

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:
ENCLAVE AT
WASHINGTON**

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: ENCLAVE AT WASHINGTON

700 Martin Luther King, Jr. Avenue
Sandersville, Washington County, Georgia 31082

Effective Date: April 13, 2020
Report Date: April 14, 2020

Prepared for:
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April 14, 2020

Ms. Keri Taylor-Spann
Vice President of Development
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750 Commerce Drive, Suite 110
Decatur, Georgia 30030

Re: Application Market Study for Enclave at Washington, located in Sandersville, Washington County, Georgia

Dear Ms. Taylor-Spann:

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

The purpose of this market study is to assess the viability of the rehabilitation of Enclave at Washington (Subject), an existing 72-unit family Section 8 property, known as Washington Manor, proposing renovation with Low-Income Housing Tax Credit (LIHTC) equity. The Subject offers 72 revenue generating two, three, and four-bedroom units. Following renovation using the LIHTC program, all 72 units at the property will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. Further, the 72 revenue generating units will operate with project-based rental assistance through the Section 8 program and tenants will continue to pay 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

Novogradac Consulting LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA).

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

**MS. KERI TAYLOR-SPANN
HOUSING DEVELOPMENT CORPORATION OF DEKALB
APRIL 14, 2020**

including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report is completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

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

The COVID-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact. At this point it is unclear how long it will be before the emergency restrictions are lifted or loosened or how the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the housing market. As a result, it is an extraordinary assumption of this report that the duration of emergency measures will be relatively short term and that the stimulus packages will be sufficient to minimize the economic impacts on the broader economy and the housing market. Additionally, it is an extraordinary assumption of this report that the multifamily housing market will continue to perform in line with recent and historical performance and short-term impacts will be mitigated by the proposed economic measures.

MS. KERI TAYLOR-SPANN
HOUSING DEVELOPMENT CORPORATION OF DEKALB
APRIL 14, 2020

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

Respectfully submitted,
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B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Enclave at Washington is an existing family property, currently known as Washington Manor, located at 700 Martin Luther King, Jr. in Sandersville, Washington County, Georgia, which will consist of nine two-story, residential buildings in addition to one community building.

The following table illustrates the proposed unit mix.

Unit Type	Unit Size (SF)	Number of Units	PROPOSED RENTS		Gross Rent	2019 LIHTC Maximum Allowable Gross	2020 HUD Fair Market Rents
			Asking Rent	Utility Allowance (1)			
@60% (Section 8)							
2BR / 1BA	1,077	12	\$717	\$84	\$801	\$817	\$651
3BR / 1BA	1,080	44	\$803	\$105	\$908	\$945	\$884
4BR / 1.5BA	1,215	16	\$863	\$155	\$1,018	\$1,054	\$888
		72					

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

The Subject’s proposed contract rents are set below the 60 percent 2019 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would not have to be lowered to comply with the LIHTC program requirements. The renovated Subject will offer inferior to superior property amenities and slightly inferior to similar in-unit amenities relative to the comparables. The Subject will offer a community room and central laundry facility, which many of the comparables lack. However, the Subject will not offer balconies/patios, a business center, an exercise facility, or a swimming pool, which many of the comparables offer. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the subsidies in place.

2. Site Description/Evaluation

The Subject site is located on the west side of Martin Luther King Jr. Avenue. The Subject site has good visibility and accessibility from Martin Luther King Jr. Avenue. Surrounding uses consist of retail, commercial, and industrial uses, as well as undeveloped land. The Subject site’s proximity to an industrial use could potentially be considered a detrimental use. However, this does not appear to be a detriment in the neighborhood given the high occupancy rates of single-family homes in the area as well as the high occupancy at the Subject property historically. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. There are several retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 41 out of 100. Crime risk indices in the Subject’s area are considered low. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within 1.9 miles of the Subject site.

3. Market Area Definition

The PMA is defined by Linton Road South, Webster Road, Mount Zion Road, Warthen Road, and South Sparta Davisboro Road to the north. To the east, the PMA is defined by South Sparta Davisboro Road and Highway 231. To the south, the PMA is defined by Highway 231, Montgomery Road, the Washington County Line, Hurst Road, and Hazard Road. To the west, the PMA is defined by Lamars Creek Road, Highway 24, Eighty Five Road, Old Eighty Five Road, Deepstep Road, and Pleasant Grove Road. This area includes the Cities of Tennille and Sandersville, as well as portions of Riddleville, Deepstep, Harrison and Warthen. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 10.5 miles
East: 12.0 miles
South: 11.8 miles
West: 9.4 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from outside the PMA. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 12.0 miles. The SMA is defined as portions of the Washington, Jefferson, Glascock, Hancock, Baldwin, Wilkinson, and Johnson counties and encompasses 2,866 square miles.

4. Community Demographic Data

The population in the PMA and the SMA decreased from 2000 to 2010, and remained relatively unchanged from 2010 to 2019. The rate of population and household growth is projected to slightly decrease through 2022. The current population of the PMA is 16,018 and is expected to be 16,003 in 2022. The current number of households in the PMA is 6,226 and is expected to be 6,221 in 2024. Renter households are concentrated in the lowest income cohorts, with 75.9 percent of renters in the PMA earning less than \$50,000 annually. The Subject will target households earning between \$0 and \$42,180 for its subsidized units as proposed; therefore, the Subject should be well-positioned to service this market. Overall, while population growth has declined, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 2,820 housing units nationwide was in some stage of foreclosure as of February 2020. Washington County is experiencing a foreclosure rate of one in every 1,508 homes, and Georgia experienced one foreclosure in every 2,728 housing units. Overall, Washington County is experiencing a higher foreclosure rate than the state of Georgia and the nation as a whole. However, the Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

5. Economic Data

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods.

Overall, the SMA experienced a modest decline in total employment growth from 2011 through September 2019. As of September 2019, total employment in the SMA was 11.8 percent lower than its pre-recession peak, while national employment was 2.7 percent above its pre-recession peak. The unemployment rate in the SMA as of September 2019 was 3.7 percent, 40 basis points higher than the national unemployment rate but significantly lower than the 2010 peak of 14.9 percent. However, it is important to note that the unemployment rate in the SMA has been declining by greater rates than the nation in recent years. Based on the employment and unemployment trends in the SMA, it appears that the SMA was slower to recover from the most recent national recession than the nation as a whole. However, recent trends in employment growth and unemployment decline indicate that the economy in the SMA is now recovering. Growing total employment is a positive indicator of demand for rental housing and, therefore, the Subject's proposed units.

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
2BR at 60% AMI	\$0	\$32,700	12	292	0	292	4.1%	\$717
2BR at 60% AMI Absent Subsidy	\$25,166	\$32,700	12	80	0	80	15.0%	\$650
2BR Overall	\$0	\$32,700	12	292	0	292	4.1%	-
2BR Overall Absent Subsidy	\$25,166	\$32,700	12	80	0	80	15.0%	-
3BR at 60% AMI	\$0	\$39,240	44	145	0	145	30.4%	\$803
3BR at 60% AMI Absent Subsidy	\$29,314	\$39,240	44	40	0	40	111.0%	\$750
3BR Overall	\$0	\$39,240	44	145	0	145	30.4%	-
3BR Overall Absent Subsidy	\$29,314	\$39,240	44	40	0	40	111.0%	-
4BR at 60% AMI	\$0	\$42,180	16	56	0	56	28.7%	\$863
4BR at 60% AMI Absent Subsidy	\$34,457	\$42,180	16	15	0	15	104.9%	\$850
4BR Overall	\$0	\$42,180	16	56	0	56	28.7%	-
4BR Overall Absent Subsidy	\$34,457	\$42,180	16	15	0	15	104.9%	-
@60% Overall	\$0	\$42,180	72	492	0	492	14.6%	-
@60% Overall Absent Subsidy	\$25,166	\$42,180	72	135	0	135	53.4%	-

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level with subsidy will range from 4.1 to 30.4 percent. The overall capture rate at the Subject, with subsidy, is 14.6 percent. Absent subsidy, the Subject’s capture rates at the 60 percent AMI level will range from 15.0 to 111.0 percent. The overall capture rate at the Subject, absent subsidy, is 53.4 percent. All capture rates with subsidy are within DCA thresholds. The capture rate for the two-bedroom units absent subsidy are within DCA thresholds, while the capture rates for the three and four-bedroom units absent subsidy are above DCA thresholds. However, as a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market. Therefore, we believe there is adequate demand for the Subject.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 549 units.

The availability of LIHTC data is considered limited; there are three LIHTC properties in the PMA. However, one of the three LIHTC properties, Camelia Lane Apartments, was excluded due to its senior tenancy. We included the remaining two LIHTC properties that target the general population and offer similar unit types in comparison to the proposed Subject as comparable properties. Additionally, we included Pecan Grove Apartments, a Rural Development property that has rents restricted to households earning 60 percent of the Area Median Income (AMI), or less. Pecan Grove Apartments targets the general population and offers similar unit types in comparison to the proposed Subject. The comparable LIHTC properties are all located in the PMA, between 1.8 and 2.2 miles of the proposed Subject.

The availability of market rate data is also limited. The Subject is located in Sandersville and there are a limited number of market rate properties in the area. We include five conventional properties in our analysis of the competitive market. All of the market rate properties are located outside the PMA, between 25.7 and 26.9 miles from the Subject site in Milledgeville. Milledgeville offers a similar location to the Subject in terms of median household incomes and median rents. These comparables were built or renovated between 1982 and 2017 and are good proxies for the Subject property as they offer similar unit mixes to the Subject. It should be noted that a number of market rate properties located in Milledgeville were excluded as comparable properties as we were unable to contact them in order to obtain market information. Additionally, many of

these properties are not considered comparable to the Subject as they offer an inferior age/condition, dissimilar design, or dissimilar unit mix when compared to the Subject. Overall, we believe the market rate properties used in our analysis are the most comparable.

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

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

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2BR @ 60%*	\$650	\$454	\$866	\$713	10%
3BR @ 60%*	\$750	\$678	\$1,004	\$831	11%
4BR @ 60%*,**	\$850	\$929	\$1,350	\$1,163	37%

*Achievable LIHTC rents assuming no rental assistance

**Includes classified listings in addition to four-bedroom data

As illustrated the Subject’s achievable 60 percent rents, absent subsidy, are below the surveyed average when compared to the comparables, both LIHTC and market rate for all unit types.

Ivy League Estates is achieving the highest two and three-bedroom unrestricted rents in the market. The Subject will be similar to Ivy League Estates as a market rate property. Ivy League Estates was built in 1980 and renovated in 2017 and exhibits good condition, which is similar to the anticipated condition of the Subject upon completion of renovations. Ivy League Estates is located 25.7 miles from the Subject site in Milledgeville and offers a similar location in terms of median rents. Ivy League Estates offers inferior property amenities when compared to the Subject as it does not offer a community room or central laundry facility, which the Subject will offer. Ivy League Estates offers slightly superior in-unit amenities in comparison to the Subject as it offers balconies/patios, walk-in closets, and dishwashers, which the Subject will not offer. Ivy League Estates offers slightly superior unit sizes to the Subject. The lowest two and three-bedroom unrestricted rents at Ivy League Estates are approximately 30 and 21 percent higher than the Subject’s achievable two and three-bedroom rents at 60 percent AMI, absent rental assistance.

Washington Estates is a mixed-income property and is achieving the highest four-bedroom unrestricted rents in the market. The Subject will be inferior to Washington Estates as a market rate property. Washington Estates was built in 2013 and exhibits good condition, which is similar to the anticipated condition of the Subject upon completion of renovations. Washington Estates is located 1.8 miles from the Subject site and offers a similar location. Washington Estates offers superior property amenities when compared to the Subject as it offers a business center, an exercise facility, and a swimming pool, which the Subject will not offer. Washington Estates offers similar in-unit amenities in comparison to the Subject. This property offers slightly superior unit sizes when compared to the Subject. The lowest four-bedroom unrestricted rents at Washington Estates are approximately nine percent higher than the achievable four-bedroom rents at 60 percent AMI, absent rental assistance.

As stated previously, there is a limited supply of market rate multifamily properties in the Subject’s area

offering four-bedroom units. As such, we utilized classified listings in the Subject’s immediate area. The majority of classified listings are in single-family homes that are considered superior to the Subject. However, the Subject will offer superior property amenities and similar to slightly superior condition when compared to the majority of the classified listings. The highest four-bedroom unrestricted rents among the classified listings are approximately 59 percent higher than the Subject’s achievable four-bedroom units at 60 percent AMI, absent rental assistance.

8. Absorption/Stabilization Estimate

None of the comparable properties reported absorption information. We extended our search to include two proximate LIHTC properties located in Waynesboro and Dublin. Information regarding the absorption data at these properties is illustrated in the following table.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Absorption (units/month)
Pine Trails	LIHTC	Family	2018	60	10
Waterford Estates	LIHTC	Family	2010	56	9

As illustrated in the previous table, the properties were constructed between 2010 and 2018 and reported absorption rates of nine and ten units per month, respectively. Pine Trails was built in 2018 in Waynesboro, Georgia approximately 47 miles from the Subject site. The property began leasing in December 2018 and was fully-occupied by May 2019, which equates to an absorption rate of ten units per month. Waterford Estates was built in 2010 in Dublin, Georgia approximately 32 miles from the Subject site. The property experienced an absorption rate of nine units per month upon opening.

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. If the Subject were vacant following the renovations with a Section 8 rental assistance subsidy in place for all the units, we would expect the Subject to experience an absorption pace of ten units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

According to a rent roll dated March 1, 2020, the Subject is currently 98.6 percent occupied with a waiting list. The vacant unit is being processed from the waiting list, which consists of 30 households. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. According to the developer, the majority of current residents will be income-qualified for the Subject, post-renovation. All tenants currently pay 30 percent of their income toward rent. Post renovation, tenants will continue to pay 30 percent of income toward rent. Further, renovations will occur on a rolling basis with tenants in place. Thus, this absorption analysis is hypothetical.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall vacancy in the market is low at 3.1 percent and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. Additionally, one of the two fully-occupied properties reported maintaining a waiting list. Further, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The average vacancy rate for the LIHTC properties is 1.0 percent, indicating strong demand for affordable housing in the area. The renovated Subject will offer inferior to superior property amenities and slightly inferior to similar in-unit amenities relative to the comparables. The Subject will offer a community room and central laundry facility, which many of the comparables lack. However, the Subject will not offer balconies/patios, a business center, an exercise facility, or a swimming pool, which many of the

comparables offer. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the subsidies in place. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to superior in terms of condition to all of the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy and waiting lists at LIHTC comparable properties, we believe that the Subject is feasible as-proposed and will perform well.

ENCLAVE AT WASHINGTON – SANDERSVILLE, GEORGIA – MARKET STUDY

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		Enclave At Washington					Total # Units:			72
Location:		700 Martin Luther King Jr Avenue Sandersville, GA 31082					# LIHTC Units:			72
PMA Boundary:		Highway 231, Montgomery Road, the Washington County Line, Hurst Road, and Hazard Road; East: South Sparta Davisboro Road and Highway 231; West: Lamars Creek Road, Highway 24, Eighty Five Road, Old Eighty Five Road, Deepstep Road, and Pleasant Grove Road								
								Farthest Boundary Distance to Subject:		12.0 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	16	1,266	23	98.2%						
Market-Rate Housing	9	745	18	97.6%						
<i>Assisted/Subsidized Housing not to include LIHTC</i>	4	310	2	99.4%						
LIHTC	3	211	3	98.6%						
Stabilized Comps	16	1,266	23	98.2%						
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap						
*Only includes properties in PMA										
Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
12	2BR at 60% AMI	1	1,077	\$650	\$713	\$0.66	10%	\$866	\$0.80	
44	3BR at 60% AMI	1	1,080	\$750	\$831	\$0.77	11%	\$1,004	\$0.93	
16	4BR at 60% AMI	1.5	1,215	\$850	\$1,163	\$0.96	37%	\$1,350	\$1.11	
Capture Rates (found on page 59)										
Targeted Population				@60%	@60% (Absent Subsidy)	0%	Market-rate	Other: __	Overall	
Capture Rate:				14.6%	53.4%	-	-	-	14.6%	

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- | | |
|---|---|
| 1. Project Address and Development Location: | The Subject is located at 700 Martin Luther King, Jr. Avenue in Sandersville, Washington County, Georgia 31082. The Subject is existing. |
| 2. Construction Type: | The Subject consists of nine two-story, residential buildings in addition to one community building. The Subject will be a rehabilitation of an existing property. |
| 3. Occupancy Type: | Families. |
| 4. Special Population Target: | None. |
| 5. Number of Units by Bedroom Type and AMI Level: | See following property profile. |
| 6. Unit Size, Number of Bedrooms and Structure Type: | See following property profile. |
| 7. Rents and Utility Allowances: | See following property profile. |
| 8. Existing or Proposed Project-Based Rental Assistance: | The Subject property is currently operating as a Section 8 development with a HAP contract. Following renovation, the Subject will be continue to operate with a HAP contract under the Section 8 program, and the tenants will contribute 30 percent of their income towards rent. |
| 9. Proposed Development Amenities: | See following property profile. |

ENCLAVE AT WASHINGTON – SANDERSVILLE, GEORGIA – MARKET STUDY

Enclave At Washington	
Location	700 Martin Luther King Jr Avenue Sandersville, GA 31082 Washington County
Units	72
Type	Garden (2 stories)
Year Built / Renovated	1977 / 2022



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

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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	1	Garden (2 stories)	12	1,077	\$717	\$0	@60% (Section 8)	N/A	N/A	N/A	N/A	
3	1	Garden (2 stories)	44	1,080	\$803	\$0	@60% (Section 8)	N/A	N/A	N/A	N/A	
4	1.5	Garden (2 stories)	16	1,215	\$863	\$0	@60% (Section 8)	N/A	N/A	N/A	N/A	

Amenities		
In-Unit	Blinds Carpeting Central A/C Coat Closet Hand Rails Microwave Oven Refrigerator Washer/Dryer hookup	Security Video Surveillance
Property	Clubhouse/Meeting Room/Community Room Courtyard Central Laundry Off-Street Parking On-Site Management Picnic Area Playground	Premium none
Services	none	Other none

Comments
This property consists of nine townhome-style residential buildings and one community building. This property is set to undergo renovations with LIHTC equity. Renovations are set to begin in October 2020 and end in January 2022. The utility allowances are \$84, \$105, and \$155 for the two, three, and four-bedroom units, respectively.

