 5. | The unit features, project amenities and services and associated cost | 18 |
| 6. | For rehabilitation projects provide: | |
| a. | Description of the proposed scope of rehabilitation including a breakdown of hard and soft costs, if available | 18 |
| b. | An estimate of total construction cost and cost per unit | 18 |
| c. | Identification of the existing unit mix and rents | 17 |
| d. | Current and historical (if available) occupancy information | 19 |
| e. | An analysis of the current rent roll | 19 |
| 7. | The project location in terms of: | |
| a. | Characteristics of the neighborhood in relation to schools, transportation, shopping, employment centers, social and community services, etc. | 20-30 |
| b. | Any other locational considerations relevant to the market and marketability of the proposed project | 30 |
| c. | A conclusion concerning the suitability/appropriateness of the site for the proposed use | 75 |
| 8. | Other Characteristics, if any, of the proposal that will have a specific bearing on its market prospects and overall marketability | 20-30 |
| 7.5 D. | Primary Market Area | |
| 1. | Map of primary market area/secondary market area | 32 |
| 2. | Description of the geographic boundaries of the PMA and a justification for the delineation, including a discussion of the location of competitive housing, relevant services and amenities and concentrations of employment opportunities | 31 |
| 7.5 E. | Economic Context | |



| | | |
|---|--|--------|
| 1. | Identification of growth sectors in the economy and emerging trends | 44 |
| 2. | A study of recent trends in employment, including unemployment statistics, new job creation or loss, with a detailed discussion of: Historical nonfarm and resident employment levels and changes | 43 |
| 3. | Any anticipated changes in employment as a result of expected closings, openings, expansions or cutbacks by leading employers | 48 |
| 4. | Information on the types of jobs being created and lost, including data on pay scales and how these wage levels relate to the affordability of the proposed rental units | 45, 48 |
| 5. | List of major employers in the PMA, the type of businesses and the number employed | 47 |
| 6. | Availability of affordable housing for employees of businesses and industries that draw from the PMA | N/A |
| 7. | A forecast of employment for the specified forecast period and how this forecast supports demand for additional new rental housing | 48 |
| 7.5 F. Demographic Analysis | | |
| 1. | Recent trends in population and household growth from the most recent decennial census | 33 |
| 2. | For senior communities, current and projected senior household base with 55+ and/or 62+ householders | N/A |
| 3. | Thorough discussion of past building trends in comparison to household trends | 34 |
| 4. | Characteristics of the current household base, including family type, current and change in tenure, age distribution and household type and rent burden | 35-38 |
| 5. | Current income characteristics of the population and income by tenure | 38 |
| 6. | For senior communities, tenure breakdown, income characteristics and rent burden of senior households | N/A |
| 7.5 G. Current Housing Market Conditions | | |
| 1. | An estimate of the current competitive rental inventory of both single-family and multifamily units in the PMA, with data on the number of units by structure type, number of bedrooms, rent levels, year built and location | 59, 61 |
| 2. | A thorough discussion of recent market trends analyzing the following: | |
| a. | Current vacancy levels and recent trends in occupancy/vacancy in existing rental projects | 63 |
| b. | Absorption experience of recently completed rental developments | 63 |