10. Scope of Renovations:

The Subject will be new renovated utilizing low income housing tax credits (LIHTC). Hard costs of renovations are expected to be \$4,854,885 or \$67,429 per unit. The scope of renovations is detailed as follows:

- Replace all roofing
- Replace all single pane windows
- Replace exterior doors
- Replace interior doors as needed
- Replace all wood siding with cementitious siding
- Replace all plumbing fixtures with water sense fixtures
- Replace all flooring with LVT
- General repairs and paint throughout
- Upgrade HVAC to central systems that include heat and air in all units
- Replace all appliances with energy star
- Replace cabinetry
- repair electrical systems and plumbing systems as needed
- Upgrade insulation where applicable
- Add a laundry facility and clubhouse with amenities

Current Rents:

According to information provided by the client, the current rents for all 72 units at the Subject are based on 30 percent of resident incomes. According to a rent roll dated March 1, 2020, the Subject is fully-occupied.

Current Tenant Income:

According to the developer, all of the current tenants at the Subject would income-qualify for the Subject without its current subsidy or its post-renovation subsidies.

11. Placed in Service Date:

The Subject was originally built in 1977. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to be completed in January 2022.

Conclusion:

Upon renovation, the Subject will consist of nine good-quality brick and wood siding, two-story, garden-style residential buildings, comparable to most of the inventory in the area. As a renovated development, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

D.SITE EVALUATION

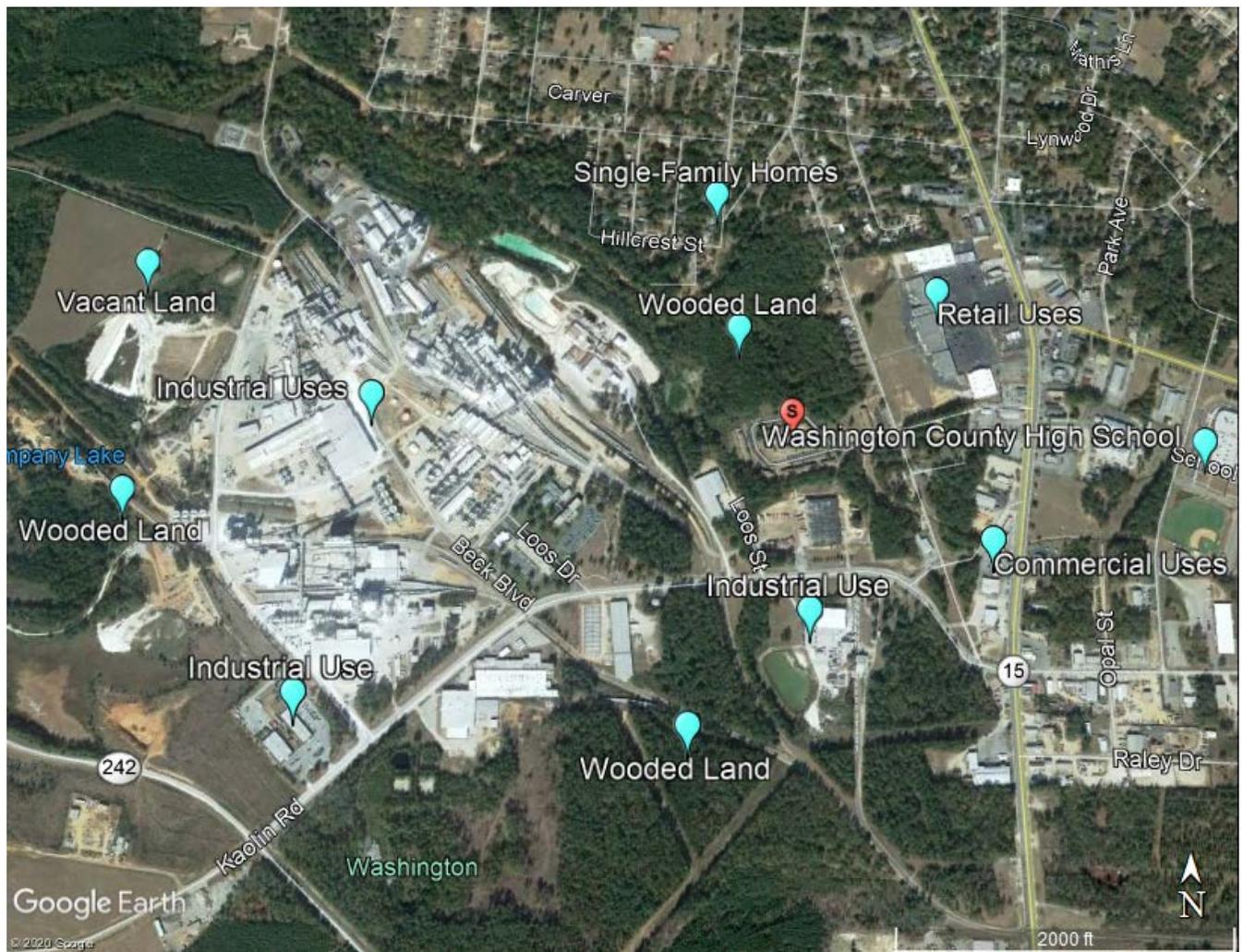
1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on April 13, 2020.

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

Frontage: The Subject site has frontage along Martin Luther King Jr. Avenue.

Visibility/Views: The Subject is located on the west side of Martin Luther King Jr. Avenue. Visibility and views from the site will be good and initially will include vacant land, commercial, and industrial uses.

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



Source: Google Earth, March 2020.

The Subject site is located on the west side of Martin Luther King Jr. Avenue. Adjacent north of the Subject site is wooded land. East of the Subject site are retail and commercial uses in average condition. To the south of the Subject site, past a buffer of wooded land is an industrial use in average condition. To the west of the Subject site are

multiple industrial uses in average condition. The Subject site's proximity to an industrial use could potentially be considered a detrimental use. However, this does not appear to be a detriment in the neighborhood given the high occupancy rates of single-family homes in the area as well as the high occupancy at the Subject property historically. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. There are several retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by Walkscore with a rating of 41 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within 1.9 miles of the Subject site.

Positive/Negative Attributes of Site:

The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average condition, are considered positive attributes. The Subject site is within close proximity to State Highway 15 and State Road 540, which provides convenient access to other employment centers. The Subject site's proximity to an industrial use could potentially be considered a detrimental use. However, this does not appear to be a detriment in the neighborhood given the high occupancy rates of single-family homes in the area as well as the high occupancy at the Subject property historically.

3. Physical Proximity to Locational Amenities:

The Subject is located within 1.9 miles of all locational amenities.

4. Pictures of Site and Adjacent Uses:

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



View north along Martin Luther King Jr. Avenue



View south along Martin Luther King Jr. Avenue



View of Subject



View of Subject



View of Subject



View of Subject



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Industrial Use in Subject's neighborhood



Industrial Use in Subject's neighborhood



Single-Family Home in Subject's neighborhood



Single-Family Home in Subject's neighborhood



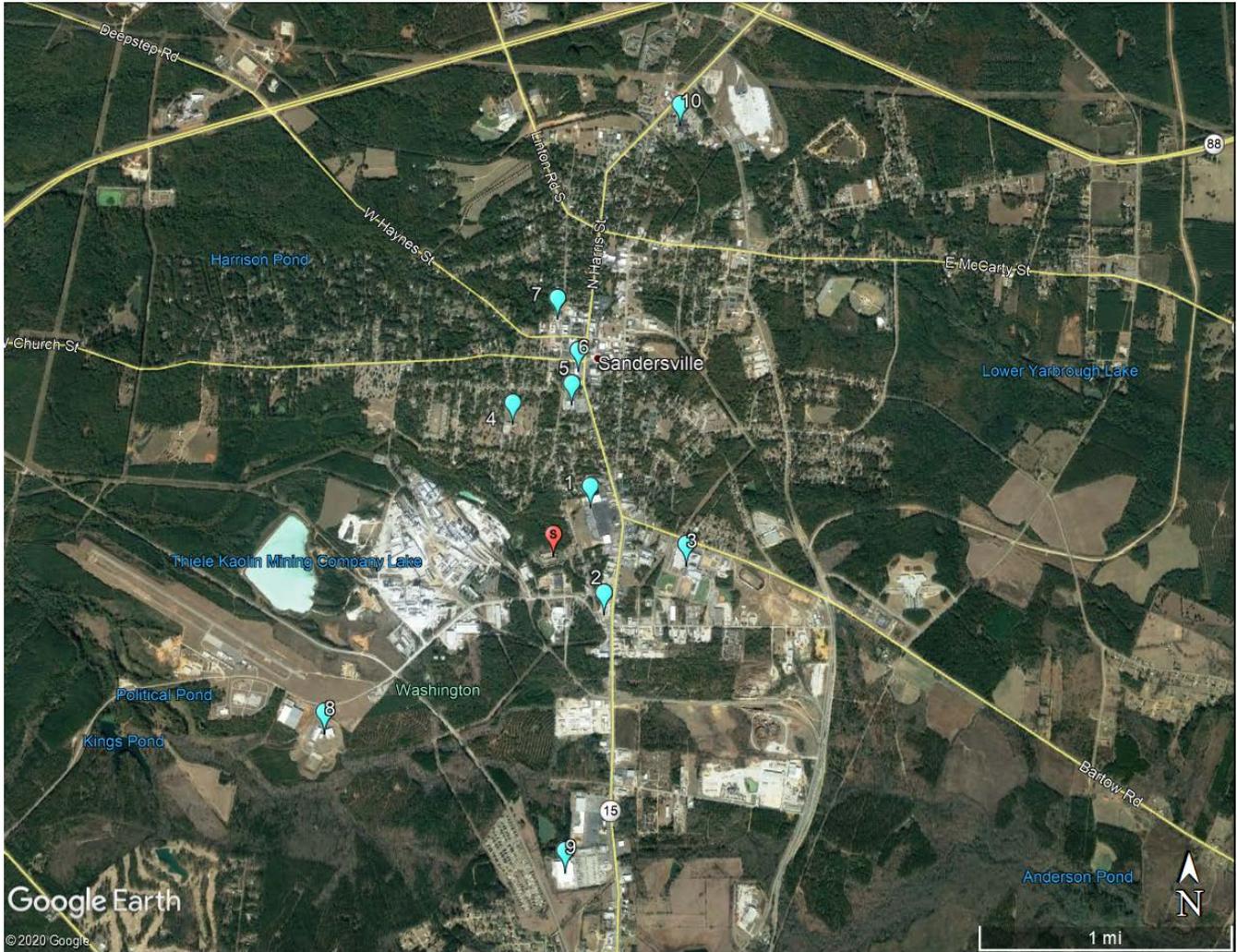
Single-Family Home in Subject's neighborhood



Single-Family Home in Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, March 2020.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Sandersville IGA	0.2 miles
2	Hot Wings & Things	0.3 miles
3	Washington County High School	0.5 miles
4	T J Elder Primary School	0.6 miles
5	Harvey's Supermarket	0.6 miles
6	CVS Pharmacy	0.8 miles
7	Sandersville Fire Department	1.0 miles
8	Washington County Sheriff's Office	1.2 miles
9	Walmart Supercenter	1.3 miles
10	Washington County Regional Medical Center	1.9 miles

6. Description of Land Uses

The Subject site is located on the west side of Martin Luther King Jr. Avenue. Adjacent north of the Subject site is wooded land. Farther

north, land uses are comprised of single-family homes in fair to average condition. East of the Subject site are retail and commercial uses in average condition. Farther east is Washington County High School in good condition. To the south of the Subject site, past a buffer of wooded land is an industrial use in average condition. Farther south, is another industrial use in average condition and wooded land. To the west of the Subject site are multiple industrial uses in average condition. The Subject site’s proximity to an industrial use could potentially be considered a detrimental use. However, this does not appear to be a detriment in the neighborhood given the high occupancy rates of single-family homes in the area as well as the high occupancy at the Subject property historically. Farther west, land uses are comprised of vacant and wooded land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. There are several retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 41 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within 1.9 miles of the Subject site.

7. Crime:

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

2019 CRIME INDICES

	PMA	SMA
Total Crime*	74	80
Personal Crime*	82	86
Murder	73	90
Rape	47	56
Robbery	60	59
Assault	97	103
Property Crime*	73	79
Burglary	104	113
Larceny	66	72
Motor Vehicle Theft	52	43

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

*Unweighted aggregations

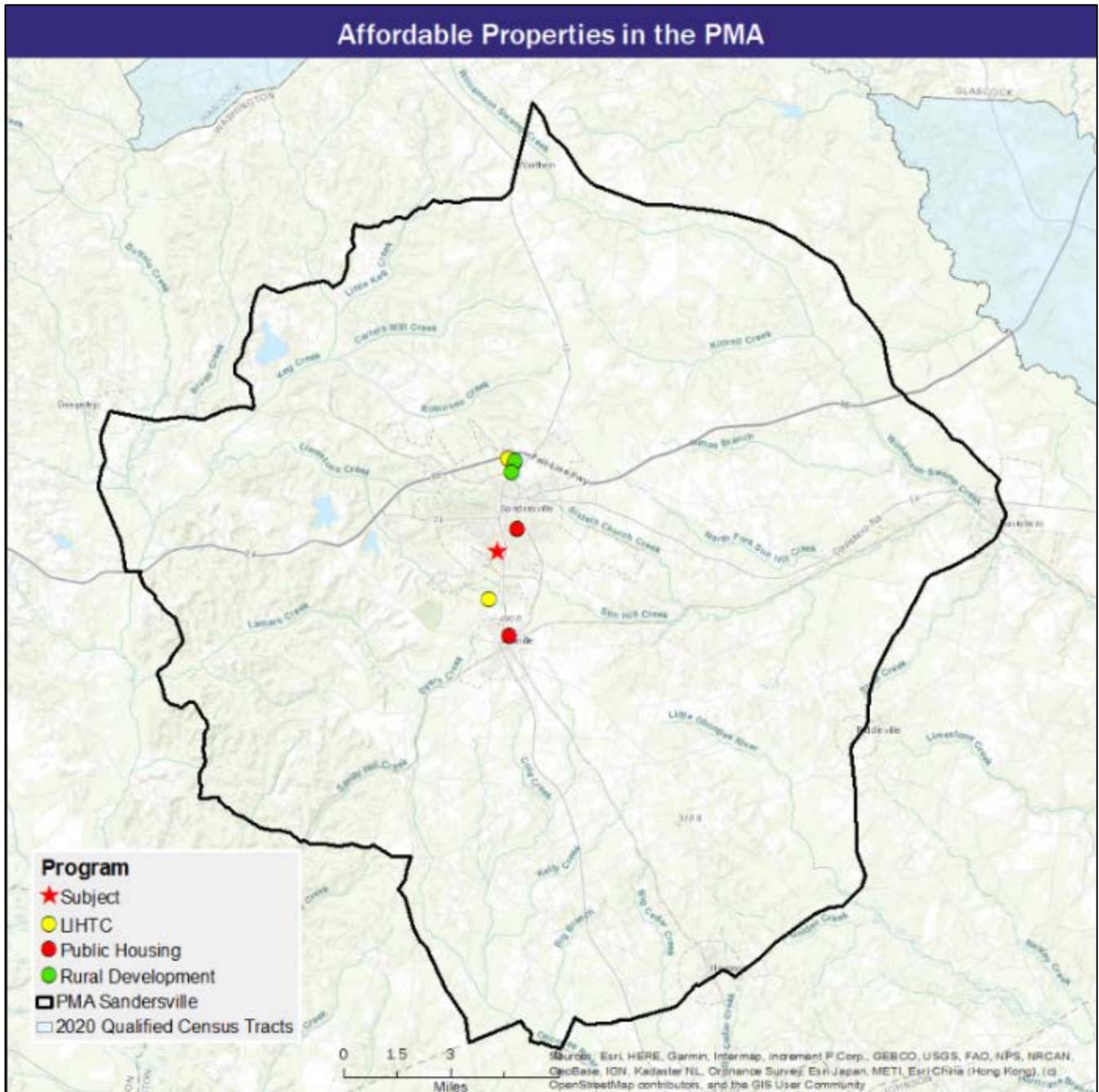
Total crime risk indices in the PMA are well-below the national average and similar to the SMA. Both geographic areas feature crime risk indices below the overall nation. The Subject will offer video surveillance as a security amenity. Only two of the comparables properties offers any security feature. The remaining comparables do not offer security features and are performing well. Thus, the Subject's proposed security features will offer a market advantage.

8. Existing Assisted Rental Housing Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Enclave At Washington	LIHTC	Sandersville	Family	72	-	Star
Camellia Lane	LIHTC	Sandersville	Senior	52	0.8 miles	Yellow
Tori Pines	LIHTC/Non-Rental	Sandersville	Family	65	2.1 miles	
Washington Estates	LIHTC/Market	Tennille	Family	94	1.8 miles	Red
Sunhill	Public Housing	Sandersville	Family	142	0.7 miles	
Stephens Homes	Public Housing	Tennille	Family	72	2.1 miles	Green
Ferncrest Apartments	Rural	Sandersville	Family	48	2.0 miles	
Pecan Grove	Rural Development	Sandersville	Family	48	2.2 miles	



9. Road, Infrastructure or Proposed Improvements:

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

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

The Subject site has good visibility and accessibility from Martin Luther King Jr. Avenue, which is a two-lane lightly-trafficked road. Martin Luther King Jr. Avenue provides access to South Harris Street approximately 0.4 mile south of the Subject. South Harris Street is a moderately-trafficked four-lane road that provides access to a number of employers in the area and Highway 540. Highway 540

provides access to Interstate 75 approximately 49 miles west of the Subject site. Interstate 75 is a major thoroughfare that provides access to Gainesville, Florida approximately 230 miles south of the Subject site, and Atlanta, Georgia approximately 105 miles northwest of the Subject site. Overall, access and visibility are considered good.