| | | |
|---|--|--------|
| c. | Current effective rents for comparable and competitive projects, reflecting incentives and utility policies | 66 |
| d. | Estimated current overall rental vacancy rate and vacancy rate for units similar to those in the proposed project | 63 |
| e. | Discussion of any vacancy or absorption problems in the market, particularly in the segments of the market most relevant to the subject project | 63, 63 |
| f. | The impact, if any, of the single family and condominium market conditions, including an analysis of the cost to rent versus to own, and the impact of foreclosures and of the shadow inventory of single family and condominium units | 70 |
| 3. | Map showing locations of existing competing rental projects, projects currently under construction, and those in the planning and development process | 62, 69 |
| 4. | Analysis of inventory, occupancy levels, and waiting list of deeply subsidized communities in the PMA | 69 |
| 7.5 H. Characteristics of Rental Units in the Pipeline, Under Construction and in Planning | | |
| 1. | The number of projects currently under construction, the total number of units, the numbers by bedroom size by rent range, structure type and amenities | 68 |
| 2. | The number of projects in planning stages that are likely to be developed | 68 |
| 3. | List of LIHTC projects in or near the market area that are not yet placed in service | 68 |
| 4. | For senior proposals, a list of all existing and anticipated senior projects within or near the market area | N/A |
| 5. | Map locating all proposed communities | 69 |
| 7.5 I. Demand Estimate and Analysis | | |
| 1. | Net Demand Analysis: | |
| a. | Renter household growth during the forecast period | 54-58 |
| b. | Recent trends in tenure broken down by homeownership and rental that may increase/decrease the demand for rental units | 54-58 |
| c. | Replacement of existing rental units lost from the inventory due to demolition, conversion, shifting of owner units into the rental market and by other means | 54-58 |
| d. | The effect of any current excess vacant supply, based on an estimate of the balanced market vacancy rate | 54-58 |
| e. | The study must reconcile the number of units in the proposed project with the demand estimate for the PMA, taking into consideration | 54-58 |



| | | |
|--|--|-----------|
| | current housing market conditions, available vacancy, and forecast additions to the supply | |
| 2. | Effective Demand: | |
| a. | Capture Rate | 49-51 |
| b. | Penetration Rate | 49-51 |
| c. | For subsidized communities, sensitivity affordability and penetration rate analyses should be conducted both with and without project based rental assistance | 49-51 |
| 3. | An evaluation of Net Demand and Effective Demand. | 51, 54-58 |
| 4. | For LIHTC projects: Provide an estimate of demand, including capture and penetration rates, based on potential income-eligible residents | 52-54 |
| 7.5 J. Findings and Conclusions | | |
| 1. | Project Evaluation | 75-76 |
| 2. | Absorption Rate | 78 |
| 3. | Assessment of the impact the proposed project will have on existing rental developments | 78 |
| 4. | For age-restricted properties, the market analyst must describe the intended occupancy regime. The MAP Lender’s underwriter narrative must ensure that the analysis and owner’s intent based on their representations comply with FHA program guidance and Fair Housing law. | N/A |



21. APPENDIX 8 RENTAL COMMUNITY PROFILES

| Community | Address | Date Surveyed | Phone Number |
|---------------------------|----------------------------|---------------|--------------|
| Avalon Park | 2798 Peek Rd. NW | 6/4/2019 | 404-799-3131 |
| Columbia Commons | 2524 Martin Luther King Dr | 6/4/2019 | 404-699-7597 |
| FortyThree75 | 4375 Cascade Road | 6/4/2019 | 404-699-1018 |
| Greens at Cascade | 4355 Cascade Road | 6/4/2019 | 404-505-0215 |
| Hollywood West/Shawnee | 1033 Hollywood Rd NW | 6/4/2019 | 404-794-1048 |
| Overlook Ridge | 2640 Martin Luther King Jr | 6/4/2019 | 404-691-2499 |
| Peaks at West Atlanta | 1212 James Jackson Pkwy | 6/4/2019 | 404-799-8000 |
| Providence at Cascade | 320 Fairburn Rd. SW | 6/5/2019 | 404-696-3038 |
| Seven Courts | 2800 MLK Jr. Dr. SW | 6/4/2019 | 404-691-4022 |
| Sussex Square | 4341 Cascade Road | 6/4/2019 | 404-699-0326 |
| Towne West Manor | 330 Brownlee Rd. | 6/4/2019 | 404-699-7178 |
| Villas at Princeton Lakes | 751 Fairburn Rd. SW | 6/4/2019 | 404-696-0776 |

Avalon Park

Multifamily Community Profile

2798 Peek Rd. NW
Atlanta, GA 30318

Community Type: LIHTC - General
Structure Type: Garden

175 Units 1.1% Vacant (2 units vacant) as of 6/4/2019

Opened in 2008



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|---------|----------|----------|-------------|---|--|
| Bedroom | % Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 22.9% | \$683 | 700 | \$0.98 | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 57.1% | \$812 | 1,044 | \$0.78 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 20.0% | \$933 | 1,218 | \$0.77 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hooks); Central A/C; Patio/Balcony; Carpet | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

After school program, picnic/BBQ area.
Select units have PBRA. Waitlist: 300 people for PBRA
Management could not provide a unit distribution.

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|---|---------|-----|------|--------|---------|-------|---------|------------|----------------------------------|------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 7 | \$304 | 700 | \$.43 | LIHTC/ 30% | 6/4/19 | 1.1% | \$683 | \$812 | \$933 |
| Garden | -- | 1 | 1 | 11 | \$611 | 700 | \$.87 | LIHTC/ 50% | 5/14/18 | 2.9% | \$644 | \$766 | \$882 |
| Garden | -- | 1 | 1 | 11 | \$765 | 700 | \$1.09 | LIHTC/ 60% | 4/25/16 | 1.7% | \$619 | \$736 | \$845 |
| Garden | -- | 1 | 1 | 11 | \$859 | 700 | \$1.23 | Market | 11/2/15 | 0.0% | \$610 | \$725 | \$834 |
| Garden | -- | 2 | 2 | 15 | \$327 | 1,044 | \$.31 | LIHTC/ 30% | | | | | |
| Garden | -- | 2 | 2 | 25 | \$696 | 1,044 | \$.67 | LIHTC/ 50% | | | | | |
| Garden | -- | 2 | 2 | 31 | \$881 | 1,044 | \$.84 | LIHTC/ 60% | | | | | |
| Garden | -- | 2 | 2 | 29 | \$1,019 | 1,044 | \$.98 | Market | | | | | |
| Garden | -- | 3 | 2 | 5 | \$339 | 1,218 | \$.28 | LIHTC/ 30% | | | | | |
| Garden | -- | 3 | 2 | 8 | \$766 | 1,218 | \$.63 | LIHTC/ 50% | | | | | |
| Garden | -- | 3 | 2 | 11 | \$979 | 1,218 | \$.80 | LIHTC/ 60% | | | | | |
| Garden | -- | 3 | 2 | 11 | \$1,199 | 1,218 | \$.98 | Market | | | | | |

Adjustments to Rent

Incentives: None
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Avalon Park

GA121-012005

Columbia Commons

Multifamily Community Profile

2524 Martin Luther King Drive SW
Atlanta, GA 30311

Community Type: LIHTC - General
Structure Type: Garden

158 Units 0.0% Vacant (0 units vacant) as of 6/4/2019

Opened in 2003



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|---------|----------|----------|-------------|---|--|
| Bedroom | % Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 50.0% | \$823 | 1,122 | \$0.73 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 50.0% | \$921 | 1,423 | \$0.65 | Hot Tub: <input checked="" type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry; Cameras | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: Columbia Residential Owner: -- | |

Comments

80 tax credit units and 78 market rate units. Some units have PBRA.

Walking path & picnic area.