11. Conclusion:

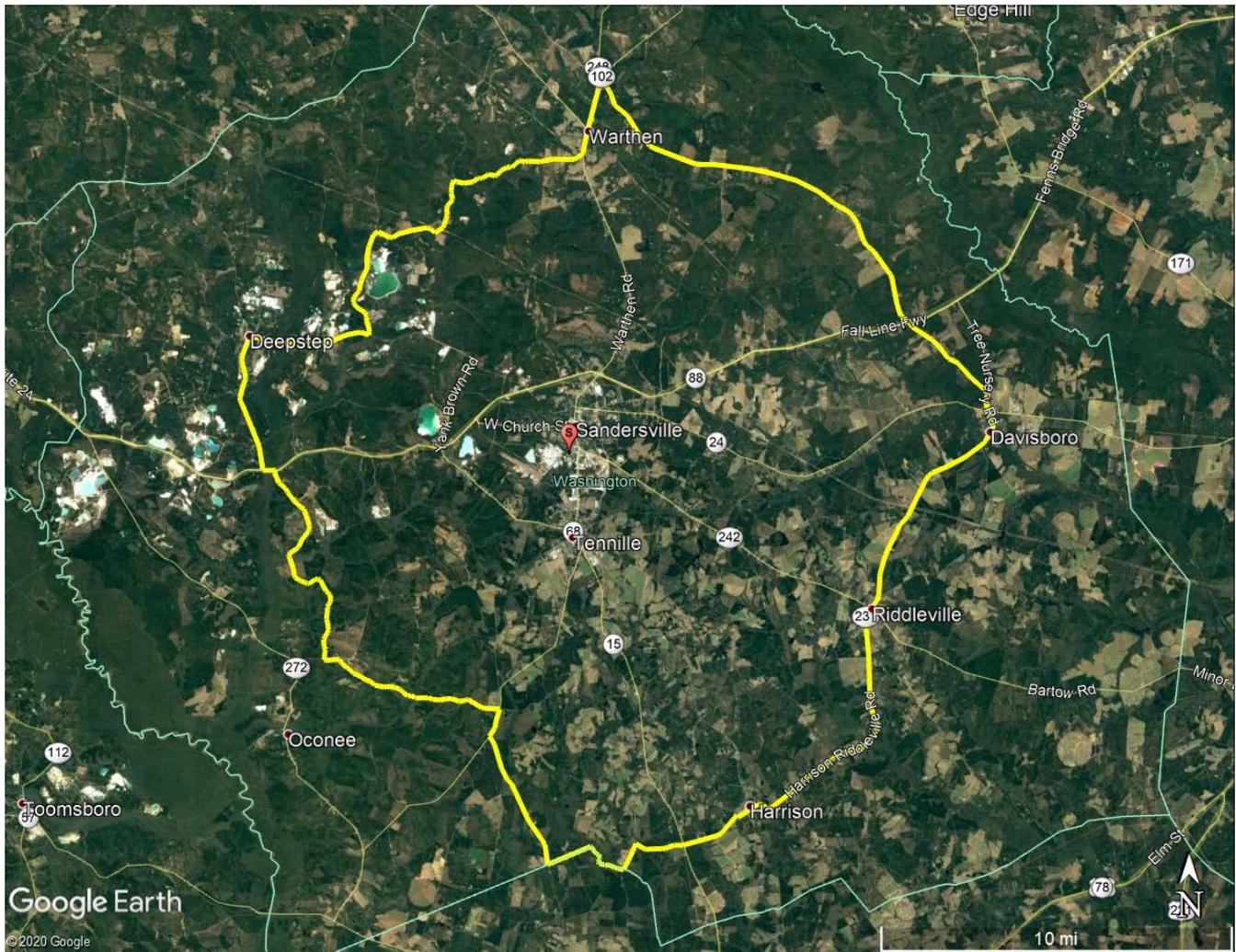
The Subject site is located on the west side of Martin Luther King Jr. Avenue. The Subject site has good visibility and accessibility from Martin Luther King Jr. Avenue. Surrounding uses consist of retail, commercial, and industrial uses, as well as undeveloped land. The Subject site's proximity to an industrial use could potentially be considered a detrimental use. However, this does not appear to be a detriment in the neighborhood given the high occupancy rates of single-family homes in the area as well as the high occupancy at the Subject property historically. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. There are several retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 41 out of 100. Crime risk indices in the Subject's area are considered low. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within 1.9 miles of the Subject site.

E. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, March 2020.

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

The PMA is defined by Linton Road South, Webster Road, Mount Zion Road, Warthen Road, and South Sparta Davisboro Road to the north. To the east, the PMA is defined by South Sparta Davisboro Road and Highway 231. To the south, the PMA is defined by Highway 231, Montgomery Road, the Washington County Line, Hurst Road, and Hazard Road. To the west, the PMA is defined by Lamars Creek Road, Highway 24, Eighty Five Road, Old Eighty Five Road, Deepstep Road, and Pleasant Grove Road. This area includes the Cities of Tennille and

Sandersville, as well as portions of Riddleville, Deepstep, Harrison and Warthen. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 10.5 miles
East: 12.0 miles
South: 11.8 miles
West: 9.4 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from outside the PMA. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 12.0 miles. The SMA is defined as portions of the Washington, Jefferson, Glascock, Hancock, Baldwin, Wilkinson, and Johnson counties and encompasses 2,866 square miles.

F. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and SMA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and SMA. The Subject’s anticipated completion is in January 2022; therefore, we have utilized January 2022 as the estimated market entry time in this section of the report according to DCA guidelines.

1. Population Trends

The following tables illustrate Total Population and Population by Age Group within the population in the SMA, the PMA and nationally from 2000 through 2024.

Total Population

The following table illustrates the total population within the PMA, SMA and nation from 2000 through 2024.

Year	POPULATION					
	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	17,103	-	116,898	-	281,250,431	-
2010	16,003	-0.6%	115,891	-0.1%	308,745,538	1.0%
2019	16,018	0.0%	116,980	0.1%	332,417,793	0.8%
Projected Mkt Entry January 2022	16,003	0.0%	116,559	-0.1%	338,952,698	0.8%
2024	15,987	0.0%	116,138	-0.1%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The PMA experienced declining population between 2000 and 2010, and lagged behind the surrounding SMA, which also experienced declining population. Both geographic areas experienced population growth rates lower than the overall nation. Population growth in the PMA was flat between 2010 and 2019, at a rate slower than the SMA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively unchanged through 2024, while the population in the SMA is expected to decline. Growth in both geographic areas is expected to trail the nation.

Total Population by Age Group

The following table illustrates the total population within the PMA and SMA and nation from 2000 to 2024.

POPULATION BY AGE GROUP

Age Cohort	PMA				Projected Mkt Entry January 2022	2024
	2000	2010	2019			
0-4	1,080	1,160	1,014		1,003	991
5-9	1,272	1,063	1,074		1,039	1,004
10-14	1,313	1,090	1,079		1,084	1,089
15-19	1,298	1,235	923		999	1,075
20-24	990	953	840		803	765
25-29	1,153	936	1,095		951	807
30-34	1,259	880	1,017		999	980
35-39	1,538	894	963		979	994
40-44	1,436	1,012	882		923	964
45-49	1,238	1,297	918		907	896
50-54	1,021	1,230	1,041		987	932
55-59	811	1,072	1,226		1,119	1,012
60-64	671	892	1,137		1,179	1,221
65-69	587	715	972		1,022	1,071
70-74	501	526	711		785	858
75-79	378	405	503		563	623
80-84	270	311	307		347	386
85+	291	332	313		316	319
Total	17,107	16,003	16,015		16,001	15,987

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

POPULATION BY AGE GROUP

Age Cohort	SMA				Projected Mkt Entry January 2022	2024
	2000	2010	2019			
0-4	7,136	7,193	6,428		6,324	6,219
5-9	7,893	7,021	6,766		6,555	6,344
10-14	8,419	6,893	6,807		6,792	6,776
15-19	9,882	8,875	7,835		8,146	8,456
20-24	8,782	9,977	8,913		8,716	8,518
25-29	7,866	7,377	8,030		7,215	6,399
30-34	8,288	6,820	7,804		7,478	7,151
35-39	9,417	6,727	7,162		7,217	7,271
40-44	9,166	7,363	6,649		6,938	7,226
45-49	8,257	8,719	7,063		6,921	6,778
50-54	7,198	8,622	7,388		7,182	6,975
55-59	5,726	7,763	8,227		7,691	7,155
60-64	4,677	6,828	7,975		8,032	8,089
65-69	4,091	5,278	7,037		7,285	7,533
70-74	3,594	3,721	5,297		5,660	6,023
75-79	2,833	2,775	3,493		3,969	4,445
80-84	1,920	2,066	2,065		2,360	2,655
85+	1,756	1,873	2,041		2,083	2,125
Total	116,901	115,891	116,980		116,559	116,138

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The largest age cohorts in the PMA are between 55 and 64 and 25 and 29, which indicates the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size, within the population in the SMA, the PMA and nationally from 2000 through 2024.

Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, SMA and nation from 2000 through 2024.

HOUSEHOLDS						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	5,850	-	40,677	-	105,409,439	-
2010	6,105	0.4%	42,063	0.3%	116,716,296	1.1%
2019	6,226	0.2%	42,291	0.1%	125,168,557	0.8%
Projected Mkt Entry January 2022	6,224	0.0%	42,123	-0.2%	127,379,060	0.7%
2024	6,221	0.0%	41,955	-0.2%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

AVERAGE HOUSEHOLD SIZE						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.66	-	2.57	-	2.59	-
2010	2.44	-0.8%	2.41	-0.7%	2.58	-0.1%
2019	2.48	0.2%	2.51	0.5%	2.59	0.1%
Projected Mkt Entry January 2022	2.48	0.0%	2.51	0.0%	2.60	0.1%
2024	2.48	0.0%	2.51	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Historical household growth in the PMA increased slightly between 2000 and 2010. Household growth in the PMA slowed between 2010 and 2019, and was similar to the SMA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to decrease to be negligible through 2024, while households in the SMA are expected to decline. Growth in both geographic areas is expected to trail the nation. The average household size in the PMA is smaller than that of the SMA and the nation at 2.48 persons in 2019. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the SMA and the nation through 2024.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	4,270	73.0%	1,580	27.0%
2019	4,035	64.8%	2,191	35.2%
Projected Mkt Entry January 2022	4,062	65.3%	2,162	34.7%
2024	4,089	65.7%	2,132	34.3%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a similar percentage of renters in the PMA as the nation. This percentage is projected to decline slightly over the next five years.

Household Income

The following table depicts renter household income in the PMA in 2019, market entry, and 2024.

Income Cohort	2019		Projected Mkt Entry January 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	461	21.0%	438	20.3%	415	19.5%
\$10,000-19,999	574	26.2%	544	25.2%	514	24.1%
\$20,000-29,999	376	17.2%	370	17.1%	364	17.1%
\$30,000-39,999	229	10.5%	233	10.8%	237	11.1%
\$40,000-49,999	23	1.0%	25	1.2%	27	1.3%
\$50,000-59,999	119	5.4%	117	5.4%	114	5.3%
\$60,000-74,999	140	6.4%	144	6.7%	148	6.9%
\$75,000-99,999	88	4.0%	89	4.1%	89	4.2%
\$100,000-124,999	54	2.5%	52	2.4%	49	2.3%
\$125,000-149,999	14	0.6%	16	0.7%	18	0.8%
\$150,000-199,999	59	2.7%	70	3.2%	81	3.8%
\$200,000+	54	2.5%	65	3.0%	76	3.6%
Total	2,191	100.0%	2,162	100.0%	2,132	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2019		Projected Mkt Entry January 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	4,112	26.7%	3,991	26.3%	3,870	25.9%
\$10,000-19,999	3,541	23.0%	3,419	22.6%	3,297	22.1%
\$20,000-29,999	2,426	15.8%	2,398	15.8%	2,370	15.9%
\$30,000-39,999	1,600	10.4%	1,572	10.4%	1,543	10.3%
\$40,000-49,999	895	5.8%	912	6.0%	928	6.2%
\$50,000-59,999	602	3.9%	597	3.9%	591	4.0%
\$60,000-74,999	824	5.4%	810	5.3%	795	5.3%
\$75,000-99,999	540	3.5%	546	3.6%	551	3.7%
\$100,000-124,999	309	2.0%	317	2.1%	325	2.2%
\$125,000-149,999	132	0.9%	150	1.0%	168	1.1%
\$150,000-199,999	232	1.5%	255	1.7%	277	1.9%
\$200,000+	176	1.1%	196	1.3%	216	1.4%
Total	15,389	100.0%	15,160	100.0%	14,931	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

The Subject will target tenants earning between \$0 and \$42,180. Absent subsidy, the Subject would target tenants earning between \$25,166 and \$42,180. As the tables above depict, approximately 75.9 percent of renter households in the PMA are earning incomes between \$0 and \$49,999, which is less than the 81.7 percent of renter households in the SMA in 2019. For the projected market entry date of January 2022, these percentages are projected to slightly decrease to 74.6 percent and 81.1 percent for the PMA and SMA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2019, market entry and 2024. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2019		Projected Mkt Entry January 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	797	36.4%	799	36.9%	800	37.5%
2 Persons	552	25.2%	541	25.0%	529	24.8%
3 Persons	373	17.0%	367	17.0%	360	16.9%
4 Persons	212	9.7%	207	9.6%	201	9.4%
5+ Persons	257	11.7%	250	11.5%	242	11.4%
Total Households	2,191	100%	2,162	100%	2,132	100%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

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

Conclusion

The population in the PMA and the SMA decreased from 2000 to 2010, and remained relatively unchanged from 2010 to 2019. The rate of population and household growth is projected to slightly decrease through 2022. The current population of the PMA is 16,018 and is expected to be 16,003 in 2022. The current number of households in the PMA is 6,226 and is expected to be 6,221 in 2024. Renter households are concentrated in the lowest income cohorts, with 75.9 percent of renters in the PMA earning less than \$50,000 annually. The Subject will target households earning between \$0 and \$42,180 for its subsidized units as proposed;

therefore, the Subject should be well-positioned to service this market. Overall, while population growth has declined, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

G. EMPLOYMENT TRENDS

Employment Trends

The PMA and SMA are economically reliant on the healthcare, retail trade, and manufacturing industries. This is significant to note as the manufacturing and retail trade industries are historically volatile, and prone to contraction during recessionary periods, while the healthcare industry is historically known to exhibit greater stability during recessionary periods. Employment levels decreased during the national recession and have yet to surpass pre-recession highs but the PMA and SMA appear to be in an expansionary phase.

1. Covered Employment

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

COVERED EMPLOYMENT Washington County, Georgia		
Year	Total Employment	% Change
2006	7,935	-
2007	7,863	-0.9%
2008	7,577	-3.8%
2009	6,831	-10.9%
2010	6,943	1.6%
2011	7,082	2.0%
2012	7,247	2.3%
2013	6,947	-4.3%
2014	6,923	-0.3%
2015	6,676	-3.7%
2016	6,730	0.8%
2017	6,937	3.0%
2018	6,799	-2.0%
2019 YTD Average	6,683	-3.8%
Dec-18	6,825	-
Dec-19	6,672	-2.3%

Source: U.S. Bureau of Labor Statistics

YTD as of Dec 2019

As illustrated in the table above, Washington County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2006. Employment growth rebounded following the recession and Washington County exhibited employment growth from 2010 through 2012. However, employment declined again from 2013 through 2015. Since 2015 employment growth has fluctuated through 2019, with total employment in Washington County having decreased 2.3 percent from December 2018 to December 2019.

2. Total Jobs by Industry

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

TOTAL JOBS BY INDUSTRY		
Washington County, Georgia - Q2 2018		
	Number	Percent
Total, all industries	4,497	100.0%
Goods-producing	1,032	22.9%
Natural resources and mining	273	6.1%
Construction	269	6.0%
Manufacturing	490	10.9%
Service-providing	3,465	77.1%
Trade, transportation, and utilities	1,404	31.2%
Information	16	0.4%
Financial activities	197	4.4%
Professional and business services	784	17.4%
Education and health services	483	10.7%
Leisure and hospitality	473	10.5%
Other services	103	2.3%
Unclassified	5	0.1%

Source: Bureau of Labor Statistics, 2019

Trade, transportation, and utilities is the largest industry in Washington County, followed by professional and business services, manufacturing, and education and health services. Most of these industries are fairly resilient in economic downturns and are historically stable industries, with the exception of trade, transportation, and manufacturing. The following table illustrates employment by industry for the PMA as of 2019 (most recent year available).

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	899	14.1%	22,612,482	14.1%
Retail Trade	800	12.5%	17,127,172	10.7%
Manufacturing	794	12.4%	16,057,876	10.0%
Public Administration	620	9.7%	7,828,907	4.9%
Transportation/Warehousing	609	9.5%	7,876,848	4.9%
Accommodation/Food Services	528	8.3%	11,738,765	7.3%
Educational Services	526	8.2%	14,565,802	9.1%
Construction	308	4.8%	11,245,975	7.0%
Other Services	242	3.8%	8,141,078	5.1%
Admin/Support/Waste Mgmt Svcs	215	3.4%	6,106,184	3.8%
Finance/Insurance	212	3.3%	7,377,311	4.6%
Prof/Scientific/Tech Services	157	2.5%	11,744,228	7.3%
Agric/Forestry/Fishing/Hunting	152	2.4%	1,915,709	1.2%
Utilities	113	1.8%	1,276,400	0.8%
Wholesale Trade	88	1.4%	4,183,931	2.6%
Mining	67	1.0%	819,151	0.5%
Real Estate/Rental/Leasing	33	0.5%	3,204,043	2.0%
Information	23	0.4%	3,157,650	2.0%
Arts/Entertainment/Recreation	6	0.1%	3,332,132	2.1%
Mgmt of Companies/Enterprises	0	0.0%	237,307	0.1%
Total Employment	6,392	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39.0 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, transportation/warehousing, and manufacturing industries. Conversely, the PMA is underrepresented in the professional/scientific/technical services, construction, and arts/entertainment/recreation industries.