Waiting list: 136 people

Floorplans (Published Rents as of 6/4/2019) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|------------|---------|------|--------|--------|--------|
| Garden | -- | 2 | 2 | 20 | \$722 | 1,122 | \$.64 | LIHTC/ 54% | 6/4/19 | 0.0% | -- | \$823 | \$921 |
| Garden | -- | 2 | 2 | 20 | \$684 | 1,122 | \$.61 | LIHTC/ 50% | 5/2/18 | 0.0% | -- | \$823 | \$914 |
| Garden | -- | 2 | 2 | 39 | \$905 | 1,122 | \$.81 | Market | 1/23/18 | 0.0% | -- | \$815 | \$909 |
| Garden | -- | 3 | 2 | 20 | \$805 | 1,423 | \$.57 | LIHTC/ 54% | 4/27/16 | 0.6% | -- | \$751 | \$839 |
| Garden | -- | 3 | 2 | 39 | \$1,009 | 1,423 | \$.71 | Market | | | | | |
| Garden | -- | 3 | 2 | 20 | \$766 | 1,423 | \$.54 | LIHTC/ 50% | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

FortyThree75

Multifamily Community Profile

4375 Cascade Road
Atlanta, GA 30331

Community Type: **Market Rate - General**

Structure Type: **Garden**

260 Units 2.3% Vacant (6 units vacant) as of 6/4/2019

Opened in 1970



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 18.5% | \$810 | 612 | \$1.32 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 67.7% | \$965 | 805 | \$1.20 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 13.8% | \$1,103 | 1,017 | \$1.08 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Central A/C; Carpet | |
| Select Units: In Unit Laundry | |
| Optional(\$): -- | |
| Security: Unit Alarms | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

Laundry hook-ups in third floor units only.
FKA Country Squire

Floorplans (Published Rents as of 6/4/2019) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|---------|---------|------|--------|--------|---------|
| Garden | -- | 1 | 1 | 48 | \$795 | 612 | \$1.30 | Market | 6/4/19 | 2.3% | \$810 | \$965 | \$1,103 |
| Garden | -- | 2 | 1 | 176 | \$945 | 805 | \$1.17 | Market | 5/2/18 | 0.0% | \$652 | \$782 | \$827 |
| Garden | -- | 3 | 1.5 | 36 | \$1,078 | 1,017 | \$1.06 | Market | 4/27/16 | 5.8% | \$630 | \$715 | \$800 |
| | | | | | | | | | 5/6/15 | 5.0% | \$620 | \$688 | \$775 |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Greens at Cascade

Multifamily Community Profile

4355 Cascade Road
Atlanta, GA 30331

Community Type: **Market Rate - General**
Structure Type: **Garden**

160 Units 5.6% Vacant (9 units vacant) as of 6/4/2019

Opened in 1989



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 15.0% | \$867 | 908 | \$0.95 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input checked="" type="checkbox"/> |
| Two | 60.0% | \$990 | 1,152 | \$0.86 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 25.0% | \$1,183 | 1,390 | \$0.85 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|--|--------------------------|
| Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet | |
| Select Units: Fireplace | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|---|---------|-----|------|--------|---------|-------|---------|---------|---------|----------------------------------|--------|---------|---------|--|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ | |
| Garden | -- | 1 | 1 | 24 | \$945 | 908 | \$1.04 | Market | 6/4/19 | 5.6% | \$867 | \$990 | \$1,183 | |
| Garden | -- | 2 | 2 | 2 | \$1,080 | 1,152 | \$0.94 | Market | 5/9/19 | 5.6% | \$945 | \$1,080 | \$1,265 | |
| Garden | -- | 2 | 2 | 94 | \$1,080 | 1,152 | \$0.94 | Market | 5/2/18 | 16.3% | \$820 | \$912 | \$1,090 | |
| Garden | -- | 3 | 2 | 3 | \$1,290 | 1,390 | \$0.93 | Market | 3/29/18 | 13.1% | \$895 | \$995 | \$1,189 | |
| Garden | -- | 3 | 2 | 37 | \$1,290 | 1,390 | \$0.93 | Market | | | | | | |

| Adjustments to Rent | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Incentives: 1 month free | | | | | | | | | | | | | | |
| Utilities in Rent: Heat Fuel: Electric | | | | | | | | | | | | | | |
| Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/> | | | | | | | | | | | | | | |
| Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/> | | | | | | | | | | | | | | |

Greens at Cascade

GA121-005942

Hollywood West/Shawnee

Multifamily Community Profile

1033 Hollywood Rd NW
Atlanta, GA 30318

CommunityType: LIHTC - General

Structure Type: Garden

112 Units 0.0% Vacant (0 units vacant) as of 6/4/2019

Last Major Rehab in 2004 Opened in 1968



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| One | -- | \$525 | 640 | \$0.82 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | -- | \$650 | 761 | \$0.85 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | -- | \$1,006 | 954 | \$1.05 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|--|--------------------------|
| Standard: Disposal; Central A/C | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

All three bedroom units have section 8 - contract rent.
16- Mkt units, 96 units Tax Credit &/or Sec. 8. 20- 1BR, 76- 2BR, 16-3BR.

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|---|---------|-----|------|--------|---------|------|-----------------------|------------|---------|----------------------------------|--------|--------|---------|--|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ | |
| Garden | -- | 1 | 1 | -- | \$550 | 640 | \$.86 | Market | 6/4/19 | 0.0% | \$525 | \$650 | \$1,006 | |
| Garden | -- | 1 | 1 | -- | \$500 | 640 | \$.78 | LIHTC/ 60% | 11/2/18 | 2.7% | \$550 | \$660 | \$1,006 | |
| Garden | -- | 2 | 1 | -- | \$650 | 761 | \$.85 | Market | 5/2/18 | 1.8% | \$500 | \$550 | \$813 | |
| Garden | -- | 2 | 1 | -- | \$650 | 761 | \$.85 | LIHTC/ 60% | 5/12/16 | 8.0% | \$525 | \$575 | \$0 | |
| Garden | -- | 3 | 1 | -- | \$1,006 | 954 | \$1.05TC/Section 8/ 6 | | | | | | | |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Natural Gas
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Overlook Ridge

Multifamily Community Profile

2640 Martin Luther King Jr Dr.
Atlanta, GA 30311

Community Type: LIHTC - General

Structure Type: Garden

240 Units 0.0% Vacant (0 units vacant) as of 6/4/2019

Opened in 2003



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | -- | \$989 | 803 | \$1.23 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Two | -- | \$1,157 | 1,103 | \$1.05 | <input type="checkbox"/> | <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Three | -- | \$1,333 | 1,277 | \$1.04 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| Features | |
|---|----------------------|
| Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet | |
| Select Units: | -- |
| Optional(\$): | -- |
| Security: | Gated Entry |
| Parking 1: | Free Surface Parking |
| Fee: | -- |
| Parking 2: | -- |
| Fee: | -- |
| Property Manager: | -- |
| Owner: | -- |

Comments

Black app., ceramic tile backsplash.

Waiting list: 32 people

FKA Enclave at Webster Park

Floorplans (Published Rents as of 6/4/2019) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|------------|---------|-------|--------|---------|---------|
| Garden | -- | 1 | 1 | -- | \$1,035 | 803 | \$1.29 | Market | 6/4/19 | 0.0% | \$989 | \$1,157 | \$1,333 |
| Garden | -- | 1 | 1 | -- | \$912 | 803 | \$1.14 | LIHTC/ 60% | 5/2/18 | 0.0% | \$752 | \$872 | \$985 |
| Garden | -- | 2 | 2 | -- | \$1,195 | 1,103 | \$1.08 | Market | 5/12/16 | 12.5% | \$758 | \$883 | \$977 |
| Garden | -- | 2 | 2 | -- | \$1,079 | 1,103 | \$.98 | LIHTC/ 60% | 5/11/15 | 2.5% | \$768 | \$773 | \$999 |
| Garden | -- | 3 | 2 | -- | \$1,375 | 1,277 | \$1.08 | Market | | | | | |
| Garden | -- | 3 | 2 | -- | \$1,240 | 1,277 | \$.97 | LIHTC/ 60% | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Overlook Ridge