3. Major Employers

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

**MAJOR EMPLOYERS
WASHINGTON COUNTY, GA**

#	Employer Name	Industry	# Of Employees
1	Washington County School System	Educational Services	600+
2	Georgia Department of Transportation	Public Administration	600+
3	Howard Sheppard Inc.	Transportation/Warehousing	500
4	Imerys Kaolin	Mining	499
5	Thiele Kaolin Company	Mining	350
6	KaMin Performance Minerals	Mining	325
7	Burgess Pigment Company	Mining	165
Totals			1,839

Source: Development Authority of Washington County, retrieved March 2020

Major employers in Washington County include companies in the mining, education, and public administration industries. While education and public administration are historically stable industries, mining is historically unstable, especially during times of recession. As of March 2020, these seven employers are listed as the major employers of Washington County according to the Development Authority of Washington County and comprised 27.6 percent of the county's employment, which indicates that the local economy is reliant on the success of these employers.

Expansions/Contractions

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 1, 2018 in Washington County according to the Georgia Department of Labor.

**WARN LISTINGS
WASHINGTON COUNTY, GA 2018 - YTD 2020**

Company	Industry	Employees Affected	Layoff Date
Beasley Forest Products	Manufacturing	21	1/18/2019
Total		21	

Source: Georgia Department of Labor, retrieved March 2020

As illustrated in the above table, there have been 21 employees in the area impacted by layoffs or closures since 2018. Despite these job losses, employment growth in the area has continued.

We spoke to Mr. Jayson Johnston, Executive Director of the Development Authority of Washington County. Mr. Johnston was able to provide information on a company that is planning to add jobs in the Sandersville area.

- The Shared Services Center (SSC) located in Sandersville, Georgia, provides HR Management Systems support to 26 of the University System of Georgia Institutions. The SSC's focus is in HR and Payroll support. The organization currently employs 60 workers in Sandersville and is planning to add 20 more jobs in the near future.

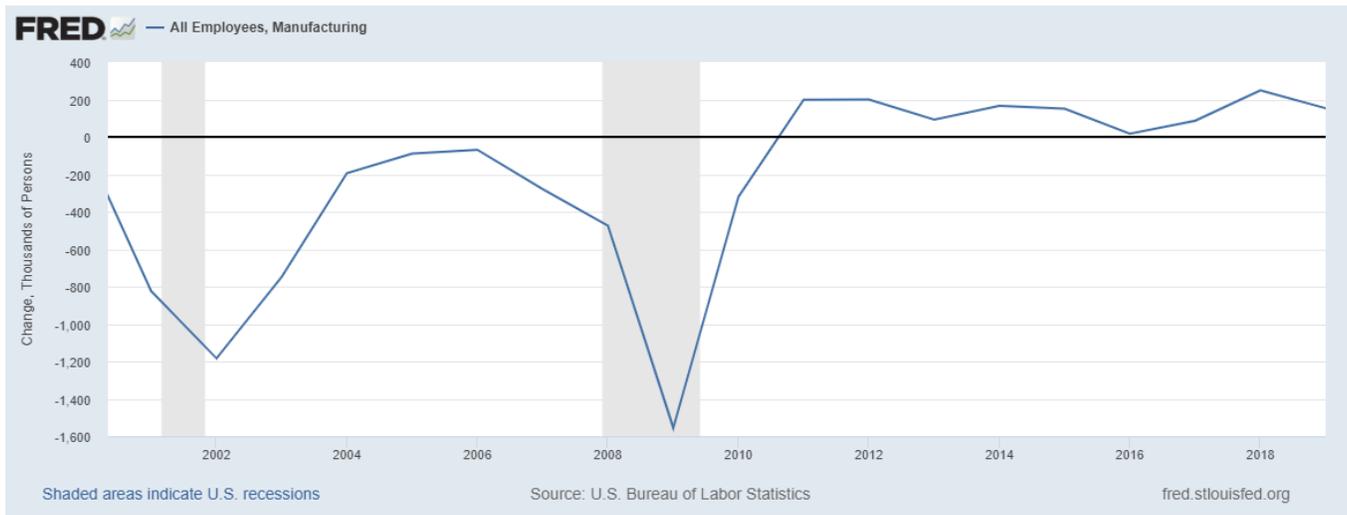
Manufacturing Sector Trends

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

U.S. manufacturing output growth is expected to increase modestly through 2021. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their March 2018 publication, U.S. manufacturing is expected to grow at an average of 2.8 percent through 2021.

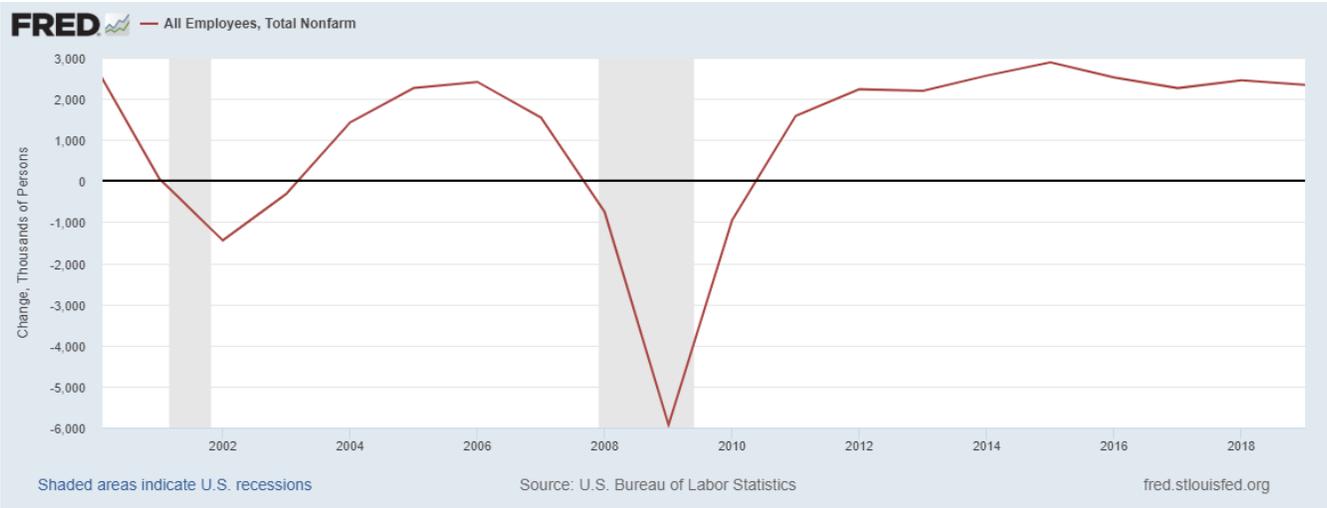
Although recent employment growth in the U.S. manufacturing sector bodes well for the SMA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the SMA manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.



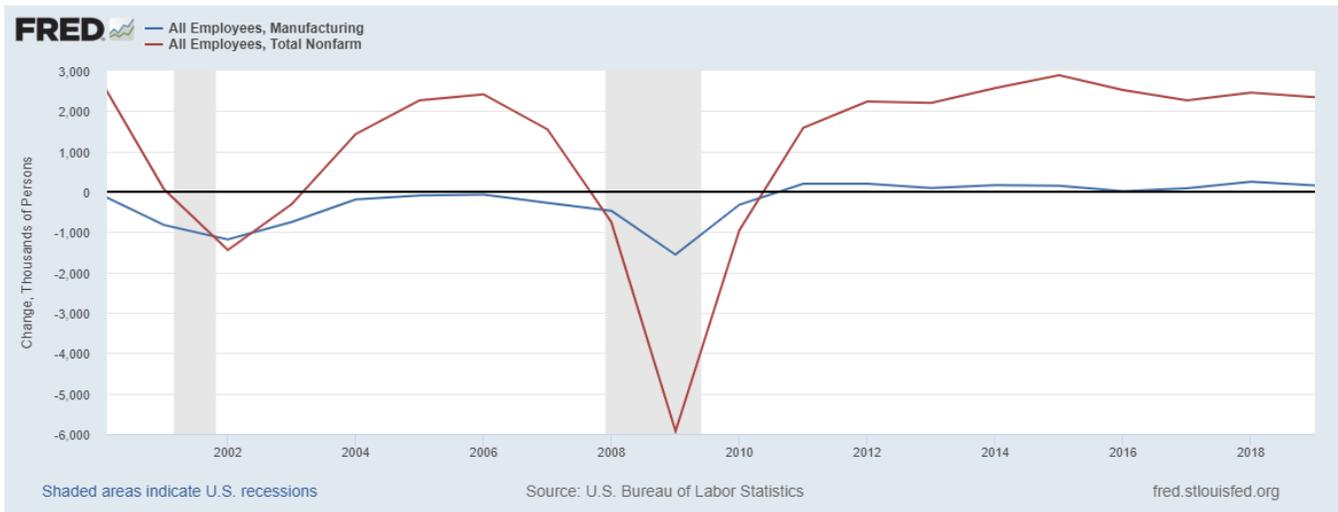
Source: Federal Reserve Bank of St. Louis, 1/2020.

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



Source: Federal Reserve Bank of St. Louis, 1/2020.

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

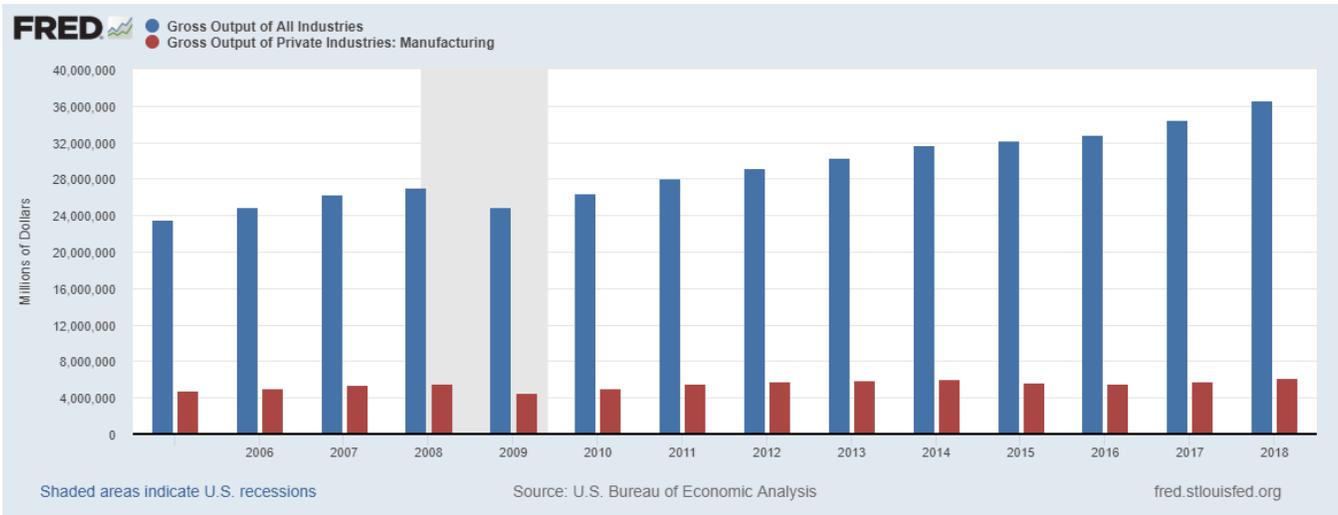


Source: Federal Reserve Bank of St. Louis, 1/2020.

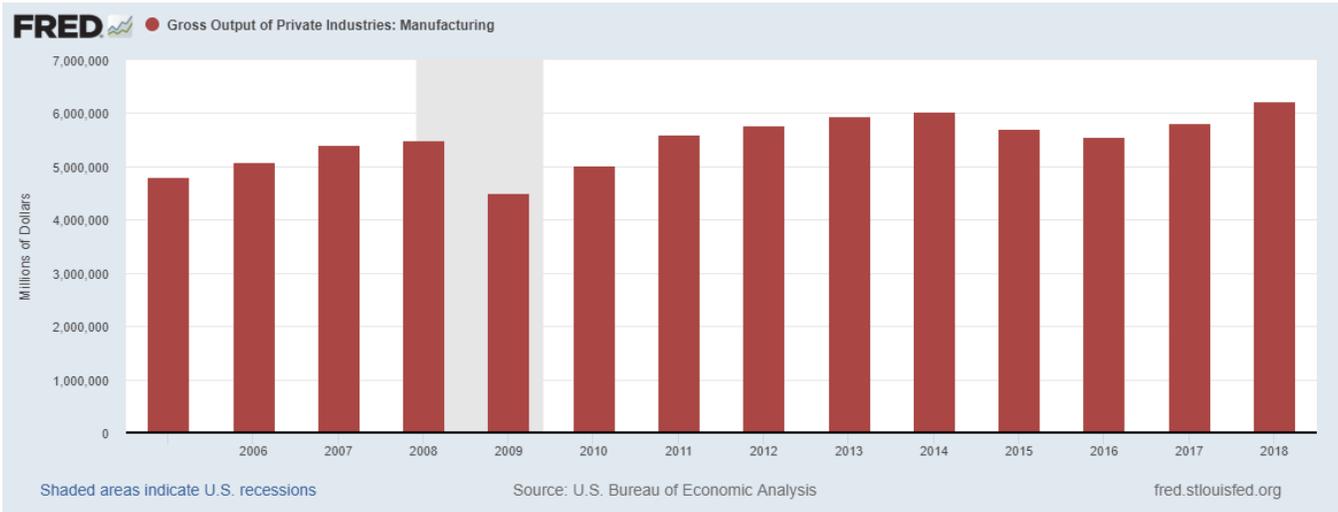
Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

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

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions.

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

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased. Overall, we believe it is reasonable to assume that Washington County, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA from 2003 to December 2019.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2003	45,037	-	-3.2%	137,736,000	-	-11.6%
2004	45,518	1.1%	-2.2%	139,252,000	1.1%	-10.6%
2005	44,936	-1.3%	-3.4%	141,730,000	1.8%	-9.0%
2006	46,519	3.5%	0.0%	144,427,000	1.9%	-7.3%
2007	45,983	-1.2%	-1.2%	146,047,000	1.1%	-6.2%
2008	45,329	-1.4%	-2.6%	145,363,000	-0.5%	-6.7%
2009	41,638	-8.1%	-10.5%	139,878,000	-3.8%	-10.2%
2010	39,991	-4.0%	-14.0%	139,064,000	-0.6%	-10.7%
2011	39,873	-0.3%	-14.3%	139,869,000	0.6%	-10.2%
2012	40,535	1.7%	-12.9%	142,469,000	1.9%	-8.5%
2013	39,841	-1.7%	-14.4%	143,929,000	1.0%	-7.6%
2014	39,988	0.4%	-14.0%	146,305,000	1.7%	-6.1%
2015	39,103	-2.2%	-15.9%	148,833,000	1.7%	-4.4%
2016	39,890	2.0%	-14.3%	151,436,000	1.7%	-2.8%
2017	40,919	2.6%	-12.0%	153,337,000	1.3%	-1.6%
2018	40,820	-0.2%	-12.3%	155,761,000	1.6%	0.0%
2019 YTD Average*	40,732	-0.2%	-	157,538,083	1.1%	-
Sep-2018	40,634	-	-	156,191,000	-	-
Sep-2019	41,043	1.0%	-	158,478,000	1.5%	-

Source: U.S. Bureau of Labor Statistics, March 2020

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	SMA			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2003	5.9%	-	0.9%	6.0%	-	2.1%
2004	5.6%	-0.3%	0.7%	5.5%	-0.5%	1.6%
2005	6.4%	0.8%	1.5%	5.1%	-0.5%	1.2%
2006	5.9%	-0.6%	0.9%	4.6%	-0.5%	0.7%
2007	6.0%	0.1%	1.0%	4.6%	0.0%	0.7%
2008	8.4%	2.4%	3.4%	5.8%	1.2%	1.9%
2009	13.3%	4.9%	8.4%	9.3%	3.5%	5.4%
2010	14.9%	1.6%	9.9%	9.6%	0.3%	5.7%
2011	13.5%	-1.4%	8.6%	9.0%	-0.7%	5.1%
2012	11.7%	-1.8%	6.8%	8.1%	-0.9%	4.2%
2013	10.9%	-0.8%	5.9%	7.4%	-0.7%	3.5%
2014	9.1%	-1.8%	4.1%	6.2%	-1.2%	2.3%
2015	7.8%	-1.3%	2.8%	5.3%	-0.9%	1.4%
2016	6.8%	-1.0%	1.8%	4.9%	-0.4%	1.0%
2017	5.8%	-1.0%	0.9%	4.4%	-0.5%	0.4%
2018	4.9%	-0.9%	0.0%	3.9%	-0.4%	0.0%
2019 YTD Average*	4.4%	-0.6%	-	3.7%	-0.2%	-
Sep-2018	4.3%	-	-	3.6%	-	-
Sep-2019	3.7%	-0.6%	-	3.3%	-0.3%	-

Source: U.S. Bureau of Labor Statistics, March 2020

Prior to the national recession, average employment growth in the SMA generally trailed the nation. Annual job growth in the SMA lagged the nation in all but one year between 2003 and 2007. The effects of the recession were particularly pronounced in the SMA, which experienced a 15.0 percent contraction in employment growth (2006-2011), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Since 2012, average employment growth in the SMA trailed the nation in all but two years. As of September 2019, total employment in the SMA is still well below the post-recessionary record, and increasing at an annualized rate of 1.0 percent, compared to 1.5 percent across the overall nation.

The SMA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the SMA, which experienced a 9.0 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the SMA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the SMA is 3.7 percent, which is slightly higher than the current national unemployment rate of 3.3 percent. Based on the employment and unemployment trends in the SMA, it appears that the SMA was slower to recover from the most recent national recession than the nation as a whole. However, recent trends in employment growth and unemployment decline indicate that the economy in the SMA is now recovering.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, March 2020.

MAJOR EMPLOYERS WASHINGTON COUNTY, GA

#	Employer Name	Industry	# Of Employees
1	Washington County School System	Educational Services	600+
2	Georgia Department of Transportation	Public Administration	600+
3	Howard Sheppard Inc.	Transportation/Warehousing	500
4	Imerys Kaolin	Mining	499
5	Thiele Kaolin Company	Mining	350
6	KaMin Performance Minerals	Mining	325
7	Burgess Pigment Company	Mining	165
Totals			1,839

Source: Development Authority of Washington County, retrieved March 2020

6. Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods.