GA121-007480

Peaks at West Atlanta

Multifamily Community Profile

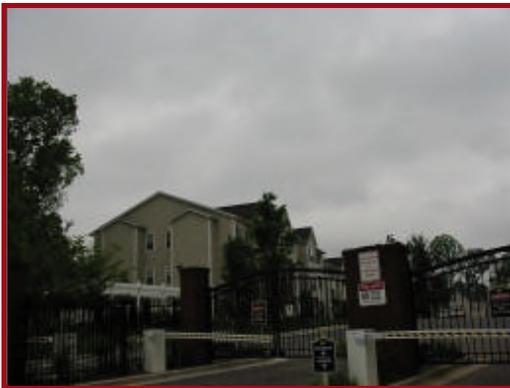
1212 James Jackson Pkwy
Atlanta, GA 30318

Community Type: LIHTC - General

Structure Type: Garden

214 Units 0.0% Vacant (0 units vacant) as of 6/4/2019

Opened in 2002



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 16.8% | \$821 | 757 | \$1.08 | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 48.6% | \$920 | 1,012 | \$0.91 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input checked="" type="checkbox"/> |
| Three | 34.6% | \$1,037 | 1,211 | \$0.86 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Unit Alarms; Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: LEDIC Mgt. Group Owner: -- | |

Comments

Waiting list: 6 months

Floorplans (Published Rents as of 6/4/2019) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|------------|----------|------|--------|--------|---------|
| Garden | -- | 1 | 1 | 12 | \$544 | 757 | \$.72 | LIHTC/ 50% | 6/4/19 | 0.0% | \$821 | \$920 | \$1,037 |
| Garden | -- | 1 | 1 | 12 | \$1,005 | 757 | \$1.33 | Market | 10/23/18 | 0.0% | \$691 | \$768 | \$851 |
| Garden | -- | 1 | 1 | 12 | \$868 | 757 | \$1.15 | LIHTC/ 60% | 5/2/18 | 0.0% | \$669 | \$748 | \$829 |
| Garden | -- | 2 | 2 | 24 | \$1,170 | 1,012 | \$1.16 | Market | 4/25/16 | 0.5% | \$660 | \$741 | \$823 |
| Garden | -- | 2 | 2 | 40 | \$1,022 | 1,012 | \$1.01 | LIHTC/ 60% | | | | | |
| Garden | -- | 2 | 2 | 40 | \$616 | 1,012 | \$.61 | LIHTC/ 50% | | | | | |
| Garden | -- | 3 | 2 | 28 | \$672 | 1,211 | \$.55 | LIHTC/ 50% | | | | | |
| Garden | -- | 3 | 2 | 18 | \$1,305 | 1,211 | \$1.08 | Market | | | | | |
| Garden | -- | 3 | 2 | 28 | \$1,164 | 1,211 | \$.96 | LIHTC/ 60% | | | | | |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Providence at Cascade

Multifamily Community Profile

320 Fairburn Rd. SW
Atlanta, GA

CommunityType: LIHTC - General
Structure Type: Garden

240 Units 3.8% Vacant (9 units vacant) as of 6/5/2019

Last Major Rehab in 2013 Opened in 1969



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|--------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | 6.7% | -- | 500 | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Two | 76.7% | -- | 700 | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Three | 16.7% | -- | 1,000 | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| Features | |
|--|--------------------------|
| Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

Section 8; management could not provide contract rents. Waiting list.

| Floorplans (Published Rents as of 6/5/2019) (2) | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|---|---------|-----|------|--------|------|-------|---------|-----------|----------------------------------|------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 16 | -- | 500 | -- | Section 8 | 6/5/19 | 3.8% | \$0 | \$0 | \$0 |
| Garden | -- | 2 | 1 | 184 | -- | 700 | -- | Section 8 | | | | | |
| Garden | -- | 3 | 1 | 40 | -- | 1,000 | -- | Section 8 | | | | | |

| Adjustments to Rent | |
|---|--|
| Incentives: None | |
| Utilities in Rent: Heat Fuel: Electric | |
| Heat: <input type="checkbox"/> | Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/> |
| Hot Water: <input type="checkbox"/> | Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/> |

Seven Courts

Multifamily Community Profile

2800 MLK Jr. Dr. SW
Atlanta, GA 30311

CommunityType: LIHTC - General
Structure Type: Garden

171 Units 2.9% Vacant (5 units vacant) as of 6/4/2019

Last Major Rehab in 2008 Opened in 1964



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---------------------|---|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | | |
| Eff | -- | -- | -- | -- | Clubhouse: | <input type="checkbox"/> Pool-Outdr: |
| One | -- | \$490 | 633 | \$0.77 | Comm Rm: | <input type="checkbox"/> Basketball: |
| One/Den | -- | -- | -- | -- | Centrl Lndry: | <input checked="" type="checkbox"/> Tennis: |
| Two | -- | \$479 | 1,023 | \$0.47 | Elevator: | <input type="checkbox"/> Volleyball: |
| Two/Den | -- | -- | -- | -- | Fitness: | <input type="checkbox"/> CarWash: |
| Three | -- | -- | -- | -- | Hot Tub: | <input type="checkbox"/> BusinessCtr: |
| Four+ | -- | \$697 | 1,400 | \$0.50 | Sauna: | <input type="checkbox"/> ComputerCtr: |
| | | | | | Playground: | <input checked="" type="checkbox"/> |

| Features | |
|--|---------------|
| Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony | |
| Select Units: | -- |
| Optional(\$): | -- |
| Security: | -- |
| Parking 1: Free Surface Parking | Parking 2: -- |
| Fee: -- | Fee: -- |
| Property Manager: | -- |
| Owner: | -- |

Comments

47- 1BR units, 104- 2BR units, 20- 4BR units; no further breakdown available.

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|---|---------|-----|------|--------|---------|-------|---------|------------|----------------------------------|------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | -- | \$619 | 633 | \$.98 | LIHTC/ 50% | 6/4/19 | 2.9% | \$490 | \$479 | -- |
| Garden | -- | 1 | 1 | -- | \$816 | 633 | \$1.29 | LIHTC/ 60% | 5/2/18 | 0.0% | \$520 | \$619 | -- |
| Garden | -- | 1 | 1 | -- | \$351 | 633 | \$.55 | LIHTC/ 30% | 4/25/16 | 3.5% | \$470 | \$540 | -- |
| Garden | -- | 2 | 1 | -- | \$733 | 1,023 | \$.72 | LIHTC/ 60% | 5/12/15 | 9.9% | \$470 | \$545 | -- |
| Garden | -- | 2 | 1 | -- | \$683 | 1,023 | \$.67 | LIHTC/ 50% | | | | | |
| Garden | -- | 2 | 1 | -- | \$410 | 1,023 | \$.40 | LIHTC/ 30% | | | | | |
| Garden | -- | 4 | 2 | -- | \$922 | 1,400 | \$.66 | LIHTC/ 50% | | | | | |
| Garden | -- | 4 | 2 | -- | \$507 | 1,400 | \$.36 | LIHTC/ 30% | | | | | |
| Garden | -- | 4 | 2 | -- | \$1,223 | 1,400 | \$.87 | LIHTC/ 60% | | | | | |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Sussex Square