Overall, the SMA experienced a modest decline in total employment growth from 2011 through September 2019. As of September 2019, total employment in the SMA was 11.8 percent lower than its pre-recession peak, while national employment was 2.7 percent above its pre-recession peak. The unemployment rate in the SMA as of September 2019 was 3.7 percent, 40 basis points higher than the national unemployment rate but significantly lower than the 2010 peak of 14.9 percent. However, it is important to note that the unemployment rate in the SMA has been declining by greater rates than the nation in recent years. Based on the employment and unemployment trends in the SMA, it appears that the SMA was slower to recover from the most recent national recession than the nation as a whole. However, recent trends in employment growth and unemployment decline indicate that the economy in the SMA is now recovering. Growing total employment is a positive indicator of demand for rental housing and, therefore, the Subject's proposed units.

H. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For income determination purposes, the maximum income is assumed to be 1.5 persons per bedroom rounded up to the nearest whole number. For example, maximum income for a one-bedroom unit is based on an assumed household size of two persons (1.5 persons per bedroom, rounded up). However, very few senior households have more than two persons. Therefore, we assume a maximum household size of two persons in our analysis.

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

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

2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis. We conducted a demand analysis for the Subject assuming both a subsidy and absent a subsidy. In the absent subsidy scenario, the minimum income limit was based on the Subject’s achievable LIHTC rents for the Subject’s subsidized units.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>@60% (Section 8)</i>	
2BR	\$0	\$32,700
3BR	\$0	\$39,240
4BR	\$0	\$42,180

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum	Maximum
	Allowable Income	Allowable Income
	@60%	
2BR	\$25,166	\$32,700
3BR	\$29,314	\$39,240
4BR	\$34,457	\$42,180

3. Demand

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. These calculations are illustrated in the following tables.

Demand from New Households

The number of new households entering the market is the first level of demand calculated. We utilized 2022, the anticipated date of market entry, as the base year for the analysis. Therefore, 2019 household population estimates are inflated to 2022 by interpolation of the difference between 2019 estimates and 2024 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2022. This number takes the overall growth from 2019 to 2022 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

Demand from Existing Households

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

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

Demand from Elderly Homeowners likely to Convert to Rentership

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

3d. Other

Per the 2020 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

DCA does not consider household turnover to be a source of market demand. Therefore, we do not account for household turnover in our demand analysis.

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

Net Demand

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2016 to the present.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that were funded, are under construction, or are in properties that have not yet reached stabilized occupancy
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or are in properties that have not yet reached stabilized occupancy. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. We were unable to identify any competitive units in the PMA which have been allocated, placed in service, or stabilizing between 2017 and present.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated or are not yet stabilized. Note that this table may illustrate non-competitive units and competitive properties that are not deducted from our demand analysis.

ADDITIONS TO SUPPLY

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Unrestricted	Overall
0BR						0
1BR						0
2BR						0
3BR						0
4BR						0
5BR						0
Total	0	0	0	0	0	0

Rehab Developments and PBRA

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

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

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2022 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry January 2022		2024	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	461	21.0%	438	20.3%	415	19.5%
\$10,000-19,999	574	26.2%	544	25.2%	514	24.1%
\$20,000-29,999	376	17.2%	370	17.1%	364	17.1%
\$30,000-39,999	229	10.5%	233	10.8%	237	11.1%
\$40,000-49,999	23	1.0%	25	1.2%	27	1.3%
\$50,000-59,999	119	5.4%	117	5.4%	114	5.3%
\$60,000-74,999	140	6.4%	144	6.7%	148	6.9%
\$75,000-99,999	88	4.0%	89	4.1%	89	4.2%
\$100,000-124,999	54	2.5%	52	2.4%	49	2.3%
\$125,000-149,999	14	0.6%	16	0.7%	18	0.8%
\$150,000-199,999	59	2.7%	70	3.2%	81	3.8%
\$200,000+	54	2.5%	65	3.0%	76	3.6%
Total	2,191	100.0%	2,162	100.0%	2,132	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0		Maximum Income Limit		\$42,180	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2019 to Prj Mrkt Entry January 2022						
\$0-9,999	-23	78.0%	\$9,999	100.0%	-23		
\$10,000-19,999	-30	101.7%	\$9,999	100.0%	-30		
\$20,000-29,999	-6	20.3%	\$9,999	100.0%	-6		
\$30,000-39,999	4	-13.6%	\$9,999	100.0%	4		
\$40,000-49,999	2	-6.8%	\$2,180	21.8%	0		
\$50,000-59,999	-3	8.5%	\$0	0.0%	0		
\$60,000-74,999	4	-13.6%	\$0	0.0%	0		
\$75,000-99,999	1	-1.7%	\$0	0.0%	0		
\$100,000-124,999	-3	8.5%	\$0	0.0%	0		
\$125,000-149,999	2	-6.8%	\$0	0.0%	0		
\$150,000-199,999	11	-37.3%	\$0	0.0%	0		
\$200,000+	11	-37.3%	\$0	0.0%	0		
Total	-30	100.0%		185.0%	-55		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0		Maximum Income Limit		\$42,180	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	461	21.0%	\$9,999	100.0%	461		
\$10,000-19,999	574	26.2%	\$9,999	100.0%	574		
\$20,000-29,999	376	17.2%	\$9,999	100.0%	376		
\$30,000-39,999	229	10.5%	\$9,999	100.0%	229		
\$40,000-49,999	23	1.0%	\$2,180	21.8%	5		
\$50,000-59,999	119	5.4%	\$0	0.0%	0		
\$60,000-74,999	140	6.4%	\$0	0.0%	0		
\$75,000-99,999	88	4.0%	\$0	0.0%	0		
\$100,000-124,999	54	2.5%	\$0	0.0%	0		
\$125,000-149,999	14	0.6%	\$0	0.0%	0		
\$150,000-199,999	59	2.7%	\$0	0.0%	0		
\$200,000+	54	2.5%	\$0	0.0%	0		
Total	2,191	100.0%		75.1%	1,645		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		6	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	80%	20%	0%	0%		
2	0%	10%	90%	0%	0%		
3	0%	0%	50%	50%	0%		
4	0%	0%	20%	60%	20%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2019 to January 2022

Income Target Population	@60%
New Renter Households PMA	-30
Percent Income Qualified	185.0%
New Renter Income Qualified Households	-55

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	2,191
Income Qualified	75.1%
Income Qualified Renter Households	1,645
Percent Rent Overburdened Prj Mrkt Entry January 2022	46.8%
Rent Overburdened Households	770

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,645
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	9

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	779
Total New Demand	-55
Total Demand (New Plus Existing Households)	725

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

By Bedroom Demand

One Person	36.9%	268
Two Persons	25.0%	181
Three Persons	17.0%	123
Four Persons	9.6%	69
Five Persons	11.5%	84
Total	100.0%	725

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	214
Of two-person households in 1BR units	10%	18
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	54
Of two-person households in 2BR units	90%	163
Of three-person households in 2BR units	50%	61
Of four-person households in 2BR units	20%	14
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	50%	61
Of four-person households in 3BR units	60%	42
Of five-person households in 3BR units	50%	42
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	14
Of five-person households in 4BR units	50%	42
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		725

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	292	-	0	=	292
3 BR	145	-	0	=	145
4 BR	56	-	0	=	56
5 BR	-	-	-	=	-
Total	492		0		492

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	12	/	292	=	4.1%
3 BR	44	/	145	=	30.4%
4 BR	16	/	56	=	28.7%
5 BR	-	/	-	=	-
Total	72		492		14.6%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$0		Maximum Income Limit		\$42,180	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry January 2022		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-23			78.0%	\$9,999	100.0%
\$10,000-19,999	-30	101.7%	\$9,999	100.0%	-30		
\$20,000-29,999	-6	20.3%	\$9,999	100.0%	-6		
\$30,000-39,999	4	-13.6%	\$9,999	100.0%	4		
\$40,000-49,999	2	-6.8%	\$2,180	21.8%	0		
\$50,000-59,999	-3	8.5%	\$0	0.0%	0		
\$60,000-74,999	4	-13.6%	\$0	0.0%	0		
\$75,000-99,999	1	-1.7%	\$0	0.0%	0		
\$100,000-124,999	-3	8.5%	\$0	0.0%	0		
\$125,000-149,999	2	-6.8%	\$0	0.0%	0		
\$150,000-199,999	11	-37.3%	\$0	0.0%	0		
\$200,000+	11	-37.3%	\$0	0.0%	0		
Total	-30	100.0%		185.0%	-55		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$0		Maximum Income Limit		\$42,180	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	461			21.0%	\$9,999	100.0%
\$10,000-19,999	574	26.2%	\$9,999	100.0%	574		
\$20,000-29,999	376	17.2%	\$9,999	100.0%	376		
\$30,000-39,999	229	10.5%	\$9,999	100.0%	229		
\$40,000-49,999	23	1.0%	\$2,180	21.8%	5		
\$50,000-59,999	119	5.4%	\$0	0.0%	0		
\$60,000-74,999	140	6.4%	\$0	0.0%	0		
\$75,000-99,999	88	4.0%	\$0	0.0%	0		
\$100,000-124,999	54	2.5%	\$0	0.0%	0		
\$125,000-149,999	14	0.6%	\$0	0.0%	0		
\$150,000-199,999	59	2.7%	\$0	0.0%	0		
\$200,000+	54	2.5%	\$0	0.0%	0		
Total	2,191	100.0%		75.1%	1,645		

ASSUMPTIONS - Overall

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		6	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	80%	20%	0%	0%		
2	0%	10%	90%	0%	0%		
3	0%	0%	50%	50%	0%		
4	0%	0%	20%	60%	20%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2019 to January 2022

Income Target Population	Overall
New Renter Households PMA	-30
Percent Income Qualified	185.0%
New Renter Income Qualified Households	-55

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	2,191
Income Qualified	75.1%
Income Qualified Renter Households	1,645
Percent Rent Overburdened Prj Mrkt Entry January 2022	46.8%
Rent Overburdened Households	770

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,645
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	9

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	779
Total New Demand	-55
Total Demand (New Plus Existing Households)	725

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

By Bedroom Demand

One Person	36.9%	268
Two Persons	25.0%	181
Three Persons	17.0%	123
Four Persons	9.6%	69
Five Persons	11.5%	84
Total	100.0%	725

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	214
Of two-person households in 1BR units	10%	18
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	54
Of two-person households in 2BR units	90%	163
Of three-person households in 2BR units	50%	61
Of four-person households in 2BR units	20%	14
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	50%	61
Of four-person households in 3BR units	60%	42
Of five-person households in 3BR units	50%	42
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	14
Of five-person households in 4BR units	50%	42
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		725

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	292	-	0	=	292
3 BR	145	-	0	=	145
4 BR	56	-	0	=	56
5 BR	-	-	-	=	-
Total	492		0		492

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	12	/	292	=	4.1%
3 BR	44	/	145	=	30.4%
4 BR	16	/	56	=	28.7%
5 BR	-	/	-	=	-
Total	72		492		14.6%

60% AMI Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60% Absent Subsidy

Minimum Income Limit		\$25,166		Maximum Income Limit		\$42,180	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2019 to Prj Mkt Entry January 2022						
\$0-9,999	-23	78.0%	\$0	0.0%	0		
\$10,000-19,999	-30	101.7%	\$0	0.0%	0		
\$20,000-29,999	-6	20.3%	\$4,833	48.3%	-3		
\$30,000-39,999	4	-13.6%	\$9,999	100.0%	4		
\$40,000-49,999	2	-6.8%	\$2,180	21.8%	0		
\$50,000-59,999	-3	8.5%	\$0	0.0%	0		
\$60,000-74,999	4	-13.6%	\$0	0.0%	0		
\$75,000-99,999	1	-1.7%	\$0	0.0%	0		
\$100,000-124,999	-3	8.5%	\$0	0.0%	0		
\$125,000-149,999	2	-6.8%	\$0	0.0%	0		
\$150,000-199,999	11	-37.3%	\$0	0.0%	0		
\$200,000+	11	-37.3%	\$0	0.0%	0		
Total	-30	100.0%		-5.2%	2		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60% Absent Subsidy

Minimum Income Limit		\$25,166		Maximum Income Limit		\$42,180	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	461	21.0%	\$0	0.0%	0		
\$10,000-19,999	574	26.2%	\$0	0.0%	0		
\$20,000-29,999	376	17.2%	\$4,833	48.3%	182		
\$30,000-39,999	229	10.5%	\$9,999	100.0%	229		
\$40,000-49,999	23	1.0%	\$2,180	21.8%	5		
\$50,000-59,999	119	5.4%	\$0	0.0%	0		
\$60,000-74,999	140	6.4%	\$0	0.0%	0		
\$75,000-99,999	88	4.0%	\$0	0.0%	0		
\$100,000-124,999	54	2.5%	\$0	0.0%	0		
\$125,000-149,999	14	0.6%	\$0	0.0%	0		
\$150,000-199,999	59	2.7%	\$0	0.0%	0		
\$200,000+	54	2.5%	\$0	0.0%	0		
Total	2,191	100.0%		19.0%	416		

ASSUMPTIONS - @60% Absent Subsidy

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		6
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	80%	20%	0%	0%	
2	0%	10%	90%	0%	0%	
3	0%	0%	50%	50%	0%	
4	0%	0%	20%	60%	20%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2019 to January 2022

Income Target Population	@60% Absent Subsidy	
New Renter Households PMA		-30
Percent Income Qualified		-5.2%
New Renter Income Qualified Households		2

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60% Absent Subsidy	
Total Existing Demand		2,191
Income Qualified		19.0%
Income Qualified Renter Households		416
Percent Rent Overburdened Prj Mrkt Entry January 2022		46.8%
Rent Overburdened Households		195

Demand from Living in Substandard Housing

Income Qualified Renter Households		416
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		2

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		197
Total New Demand		2
Total Demand (New Plus Existing Households)		198

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

By Bedroom Demand

One Person	36.9%	73
Two Persons	25.0%	50
Three Persons	17.0%	34
Four Persons	9.6%	19
Five Persons	11.5%	23
Total	100.0%	198

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	59
Of two-person households in 1BR units	10%	5
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	15
Of two-person households in 2BR units	90%	45
Of three-person households in 2BR units	50%	17
Of four-person households in 2BR units	20%	4
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	50%	17
Of four-person households in 3BR units	60%	11
Of five-person households in 3BR units	50%	11
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	50%	11
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		198

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	80	-	0	=	80
3 BR	40	-	0	=	40
4 BR	15	-	0	=	15
5 BR	-	-	-	=	-
Total	135		0		135

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	12	/	80	=	15.0%
3 BR	44	/	40	=	111.0%
4 BR	16	/	15	=	104.9%
5 BR	-	/	-	=	-
Total	72		135		53.4%

Overall Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall Absent Subsidy

Minimum Income Limit		\$25,166		Maximum Income Limit		\$42,180	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2019 to Prj Mkt Entry January 2022						
\$0-9,999	-23	78.0%	\$0	0.0%	0		
\$10,000-19,999	-30	101.7%	\$0	0.0%	0		
\$20,000-29,999	-6	20.3%	\$4,833	48.3%	-3		
\$30,000-39,999	4	-13.6%	\$9,999	100.0%	4		
\$40,000-49,999	2	-6.8%	\$2,180	21.8%	0		
\$50,000-59,999	-3	8.5%	\$0	0.0%	0		
\$60,000-74,999	4	-13.6%	\$0	0.0%	0		
\$75,000-99,999	1	-1.7%	\$0	0.0%	0		
\$100,000-124,999	-3	8.5%	\$0	0.0%	0		
\$125,000-149,999	2	-6.8%	\$0	0.0%	0		
\$150,000-199,999	11	-37.3%	\$0	0.0%	0		
\$200,000+	11	-37.3%	\$0	0.0%	0		
Total	-30	100.0%		-5.2%	2		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall Absent Subsidy

Minimum Income Limit		\$25,166		Maximum Income Limit		\$42,180	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	461	21.0%	\$0	0.0%	0		
\$10,000-19,999	574	26.2%	\$0	0.0%	0		
\$20,000-29,999	376	17.2%	\$4,833	48.3%	182		
\$30,000-39,999	229	10.5%	\$9,999	100.0%	229		
\$40,000-49,999	23	1.0%	\$2,180	21.8%	5		
\$50,000-59,999	119	5.4%	\$0	0.0%	0		
\$60,000-74,999	140	6.4%	\$0	0.0%	0		
\$75,000-99,999	88	4.0%	\$0	0.0%	0		
\$100,000-124,999	54	2.5%	\$0	0.0%	0		
\$125,000-149,999	14	0.6%	\$0	0.0%	0		
\$150,000-199,999	59	2.7%	\$0	0.0%	0		
\$200,000+	54	2.5%	\$0	0.0%	0		
Total	2,191	100.0%		19.0%	416		

ASSUMPTIONS - Overall Absent Subsidy

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		6
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	80%	20%	0%	0%	
2	0%	10%	90%	0%	0%	
3	0%	0%	50%	50%	0%	
4	0%	0%	20%	60%	20%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2019 to January 2022

Income Target Population	Overall Absent Subsidy
New Renter Households PMA	-30
Percent Income Qualified	-5.2%
New Renter Income Qualified Households	2

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	Overall Absent Subsidy
Total Existing Demand	2,191
Income Qualified	19.0%
Income Qualified Renter Households	416
Percent Rent Overburdened Prj Mrkt Entry January 2022	46.8%
Rent Overburdened Households	195

Demand from Living in Substandard Housing

Income Qualified Renter Households	416
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	197
Total New Demand	2
Total Demand (New Plus Existing Households)	198

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

By Bedroom Demand

One Person	36.9%	73
Two Persons	25.0%	50
Three Persons	17.0%	34
Four Persons	9.6%	19
Five Persons	11.5%	23
Total	100.0%	198

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	59
Of two-person households in 1BR units	10%	5
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	15
Of two-person households in 2BR units	90%	45
Of three-person households in 2BR units	50%	17
Of four-person households in 2BR units	20%	4
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	50%	17
Of four-person households in 3BR units	60%	11
Of five-person households in 3BR units	50%	11
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	50%	11
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		198

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	80	-	0	=	80
3 BR	40	-	0	=	40
4 BR	15	-	0	=	15
5 BR	-	-	-	=	-
Total	135		0		135

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	12	/	80	=	15.0%
3 BR	44	/	40	=	111.0%
4 BR	16	/	15	=	104.9%
5 BR	-	/	-	=	-
Total	72		135		53.4%

CAPTURE RATE ANALYSIS CHART

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

- The number of households in the PMA is expected to remain stable between 2019 and 2022.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at @60% AMI (\$00 to \$42,180)	HH at @60% AMI Absent Subsidy (\$25,166 to \$42,180)	Overall Demand	Overall Absent Subsidy
Demand from New Households (age and income appropriate)	-55	2	-55	2
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	9	2	9	2
PLUS	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	770	195	770	195
Sub Total	725	198	725	198
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0	0
Equals Total Demand	725	198	725	198
Less	-	-	-	-
Competitive New Supply	0	0	0	0
Equals Net Demand	725	198	725	198

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
2BR at 60% AMI	\$0	\$32,700	12	292	0	292	4.1%	\$713	\$454	\$866	\$717
2BR at 60% AMI Absent Subsidy	\$25,166	\$32,700	12	80	0	80	15.0%	\$713	\$454	\$866	\$650
2BR Overall	\$0	\$32,700	12	292	0	292	4.1%	-	-	-	-
2BR Overall Absent Subsidy	\$25,166	\$32,700	12	80	0	80	15.0%	-	-	-	-
3BR at 60% AMI	\$0	\$39,240	44	145	0	145	30.4%	\$831	\$678	\$1,004	\$803
3BR at 60% AMI Absent Subsidy	\$29,314	\$39,240	44	40	0	40	111.0%	\$831	\$678	\$1,004	\$750
3BR Overall	\$0	\$39,240	44	145	0	145	30.4%	-	-	-	-
3BR Overall Absent Subsidy	\$29,314	\$39,240	44	40	0	40	111.0%	-	-	-	-
4BR at 60% AMI	\$0	\$42,180	16	56	0	56	28.7%	\$1,163	\$929	\$1,350	\$863
4BR at 60% AMI Absent Subsidy	\$34,457	\$42,180	16	15	0	15	104.9%	\$1,163	\$929	\$1,350	\$850
4BR Overall	\$0	\$42,180	16	56	0	56	28.7%	-	-	-	-
4BR Overall Absent Subsidy	\$34,457	\$42,180	16	15	0	15	104.9%	-	-	-	-
@60% Overall	\$0	\$42,180	72	492	0	492	14.6%	-	-	-	-
@60% Overall Absent Subsidy	\$25,166	\$42,180	72	135	0	135	53.4%	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level with subsidy will range from 4.1 to 30.4 percent. The overall capture rate at the Subject, with subsidy, is 14.6 percent. Absent subsidy, the Subject’s capture rates at the 60 percent AMI level will range from 15.0 to 111.0 percent. The overall capture rate at the Subject, absent subsidy, is 53.4 percent. All capture rates with subsidy are within DCA thresholds. According to Georgia DCA, all subsidized units are considered leasable; thus the high capture rate in the absent subsidy scenario is moot. Therefore, we believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. Further, as a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market. Therefore, we believe there is adequate demand for the Subject.

I. EXISTING COMPETITIVE RENTAL ENVIRONMENT

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 549 units.

The availability of LIHTC data is considered limited; there are three LIHTC properties in the PMA. However, one of the three LIHTC properties, Camelia Lane Apartments, was excluded due to its senior tenancy. We included the remaining two LIHTC properties that target the general population and offer similar unit types in comparison to the proposed Subject as comparable properties. Additionally, we included Pecan Grove Apartments, a Rural Development property that has rents restricted to households earning 60 percent of the Area Median Income (AMI), or less. Pecan Grove Apartments targets the general population and offers similar unit types in comparison to the proposed Subject. The comparable LIHTC properties are all located in the PMA, between 1.8 and 2.2 miles of the proposed Subject.

The availability of market rate data is also limited. The Subject is located in Sandersville and there are a limited number of market rate properties in the area. We include five conventional properties in our analysis of the competitive market. All of the market rate properties are located outside the PMA, between 25.7 and 26.9 miles from the Subject site in Milledgeville. Milledgeville offers a similar location to the Subject in terms of median household incomes and median rents. These comparables were built or renovated between 1982 and 2017 and are good proxies for the Subject property as they offer similar unit mixes to the Subject. It should be noted that a number of market rate properties located in Milledgeville were excluded as comparable properties as we were unable to contact them in order to obtain market information. Additionally, many of these properties are not considered comparable to the Subject as they offer an inferior age/condition, dissimilar design, or dissimilar unit mix when compared to the Subject. Overall, we believe the market rate properties used in our analysis are the most comparable.

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

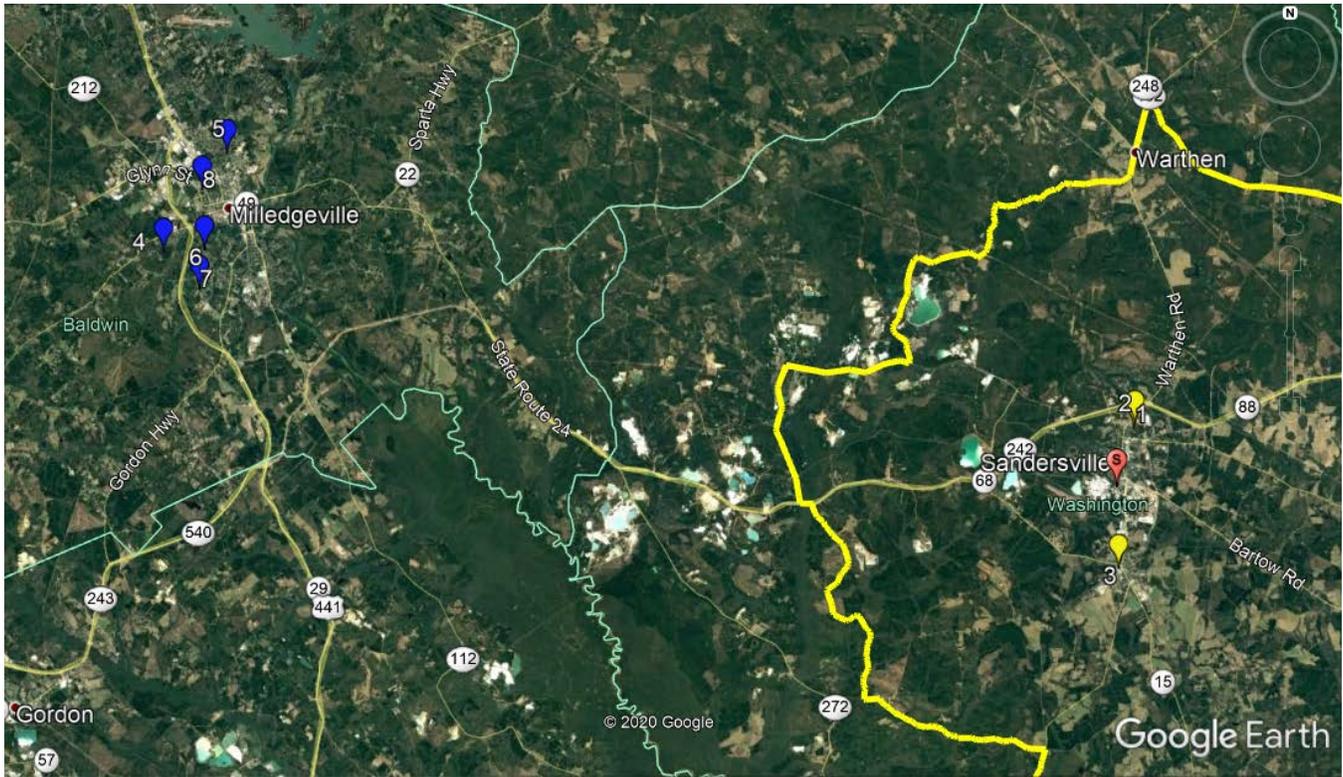
Excluded Properties

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

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Camellia Lane Apartments	LIHTC	Sandersville	Senior	52	Dissimilar tenancy
Sunhill	Public Housing	Sandersville	Family	142	Subsidized
Stephens Homes	Public Housing	Tennille	Family	72	Subsidized
Ferncrest Apartments	Rural Development/Market	Sandersville	Family	48	Subsidized

1. Comparable Rental Property Map



Source: Google Earth, April 2020.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Enclave At Washington	Sandersville	LIHTC/ Section 8	-
1	Pecan Grove Apartments	Sandersville	LIHTC	2.2 miles
2	Tori Pines	Sandersville	LIHTC	2.1 miles
3	Washington Estates	Tennille	LIHTC/ Market	1.8 miles
4	49 West Apartments*	Milledgeville	Market	26.9 miles
5	Carrington Woods Apartments*	Milledgeville	Market	26.1 miles
6	Cedaridge Apartments*	Milledgeville	Market	25.9 miles
7	Ivy League Estates*	Milledgeville	Market	25.7 miles
8	Legacy Mills*	Milledgeville	Market	26.4 miles

*Located outside PMA

ENCLAVE AT WASHINGTON – SANDERSVILLE, GEORGIA – MARKET STUDY

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

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Enclave At Washington 700 Martin Luther King Jr Avenue Sandersville, GA 31082 Washington County	-	Garden 2-stories 1977 / 2022 Family	@60% (Section 8)	2BR / 1BA	12	16.7%	1,077	@60% (Section 8)	\$717	N/A	N/A	N/A	N/A
					3BR / 1BA	44	61.1%	1,080	@60% (Section 8)	\$803	N/A	N/A	N/A	N/A
					4BR / 1.5BA	16	22.2%	1,215	@60% (Section 8)	\$863	N/A	N/A	N/A	N/A
					<u>72</u>							N/A	N/A	
1	Pecan Grove Apartments 647 Ferncrest Drive Sandersville, GA 31082 Washington County	2.2 miles	Garden 2-stories 1990 / n/a Family	@60%	1BR / 1BA 2BR / 1BA	36 12	75.0% 25.0%	550 750	@60% @60%	\$414 \$454	No No	Yes Yes	0 0	0.0% 0.0%
					<u>48</u>							0	0.0%	
2	Tori Pines 635 Ferncrest Drive Sandersville, GA 31082 Washington County	2.1 miles	Various 2-stories 2006 / n/a Family	@30%, @50%, @60%	1BR / 1BA	2	3.1%	932	@30%	\$379	Yes	No	0	0.0%
					1BR / 1BA	2	3.1%	932	@50%	\$607	Yes	No	0	0.0%
					1BR / 1BA	2	3.1%	932	@60%	\$720	Yes	No	0	0.0%
					2BR / 2BA	2	3.1%	1,190	@30%	\$457	Yes	No	0	0.0%
					2BR / 2BA	3	4.6%	1,217	@30%	\$457	Yes	No	0	0.0%
					2BR / 2BA	3	4.6%	1,190	@50%	\$730	Yes	No	0	0.0%
					2BR / 2BA	10	15.4%	1,217	@50%	\$730	Yes	No	0	0.0%
					2BR / 2BA	1	1.5%	1,190	@60%	\$866	Yes	No	0	0.0%
					2BR / 2BA	14	21.5%	1,217	@60%	\$866	Yes	No	0	0.0%
					3BR / 2BA	1	1.5%	1,342	@30%	\$531	Yes	No	0	0.0%
					3BR / 2BA	1	1.5%	1,415	@30%	\$531	Yes	No	0	0.0%
					3BR / 2BA	1	1.5%	1,342	@50%	\$846	Yes	No	0	0.0%
					3BR / 2BA	8	12.3%	1,439	@50%	\$846	Yes	No	0	0.0%
					3BR / 2BA	6	9.2%	1,342	@60%	\$1,004	Yes	No	0	0.0%
3BR / 2BA	8	12.3%	1,457	@60%	\$1,004	Yes	No	0	0.0%					
					<u>1</u>			Non-Rental	-	N/A	N/A	0	0.0%	
					<u>65</u>							0	0.0%	
3	Washington Estates 101 Washington Drive Tennille, GA 31089 Washington County	1.8 miles	Garden 2-stories 2013 / n/a Family	@50%, @60%, Market	3BR / 2BA	N/A	N/A	1,347	@50%	\$552	No	No	0	N/A
					3BR / 2BA	N/A	N/A	1,347	@60%	\$722	No	No	0	N/A
					3BR / 2BA	N/A	N/A	1,347	Market	\$821	N/A	Yes	1	N/A
					3BR / 2.5BA	N/A	N/A	1,614	@50%	\$538	No	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,614	@60%	\$678	No	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,614	Market	\$821	N/A	Yes	0	N/A
					4BR / 2BA	N/A	N/A	1,562	@50%	\$569	No	No	1	N/A
					4BR / 2BA	N/A	N/A	1,704	@50%	\$569	No	No	0	N/A
					4BR / 2BA	N/A	N/A	1,562	@60%	\$742	No	No	0	N/A
					4BR / 2BA	N/A	N/A	1,704	@60%	\$742	No	No	0	N/A
					<u>4</u>			Market	\$929	N/A	Yes	0	N/A	
					<u>94</u>							2	2.1%	
4	49 West Apartments 196 Highway 49 W Milledgeville, GA 31061 Baldwin County	26.9 miles	Various 2-stories 1975 / 2017 Family	Market	0BR / 1BA	6	5.7%	454	Market	\$540	N/A	No	N/A	N/A
					1BR / 1BA	4	3.8%	605	Market	\$556	N/A	No	N/A	N/A
					1BR / 1BA	4	3.8%	605	Market	\$579	N/A	No	N/A	N/A
					2BR / 1BA	21	19.8%	724	Market	\$636	N/A	No	N/A	N/A
					2BR / 1BA	21	19.8%	724	Market	\$659	N/A	No	N/A	N/A
					2BR / 1.5BA	21	19.8%	964	Market	\$686	N/A	No	N/A	N/A
					2BR / 1.5BA	21	19.8%	964	Market	\$709	N/A	No	N/A	N/A
					3BR / 1BA	4	3.8%	915	Market	\$726	N/A	No	N/A	N/A
					3BR / 1BA	4	3.8%	915	Market	\$754	N/A	No	N/A	N/A
					<u>106</u>							9	8.5%	
5	Carrington Woods Apartments 1980 Briarcliff Road Milledgeville, GA 31061 Baldwin County	26.1 miles	Various 2-stories 1982 / n/a Family	Market	1BR / 1BA	N/A	N/A	625	Market	\$596	N/A	Yes	2	N/A
					1BR / 1BA	N/A	N/A	675	Market	\$621	N/A	N/A	0	N/A
					2BR / 1BA	8	10.5%	950	Market	\$680	N/A	No	2	25.0%
					2BR / 1BA	24	31.6%	1,100	Market	\$695	N/A	No	0	0.0%
					3BR / 1.5BA	8	10.5%	1,400	Market	\$795	N/A	No	0	0.0%
					<u>76</u>							4	5.3%	
6	Cedaridge Apartments 141 Frank Bone Road SW Milledgeville, GA 31061 Baldwin County	25.9 miles	Garden 2-stories 1984 / n/a Family	Market	1BR / 1BA	20	33.3%	900	Market	\$616	N/A	No	0	0.0%
					2BR / 2BA	40	66.7%	1,100	Market	\$650	N/A	No	2	5.0%
					<u>60</u>							2	3.3%	
7	Ivy League Estates 2051 Ivey Drive Milledgeville, GA 31061 Baldwin County	25.7 miles	Garden 2-stories 2006 / 2017 Family	Market	2BR / 2BA	22	78.6%	950	Market	\$844	N/A	No	0	0.0%
					3BR / 2BA	6	21.4%	1,350	Market	\$909	N/A	No	0	0.0%
					<u>28</u>							0	0.0%	
8	Legacy Mills 250 Legacy Way Milledgeville, GA 31061 Baldwin County	26.4 miles	Various 2-stories 2007 / n/a Family	Market	2BR / 2BA	12	16.7%	1,100	Market	\$744	N/A	No	0	0.0%
					2BR / 2.5BA	N/A	N/A	1,140	Market	\$774	N/A	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,300	Market	\$909	N/A	No	0	N/A
					<u>72</u>							0	0.0%	

ENCLAVE AT WASHINGTON – SANDERSVILLE, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.							
	Units Surveyed:	549	Weighted Occupancy:	96.9%			
	Market Rate	342	Market Rate	95.6%			
	Tax Credit	207	Tax Credit	99.0%			
	Two Bedroom One Bath		Three Bedroom One Bath		Four Bedroom One and a Half Bath		
	Property	Average	Property	Average	Property	Average	
RENT	Tori Pines (@60%)(2BA)	\$866	Tori Pines (@60%)(2BA)	\$1,004	Washington Estates (Market)(2BA)	\$929	
	Tori Pines (@60%)(2BA)	\$866	Tori Pines (@60%)(2BA)	\$1,004	Washington Estates (Market)(2BA)	\$929	
	Ivy League Estates (Market)(2BA)	\$844	Ivy League Estates (Market)(2BA)	\$909	Enclave At Washington (@60%)	\$863	
	Legacy Mills (Market)(2.5BA)	\$774	Legacy Mills (Market)(2.5BA)	\$909	Washington Estates (@60%)(2BA)	\$742	
	Legacy Mills (Market)(2BA)	\$744	Tori Pines (@50%)(2BA)	\$846	Washington Estates (@60%)(2BA)	\$742	
	Tori Pines (@50%)(2BA)	\$730	Tori Pines (@50%)(2BA)	\$846	Washington Estates (@50%)(2BA)	\$569	
	Tori Pines (@50%)(2BA)	\$730	Washington Estates (Market)(2BA)	\$821	Washington Estates (@50%)(2BA)	\$569	
	Enclave At Washington (@60%)	\$717	Washington Estates (Market)(2.5BA)	\$821			
	49 West Apartments (Market)(1.5BA)	\$709	Enclave At Washington (@60%)	\$803			
	Carrington Woods Apartments (Market)	\$695	Carrington Woods Apartments (Market)(1.5BA)	\$795			
	49 West Apartments (Market)(1.5BA)	\$686	49 West Apartments (Market)	\$754			
	Carrington Woods Apartments (Market)	\$680	49 West Apartments (Market)	\$726			
	49 West Apartments (Market)	\$659	Washington Estates (@60%)(2BA)	\$722			
	Cedaridge Apartments (Market)(2BA)	\$650	Washington Estates (@60%)(2.5BA)	\$678			
	49 West Apartments (Market)	\$636	Washington Estates (@50%)(2BA)	\$552			
	Tori Pines (@30%)(2BA)	\$457	Washington Estates (@50%)(2.5BA)	\$538			
	Tori Pines (@30%)(2BA)	\$457	Tori Pines (@30%)(2BA)	\$531			
	Pecan Grove Apartments (@60%)	\$454	Tori Pines (@30%)(2BA)	\$531			
	SQUARE FOOTAGE	Tori Pines (@30%)(2BA)	1,217	Washington Estates (@50%)(2.5BA)	1,614	Washington Estates (@50%)(2BA)	1,704
		Tori Pines (@60%)(2BA)	1,217	Washington Estates (Market)(2.5BA)	1,614	Washington Estates (@60%)(2BA)	1,704
Tori Pines (@50%)(2BA)		1,217	Washington Estates (@60%)(2.5BA)	1,614	Washington Estates (Market)(2BA)	1,704	
Tori Pines (@50%)(2BA)		1,190	Tori Pines (@60%)(2BA)	1,457	Washington Estates (Market)(2BA)	1,562	
Tori Pines (@30%)(2BA)		1,190	Tori Pines (@50%)(2BA)	1,439	Washington Estates (@60%)(2BA)	1,562	
Tori Pines (@60%)(2BA)		1,190	Tori Pines (@30%)(2BA)	1,415	Washington Estates (@50%)(2BA)	1,562	
Legacy Mills (Market)(2.5BA)		1,140	Tori Pines (Non-Rental)(2BA)	1,415	Enclave At Washington (@60%)	1,215	
Legacy Mills (Market)(2BA)		1,100	Carrington Woods Apartments (Market)(1.5BA)	1,400			
Carrington Woods Apartments (Market)		1,100	Ivy League Estates (Market)(2BA)	1,350			
Cedaridge Apartments (Market)(2BA)		1,100	Washington Estates (Market)(2BA)	1,347			
Enclave At Washington (@60%)		1,077	Washington Estates (@60%)(2BA)	1,347			
49 West Apartments (Market)(1.5BA)		964	Washington Estates (@50%)(2BA)	1,347			
49 West Apartments (Market)(1.5BA)		964	Tori Pines (@30%)(2BA)	1,342			
Ivy League Estates (Market)(2BA)		950	Tori Pines (@50%)(2BA)	1,342			
Carrington Woods Apartments (Market)		950	Tori Pines (@60%)(2BA)	1,342			
Pecan Grove Apartments (@60%)		750	Legacy Mills (Market)(2.5BA)	1,300			
49 West Apartments (Market)		724	Enclave At Washington (@60%)	1,080			
49 West Apartments (Market)		724	49 West Apartments (Market)	915			
			49 West Apartments (Market)	915			
RENT PER SQUARE FOOT		49 West Apartments (Market)	\$0.91	49 West Apartments (Market)	\$0.82	Enclave At Washington (@60%)	\$0.71
	Ivy League Estates (Market)(2BA)	\$0.89	49 West Apartments (Market)	\$0.79	Washington Estates (Market)(2BA)	\$0.59	
	49 West Apartments (Market)	\$0.88	Tori Pines (@60%)(2BA)	\$0.75	Washington Estates (Market)(2BA)	\$0.55	
	49 West Apartments (Market)(1.5BA)	\$0.74	Enclave At Washington (@60%)	\$0.74	Washington Estates (@60%)(2BA)	\$0.48	
	Tori Pines (@60%)(2BA)	\$0.73	Legacy Mills (Market)(2.5BA)	\$0.70	Washington Estates (@60%)(2BA)	\$0.44	
	Carrington Woods Apartments (Market)	\$0.72	Tori Pines (@60%)(2BA)	\$0.69	Washington Estates (@50%)(2BA)	\$0.36	
	49 West Apartments (Market)(1.5BA)	\$0.71	Ivy League Estates (Market)(2BA)	\$0.67	Washington Estates (@50%)(2BA)	\$0.33	
	Tori Pines (@60%)(2BA)	\$0.71	Tori Pines (@50%)(2BA)	\$0.63			
	Legacy Mills (Market)(2.5BA)	\$0.68	Washington Estates (Market)(2BA)	\$0.61			
	Legacy Mills (Market)(2BA)	\$0.68	Tori Pines (@50%)(2BA)	\$0.59			
	Enclave At Washington (@60%)	\$0.67	Carrington Woods Apartments (Market)(1.5BA)	\$0.57			
	Carrington Woods Apartments (Market)	\$0.63	Washington Estates (@60%)(2BA)	\$0.54			
	Tori Pines (@50%)(2BA)	\$0.61	Washington Estates (Market)(2.5BA)	\$0.51			
	Pecan Grove Apartments (@60%)	\$0.61	Washington Estates (@60%)(2.5BA)	\$0.42			
	Tori Pines (@50%)(2BA)	\$0.60	Washington Estates (@50%)(2BA)	\$0.41			
	Cedaridge Apartments (Market)(2BA)	\$0.59	Tori Pines (@30%)(2BA)	\$0.40			
	Tori Pines (@30%)(2BA)	\$0.38	Tori Pines (@30%)(2BA)	\$0.38			
	Tori Pines (@30%)(2BA)	\$0.38	Washington Estates (@50%)(2.5BA)	\$0.33			

PROPERTY PROFILE REPORT

Pecan Grove Apartments

Effective Rent Date	3/26/2020
Location	647 Ferncrest Drive Sandersville, GA 31082 Washington County
Distance	2.2 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1990 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None disclosed
Tenant Characteristics	Mixed; approx. 30% seniors
Contact Name	Joe
Phone	803.419.6540



Market Information

Program	@60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased-1 weeks
Annual Chg. in Rent	Increased five percent
Concession	None
Waiting List	25 Households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	36	550	\$360	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	12	750	\$390	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$360	\$0	\$360	\$54	\$414
2BR / 1BA	\$390	\$0	\$390	\$64	\$454

Amenities

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

Comments

The contact stated that the property is 100 percent occupied and maintains a waiting list of 25 households. The property benefits from USDA Rural Development subsidies where tenants in subsidized units pay 30 percent of rent as income. There are currently 31 subsidized units on property. Rents shown are the basic rents which tenants in non-subsidized units pay. The property accepts Housing Choice Vouchers but does not currently have any tenants utilizing vouchers.

Photos



PROPERTY PROFILE REPORT

Tori Pines

Effective Rent Date	3/31/2020
Location	635 Ferncrest Drive Sandersville, GA 31082 Washington County
Distance	2.1 miles
Units	65
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Washington Estates
Tenant Characteristics	Majority families, approximately 10 percent seniors. Most of the tenants are from Sandersville and surrounding areas.
Contact Name	Sylvette
Phone	478-240-0260



Market Information

Program	@30%, @50%, @60%, Non-Rental
Annual Turnover Rate	9%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	None

Utilities

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

Comments

The property is in the process of transitioning management companies. The contact noted that there has been consistent, strong demand for affordable housing in the market, and stated that they will be able to maintain a waiting list. She also stated that there is a large need for affordable housing in the area.

Photos



PROPERTY PROFILE REPORT

Washington Estates

Effective Rent Date	3/19/2020
Location	101 Washington Drive Tennille, GA 31089 Washington County
Distance	1.8 miles
Units	94
Vacant Units	2
Vacancy Rate	2.1%
Type	Garden (2 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None disclosed
Tenant Characteristics	Majority families from Milledgeville and Dublin; less than 10% seniors
Contact Name	Valerie
Phone	478-552-7445



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	Ten households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Garden (2 stories)	N/A	1,347	\$478	\$0	@50%	No	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,347	\$648	\$0	@60%	No	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,347	\$747	\$0	Market	Yes	1	N/A	N/A	None
3	2.5	Garden (2 stories)	N/A	1,614	\$464	\$0	@50%	No	0	N/A	no	None
3	2.5	Garden (2 stories)	N/A	1,614	\$604	\$0	@60%	No	0	N/A	no	None
3	2.5	Garden (2 stories)	N/A	1,614	\$747	\$0	Market	Yes	0	N/A	N/A	None
4	2	Garden (2 stories)	N/A	1,562	\$483	\$0	@50%	No	1	N/A	no	None
4	2	Garden (2 stories)	N/A	1,704	\$483	\$0	@50%	No	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,562	\$656	\$0	@60%	No	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,704	\$656	\$0	@60%	No	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,562	\$843	\$0	Market	Yes	0	N/A	N/A	None
4	2	Garden (2 stories)	N/A	1,704	\$843	\$0	Market	Yes	0	N/A	N/A	None

Photos



PROPERTY PROFILE REPORT

49 West Apartments

Effective Rent Date	3/19/2020
Location	196 Highway 49 W Milledgeville, GA 31061 Baldwin County
Distance	26.9 miles
Units	106
Vacant Units	9
Vacancy Rate	8.5%
Type	Various (2 stories)
Year Built/Renovated	1975 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cedar Ridge Apartments
Tenant Characteristics	Majority families, 10 percent students from the surrounding Milledgeville area
Contact Name	Alex
Phone	478-452-4825



Market Information

Program	Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 3-4 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden	6	454	\$540	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	4	605	\$556	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	4	605	\$579	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden	21	724	\$636	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden	21	724	\$659	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse	21	964	\$686	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse	21	964	\$709	\$0	Market	No	N/A	N/A	N/A	None
3	1	Garden	4	915	\$726	\$0	Market	No	N/A	N/A	N/A	None
3	1	Garden	4	915	\$754	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$540	\$0	\$540	\$0	\$540
1BR / 1BA	\$556 - \$579	\$0	\$556 - \$579	\$0	\$556 - \$579
2BR / 1BA	\$636 - \$659	\$0	\$636 - \$659	\$0	\$636 - \$659
2BR / 1.5BA	\$686 - \$709	\$0	\$686 - \$709	\$0	\$686 - \$709
3BR / 1BA	\$726 - \$754	\$0	\$726 - \$754	\$0	\$726 - \$754

49 West Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Picnic Area		
Playground			

Comments

The contact stated that the elevated vacancy rate was coincidental with the timing of the survey. She also stated that the property is typically occupied at 95 percent. The more expensive offerings of each unit are renovated with updated appliances, new flooring and fresh paint.

Photos



PROPERTY PROFILE REPORT

Carrington Woods Apartments

Effective Rent Date	3/18/2020
Location	1980 Briarcliff Road Milledgeville, GA 31061 Baldwin County
Distance	26.1 miles
Units	76
Vacant Units	4
Vacancy Rate	5.3%
Type	Various (2 stories)
Year Built/Renovated	1982 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pine Knoll
Tenant Characteristics	Majority families, some students and 20 percent seniors.
Contact Name	Betsy
Phone	478.452.1918



Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Increased five percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Duplex (2 stories)	28	625	\$596	\$0	Market	Yes	2	7.1%	N/A	None
1	1	Garden (2 stories)	8	675	\$621	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Duplex (2 stories)	8	950	\$680	\$0	Market	No	2	25.0%	N/A	None
2	1	Garden (2 stories)	24	1,100	\$695	\$0	Market	No	0	0.0%	N/A	None
3	1.5	Townhouse (2 stories)	8	1,400	\$795	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$596 - \$621	\$0	\$596 - \$621	\$0	\$596 - \$621
2BR / 1BA	\$680 - \$695	\$0	\$680 - \$695	\$0	\$680 - \$695
3BR / 1.5BA	\$795	\$0	\$795	\$0	\$795

Carrington Woods Apartments, continued

Amenities

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

Comments

Three of the four vacant units are pre-leased. The contact reported a strong demand for rental housing in the area.

Photos



Comments

This property does not accept Housing Choice Vouchers. The contact stated that demand is strong for units at the property.

Photos



Comments

The contact reported the property is typically fully-occupied. She also reported a strong demand for rental housing in the area.

Photos



PROPERTY PROFILE REPORT

Legacy Mills

Effective Rent Date	4/01/2020
Location	250 Legacy Way Milledgeville, GA 31061 Baldwin County
Distance	26.4 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly families from surrounding areas, few students
Contact Name	Sherry
Phone	478-365-5060



Market Information

Program	Market
Annual Turnover Rate	65%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased to within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Duplex	12	1,100	\$695	\$0	Market	No	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	N/A	1,140	\$725	\$0	Market	No	0	N/A	N/A	None
3	2.5	Townhouse (2 stories)	N/A	1,300	\$850	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$695	\$0	\$695	\$49	\$744
2BR / 2.5BA	\$725	\$0	\$725	\$49	\$774
3BR / 2.5BA	\$850	\$0	\$850	\$59	\$909

Legacy Mills, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Off-Street Parking		None	None

Comments

The contact stated that there are 72 total units at the property. However, she was unable to provide a unit breakdown between the two and three-bedroom units. The contact also stated that demand for rental housing in the area is high.

Photos



2. Housing Choice Vouchers

We were able to speak with Ms. Valencia Jordan, Director of Operations, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Washington County. According to Ms. Jordan, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Ms. Jordan also mentioned that there are ten families utilizing these Housing Choice Vouchers in Washington County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list, 20 of which are from Washington County. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Pecan Grove Apartments	LIHTC	Family	0%
Tori Pines	LIHTC	Family	2%
Washington Estates	LIHTC/ Market	Family	3%
49 West Apartments*	Market	Family	0%
Carrington Woods Apartments*	Market	Family	N/A
Cedaridge Apartments*	Market	Family	0%
Ivy League Estates*	Market	Family	0%
Legacy Mills*	Market	Family	N/A

*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from zero to three percent. The LIHTC properties report a low reliance on tenants with vouchers. Given that all of the Subject's units are subsidized and tenants pay 30 percent of their income towards rent, it is not necessary that qualifying households have a voucher in order to benefit from subsidized rent. However, should the Subject operating without subsidy, it is likely that it would maintain a voucher usage of approximately five percent, or less, following renovations.

3. Phased Developments

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

Lease Up History

None of the comparable properties reported absorption information. We extended our search to include two proximate LIHTC properties located in Waynesboro and Dublin. Information regarding the absorption data at these properties is illustrated in the following table.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Absorption (units/month)
Pine Trails	LIHTC	Family	2018	60	10
Waterford Estates	LIHTC	Family	2010	56	9

As illustrated in the previous table, the properties were constructed between 2010 and 2018 and reported absorption rates of nine and ten units per month, respectively. Pine Trails was built in 2018 in Waynesboro, Georgia approximately 47 miles from the Subject site. The property began leasing in December 2018 and was fully-occupied by May 2019, which equates to an absorption rate of ten units per month. Waterford Estates was built in 2010 in Dublin, Georgia approximately 32 miles from the Subject site. The property experienced an absorption rate of nine units per month upon opening.

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. If the Subject were vacant following the renovations with a Section 8 rental assistance subsidy in place for all the units, we would expect the

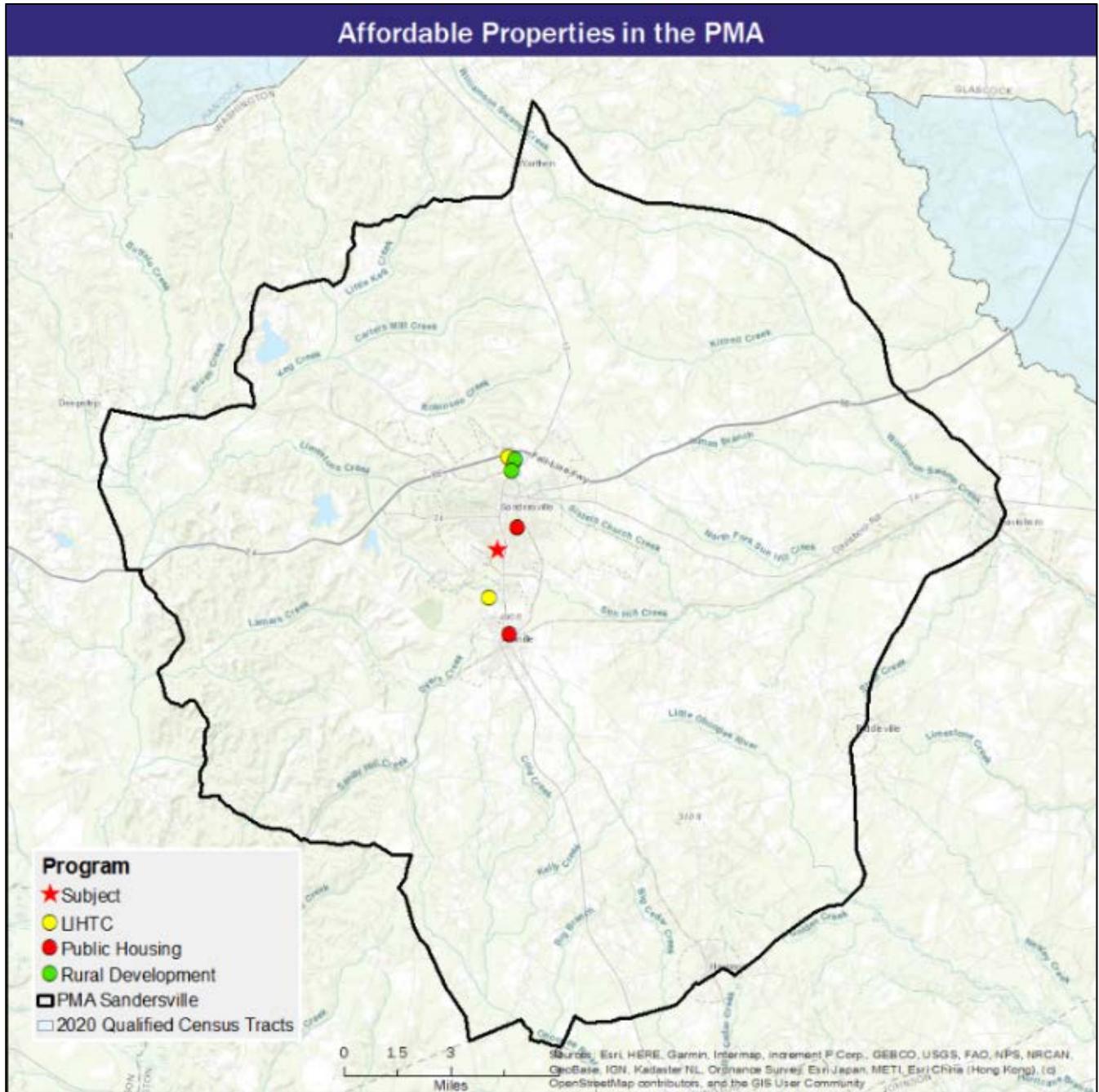
Subject to experience an absorption pace of ten units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

According to a rent roll dated March 1, 2020, the Subject is currently 98.6 percent occupied with a waiting list. The vacant unit is being processed from the waiting list, which consists of 30 households. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. According to the developer, the majority of current residents will be income-qualified for the Subject, post-renovation. All tenants currently pay 30 percent of their income toward rent. Post renovation, tenants will continue to pay 30 percent of income toward rent. Further, renovations will occur on a rolling basis with tenants in place. Thus, this absorption analysis is hypothetical.

4. Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Enclave At Washington	LIHTC	Sandersville	Family	72	98.6%	Star
Camellia Lane	LIHTC	Sandersville	Senior	52	98.1%	Yellow
Tori Pines	LIHTC/Non-Rental	Sandersville	Family	65	100.0%	
Washington Estates	LIHTC/Market	Tennille	Family	94	97.9%	Red
Sunhill	Public Housing	Sandersville	Family	142	100.0%	
Stephens Homes	Public Housing	Tennille	Family	72	100.0%	Green
Ferncrest Apartments	Rural	Sandersville	Family	48	95.8%	
Pecan Grove	Rural Development	Sandersville	Family	48	100.0%	



5. Amenities

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

	Subject	Pecan Grove Apartments	Tori Pines	Washington Estates	49 West Apartments	Carrington Woods Apartments	Cedaridge Apartments	Ivy League Estates	Legacy Mills
Rent Structure	LIHTC/Section 8	LIHTC	LIHTC	LIHTC/Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building									
Property Type	Garden	Garden	Various	Garden	Various	Various	Garden	Garden	Various
# of Stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories
Year Built	1977	1990	2006	2013	1975	1982	1984	2006	2007
Year Renovated	2022	n/a	n/a	n/a	2017	n/a	n/a	2017	n/a
Commercial	no	no	no	no	no	no	no	no	no
Elevators	no	no	no	no	no	no	no	no	no
Courtyard	yes	no	no	no	no	no	no	no	no
Utility Structure									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	yes	no	no	no	yes	yes	yes	no	no
Sewer	yes	no	no	no	yes	yes	yes	no	no
Trash	yes	no	yes	no	yes	yes	yes	yes	yes
Accessibility									
Grab Bars	no	no	no	no	no	no	no	no	no
Hand Rails	yes	no	no	no	no	no	no	no	no
Pull Cords	no	no	no	no	no	no	no	no	no
Unit Amenities									
Balcony/Patio	no	yes	yes	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	no	yes
Hardwood	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	no	yes	no	yes	yes	yes
Coat Closet	yes	no	yes	no	yes	yes	no	no	yes
Exterior Storage	no	no	yes	no	no	no	no	no	no
Walk-In Closet	no	no	yes	no	no	no	no	yes	no
Washer/Dryer	no	no	no	no	no	no	no	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen									
Dishwasher	no	no	yes	yes	yes	yes	yes	yes	yes
Disposal	no	no	yes	yes	yes	yes	yes	yes	no
Microwave	yes	no	no	yes	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community									
Business Center	no	no	yes	yes	no	no	no	no	no
Community Room	yes	no	yes	yes	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	no
Concierge	no	no	no	no	no	no	no	no	no
Recreation									
Basketball Court	no	no	no	no	no	no	no	no	no
Exercise Facility	no	no	yes	yes	no	no	no	no	no
Playground	yes	yes	yes	yes	yes	no	no	no	no
Swimming Pool	no	no	no	yes	no	no	yes	no	no
Picnic Area	yes	no	yes	yes	yes	yes	no	no	no
Recreational Area	no	no	yes	yes	no	no	no	no	no
Security									
In-Unit Alarm	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	no	no	no	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	no	no	no	no	no
Limited Access	no	no	no	no	no	no	no	no	no
Patrol	no	no	yes	no	no	yes	no	no	no
Perimeter Fencing	no	no	no	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no
Parking									
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes

The renovated Subject will offer inferior to superior property amenities and slightly inferior to similar in-unit amenities relative to the comparables. The Subject will offer a community room and central laundry facility, which many of the comparables lack. However, the Subject will not offer balconies/patios, a business center, an exercise facility, or a swimming pool, which many of the comparables offer. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the subsidies in place.

6. Comparable Tenancy

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

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Pecan Grove Apartments	LIHTC	Family	48	0	0.0%
Tori Pines	LIHTC	Family	65	0	0.0%
Washington Estates	LIHTC/ Market	Family	94	2	2.1%
49 West Apartments*	Market	Family	106	9	8.5%
Carrington Woods Apartments*	Market	Family	76	4	5.3%
Cedaridge Apartments*	Market	Family	60	2	3.3%
Ivy League Estates*	Market	Family	28	0	0.0%
Legacy Mills*	Market	Family	72	0	0.0%
Total LIHTC			207	2	1.0%
Total Market Rate			342	15	4.4%
Overall Total			549	17	3.1%

*Located outside of the PMA

Overall vacancy in the market is low at 3.1 percent and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. Additionally, one of the two fully-occupied properties reported maintaining a waiting list. Further, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The average vacancy rate for the LIHTC properties is 1.0 percent, indicating strong demand for affordable housing in the area. The Subject will exhibit similar to superior condition to the LIHTC comparables upon completion. Therefore, we believe there is adequate demand for the Subject as proposed.

Vacancy among the market rate comparable properties is low at 4.4 percent and two of the market rate properties are fully-occupied. 49 West Apartments reported the highest vacancy rate among the comparables, at 8.5 percent. Our contact at the property stated that the elevated vacancy rate was coincidental with the timing of the survey. She also stated that the property is typically occupied at 95 percent. Carrington Woods Apartments reported a vacancy rate of 5.3 percent. However, the contact at this property stated that three of the four vacant units are pre-leased. As a newly renovated property with a competitive amenity package with subsidies in place for all units, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that has historically maintained high occupancy rates and maintains a waiting list, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated. Further, as a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market.

7. Properties Under Construction and Proposed

We made numerous attempts to contact the City of Sandersville Building and Zoning Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s PMA.

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Pecan Grove Apartments	LIHTC	Family	Slightly Inferior	Slightly Superior	Similar	Inferior	Inferior	-20
2	Tori Pines	LIHTC	Family	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	10
3	Washington Estates	LIHTC/Market	Family	Superior	Similar	Similar	Similar	Slightly Superior	15
4	49 West Apartments	Market	Family	Slightly Inferior	Slightly Superior	Similar	Similar	Slightly Inferior	-5
5	Carrington Woods Apartments	Market	Family	Slightly Inferior	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	0
6	Cedaridge Apartments	Market	Family	Slightly Inferior	Slightly Superior	Similar	Slightly Inferior	Similar	-5
7	Ivy League Estates	Market	Family	Inferior	Slightly Superior	Similar	Similar	Slightly Superior	0
8	Legacy Mills	Market	Family	Inferior	Slightly Superior	Similar	Slightly Inferior	Similar	-10

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

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

LIHTC RENT COMPARISON @60%

Property Name	2BR	3BR	4BR	Rents at Max?
Enclave At Washington	\$717*	\$803*	\$863*	N/A
2019 LIHTC National Non-Metro Maximum Rent (Net) (Washington County)	\$733	\$840	\$899	
Pecan Grove Apartments	\$454	-	-	No
Tori Pines	\$866	\$1,004	-	Yes
Washington Estates	-	\$678	\$742	No
Average	\$660	\$841	\$742	
Achievable LIHTC Rent	\$650	\$750	\$850	

*Proposed contract rent where tenants will pay 30 percent of their income towards rent.

The Subject property is held to the 2019 National Non-Metro maximum allowable levels. The Subject’s proposed 60 percent AMI contract rents are below the 2019 National Non-Metro maximum allowable levels. The AMI in Washington County reached its peak in 2018 and experienced no change in 2019. All of the comparable LIHTC properties are located in Washington County and were built between 1990 and 2013. Further, the Subject and all of the comparables are held to the National Non-Metro maximum allowable levels. Therefore, each of these properties are held to the same maximum allowable levels.

One comparable, Tori Pines, reported achieving maximum allowable rents for its two and three-bedroom units at 60 percent AMI. However, the rents at Tori Pines appear to be above the maximum allowable levels. This is most likely due to differences in utility allowances.

Pecan Grove Apartments is located 2.2 miles from the Subject in Sandersville and offers a similar location. This property was constructed in 1990 and exhibits fair condition, which is considered inferior to the anticipated good condition of the Subject post-rehabilitation. Pecan Grove Apartments offers slightly superior in-unit amenities compared to the Subject as it offers balconies/patios and dishwashers, which the Subject will not offer, though it does not offer hand rails or microwaves, which the Subject will offer. This property offers slightly inferior property amenities in comparison to the Subject as it does not offer a community room, which the Subject will offer. Pecan Grove Apartments offers inferior unit sizes to the Subject. Overall, Pecan Grove Apartments is inferior to the renovated Subject.

Tori Pines is located 2.1 miles from the Subject in Sandersville and offers a similar location. This property was constructed in 2006 and exhibits average condition, which is considered slightly inferior to the anticipated good condition of the Subject post-rehabilitation. Tori Pines offers slightly superior in-unit amenities compared to the Subject as it offers balconies/patios, exterior storage, walk-in closets, and dishwashers, which the Subject will not offer, though it does not offer, hand rails or microwaves, which the Subject will offer. This property offers slightly superior property amenities in comparison to the Subject as it offers a business center and an exercise facility, which the Subject will not offer. Tori Pines offers slightly superior unit sizes to the Subject. Overall, Tori Pines is superior to the renovated Subject.

Washington Estates is located 1.8 miles from the Subject in Tennille and offers a similar location. This property was constructed in 2013 and exhibits good condition, which is considered similar to the anticipated good condition of the Subject post-rehabilitation. Washington Estates offers superior property amenities when compared to the Subject as it offers a business center, an exercise facility, and a swimming pool, which the Subject will not offer. Washington Estates offers similar in-unit amenities in comparison to the Subject. This property offers slightly superior unit sizes when compared to the Subject. Overall, Washington Estates is superior to the renovated Subject. It should be noted that Washington Estates is managed by a non-profit organization and is likely not testing the market. However, the contact at this property stated that the property could achieve higher rents if they weren't intentionally kept at lower rents. We believe the Subject can achieve higher rents than those being achieved as Washington Estates, as they are not testing the market.

The most similar comparable properties to the Subject reported achieving rents at or below the maximum allowable levels. Washington Estates reported two vacant units, both of which are pre-leased. The contact at this property stated that management maintains a waiting list of ten households. Additionally, the remaining two LIHTC comparables reported full occupancy with one of the two properties maintaining a waiting list. Additionally, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. We believe that the strong performance of the LIHTC comparables, and the presence of waiting lists at two of the three LIHTC comparable properties, is indicative of demand for affordable housing in the marketplace. Thus, we believe the Subject would be able to achieve LIHTC rents below those at Tori Pines and above those at Pecan Grove Apartments and Washington Estates, post renovation. Therefore, we believe the Subject could achieve LIHTC rents of **\$650** and **\$750** for its two and three-bedroom 60 percent AMI rents were it to hypothetically operate without subsidy. This conclusion is supported by the most similar LIHTC properties.

It should be noted that only one of the comparables offer four-bedroom units at 60 percent AMI, Washington Estates. However, Washington Estates is managed by a non-profit organization and is likely not testing the market. The contact at this property stated that the property could achieve higher rents if they weren't intentionally kept at lower rents. Therefore, in order to determine achievable LIHTC rents for these units, we

applied adjustments to the Subject’s achievable three-bedroom LIHTC rents to account for the Subject’s differing square footage, bedroom count, and bathroom count in its four-bedroom units. In order to adjust for an additional bedroom and half bathroom, we applied market standards of \$50 and \$10, respectively. In order to adjust for differing square footages, we applied a market standard that has been observed in similar markets as follows: the square foot difference between the Subject’s larger unit and the Subject’s smaller unit is multiplied by four and then divided by the rent per square foot of the Subject’s smaller unit. Therefore, we are estimating that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage. These adjustments are illustrated in the following tables.

4BR @60% AMI Achievable Rent	
3BR @60% AMI Achievable Rent	\$750
+	
Adjustment for Additional Bedroom	\$50
+	
Adjustment for Additional Half Bathroom	\$10
+	
Adjustment for Additional Square Footage	\$24
=	
4BR @60% AMI Achievable Rent	\$834

The above calculation indicates achievable LIHTC rents slightly below maximum allowable levels. To supplement the lack of available four-bedroom market rate data in the market, an analysis of classified listings for four-bedroom units in the Subject’s area is included in the following table.

CLASSIFIED LISTINGS

Unit Type	Building Type	Location	City	Rent	Size (SF)	Condition	Utilities Included
4BR / 3BA	Single-family	864 Boulevard	Bogart	\$1,250	3,000	Average	None
4BR / 3BA	Single-family	1472 Griffin Rd	Macon	\$1,200	2,100	Average	None
4BR / 2BA	Single-family	1357 Barnes Ferry Rd	Macon	\$1,320	1,318	Good	None
4BR / 3BA	Single-family	2790 Crestline Dr	Macon	\$1,350	2,557	Average	None
Average				\$1,280	2,244		

Source: Zillow.com, April 2020

The majority of classified listings are in single-family homes that are considered superior to the Subject. However, the Subject will offer superior property amenities and similar to slightly superior condition when compared to the majority of the classified listings upon completion of renovations. The single-family homes are superior in terms of size. It should be noted that there were no classified listings in Washington County. As such, we extended our search to Bogart, GA and Macon, GA. Bogart and Macon offer similar locations to the Subject in terms of median household incomes and median rents and are good proxies for the Subject. Given the significant rent advantage our concluded rents provide over the local classifieds, as well as the performance of comparable LIHTC properties in the market area, we believe the Subject could achieve rents of **\$850** for its four-bedroom units at 60 percent AMI. The classified listings above will be used in our analysis of the four-bedroom market rate data below.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not ‘Achievable unrestricted market rent.’” In an urban market with many tax credit comparables, the average

market rent might be the weighted average of those tax credit comparables. In cases where there are few tax credit comparables, but many market rate comparables with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comparables. In a small rural market there may be neither tax credit comparables nor market rate comparables with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.

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

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

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2BR @ 60%*	\$650	\$454	\$866	\$713	10%
3BR @ 60%*	\$750	\$678	\$1,004	\$831	11%
4BR @ 60%*,**	\$850	\$929	\$1,350	\$1,163	37%

*Achievable LIHTC rents assuming no rental assistance

**Includes classified listings in addition to four-bedroom data

As illustrated the Subject’s achievable 60 percent rents, absent subsidy, are below the surveyed average when compared to the comparables, both LIHTC and market rate for all unit types.

Ivy League Estates is achieving the highest two and three-bedroom unrestricted rents in the market. The Subject will be similar to Ivy League Estates as a market rate property. Ivy League Estates was built in 1980 and renovated in 2017 and exhibits good condition, which is similar to the anticipated condition of the Subject upon completion of renovations. Ivy League Estates is located 25.7 miles from the Subject site in Milledgeville and offers a similar location in terms of median rents. Ivy League Estates offers inferior property amenities when compared to the Subject as it does not offer a community room or central laundry facility, which the Subject will offer. Ivy League Estates offers slightly superior in-unit amenities in comparison to the Subject as it offers balconies/patios, walk-in closets, and dishwashers, which the Subject will not offer. Ivy League Estates offers slightly superior unit sizes to the Subject. The lowest two and three-bedroom unrestricted rents at Ivy League Estates are approximately 30 and 21 percent higher than the Subject’s achievable two and four-bedroom rents at 60 percent AMI, absent rental assistance.

Washington Estates is a mixed-income property and is achieving the highest four-bedroom unrestricted rents in the market. The Subject will be inferior to Washington Estates as a market rate property. Washington Estates was built in 2013 and exhibits good condition, which is similar to the anticipated condition of the Subject upon completion of renovations. Washington Estates is located 1.8 miles from the Subject site and offers a similar location. Washington Estates offers superior property amenities when compared to the Subject as it offers a business center, an exercise facility, and a swimming pool, which the Subject will not offer. Washington Estates offers similar in-unit amenities in comparison to the Subject. This property offers slightly superior unit sizes when compared to the Subject. The lowest four-bedroom unrestricted rents at Washington Estates are approximately nine percent higher than the achievable four-bedroom rents at 60 percent AMI, absent rental

assistance.

As stated previously, there is a limited supply of market rate multifamily properties in the Subject’s area offering four-bedroom units. As such, we utilized classified listings in the Subject’s immediate area. The majority of classified listings are in single-family homes that are considered superior to the Subject. However, the Subject will offer superior property amenities and similar to slightly superior condition when compared to the majority of the classified listings. The highest four-bedroom unrestricted rents among the classified listings are approximately 59 percent higher than the Subject’s achievable four-bedroom units at 60 percent AMI, absent rental assistance.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low to moderate for all bedroom types with subsidy. All capture rates with subsidy are within DCA thresholds. As a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market. The average LIHTC vacancy rate is low at 1.0 percent, and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. Additionally, one of the two fully-occupied properties reported maintaining a waiting list. Further, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The low vacancy rates and presence of waiting lists among the LIHTC comparables indicate strong demand for affordable housing in the area.

There have been no new allocations in the Subject’s PMA since 2017. We do not believe that the renovation of the Subject will impact the existing LIHTC properties that are in overall average condition and currently performing well. Further, the Subject is an existing property that has historically maintained high occupancy rates and maintains a waiting list and, thus, will not be adding new units to the market.

10. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	4,270	73.0%	1,580	27.0%
2019	4,035	64.8%	2,191	35.2%
Projected Mkt Entry January 2022	4,062	65.3%	2,162	34.7%
2024	4,089	65.7%	2,132	34.3%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a similar percentage of renters in the PMA as the nation. This percentage is projected to remain relatively stable over the next five years.

Historical Vacancy

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

HISTORICAL VACANCY								
#	Property Name	Program	Total Units	2015	2017	2018	2019	2020
				Q3	Q2	Q3	Q2	Q1
1	Pecan Grove Apartments