Multifamily Community Profile

4341 Cascade Road
Atlanta, GA 30331

Community Type: **Market Rate - General**
Structure Type: **Garden**

88 Units 0.0% Vacant (0 units vacant) as of 6/4/2019

Opened in 1974



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|--------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| One | 27.3% | \$685 | 744 | \$0.92 | Comm Rm: | Basketball: |
| One/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Two | 63.6% | \$795 | 927 | \$0.86 | Centrl Lndry: | Tennis: |
| Two/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Three | 9.1% | \$905 | 1,175 | \$0.77 | Elevator: | Volleyball: |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Fitness: | CarWash: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Hot Tub: | BusinessCtr: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Sauna: | ComputerCtr: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Playground: | <input type="checkbox"/> |
| | | | | | <input type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Patrol | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|---|---------|-----|------|--------|-------|-------|---------|---------|---------|----------------------------------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 24 | \$685 | 744 | \$.92 | Market | 6/4/19 | 0.0% | \$685 | \$795 | \$905 |
| Garden | -- | 2 | 1 | 56 | \$795 | 927 | \$.86 | Market | 5/2/18 | 0.0% | \$635 | \$745 | \$855 |
| Garden | -- | 3 | 2 | 8 | \$905 | 1,175 | \$.77 | Market | 5/4/16 | 4.5% | \$575 | \$675 | \$775 |
| | | | | | | | | | 5/11/15 | 3.4% | \$550 | \$625 | \$725 |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Towne West Manor

Multifamily Community Profile

330 Brownlee Rd.
Atlanta, GA 30311

Community Type: LIHTC - General

Structure Type: Garden/TH

108 Units 0.0% Vacant (0 units vacant) as of 6/4/2019

Last Major Rehab in 2002 Opened in 1964



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|--------------------------|--------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: | Basketball: |
| One/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Two | 94.4% | \$888 | 921 | \$0.96 | Centrl Lndry: | Tennis: |
| Two/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Three | 5.6% | \$950 | 1,034 | \$0.92 | Elevator: | Volleyball: |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Fitness: | CarWash: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Hot Tub: | BusinessCtr: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Sauna: | ComputerCtr: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Playground: | <input type="checkbox"/> |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: Microwave | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: Cortland Partners Owner: -- | |

Comments

Waiting list: 2-3 months

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|---|---------|-----|------|--------|-------|-------|---------|------------|---------|----------------------------------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Townhouse | -- | 2 | 1.5 | 51 | \$860 | 1,020 | \$.84 | LIHTC/ 60% | 6/4/19 | 0.0% | -- | \$888 | \$950 |
| Garden | -- | 2 | 1 | 51 | \$875 | 821 | \$1.07 | LIHTC/ 60% | 5/2/18 | 0.0% | -- | \$707 | \$800 |
| Garden | -- | 3 | 1 | 6 | \$925 | 1,034 | \$.89 | LIHTC/ 60% | 5/11/16 | 0.0% | -- | \$758 | \$890 |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Villas at Princeton Lakes

Multifamily Community Profile

751 Fairburn Rd. SW
Atlanta, GA 30331

Community Type: **Market Rate - General**
Structure Type: **3-Story Garden**

210 Units 1.0% Vacant (2 units vacant) as of 6/4/2019

Opened in 2005



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 20.0% | \$1,065 | 975 | \$1.09 | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input checked="" type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 66.7% | \$1,245 | 1,175 | \$1.06 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 13.3% | \$1,475 | 1,350 | \$1.09 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|--|--------------------------|
| Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit); Cable TV; Carpet / Vinyl/Linoleum | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- | Owner: -- |

Comments

Formerly Preserve at Cascade (LIHTC community).

| Floorplans (Published Rents as of 6/4/2019) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|---|---------|-----|------|--------|---------|-------|---------|---------|--------|----------------------------------|---------|---------|---------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 42 | \$1,050 | 975 | \$1.08 | Market | 6/4/19 | 1.0% | \$1,065 | \$1,245 | \$1,475 |
| Garden | -- | 2 | 2 | 140 | \$1,225 | 1,175 | \$1.04 | Market | 5/2/18 | 5.2% | \$1,078 | \$1,195 | \$1,375 |
| Garden | -- | 3 | 2 | 28 | \$1,450 | 1,350 | \$1.07 | Market | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash: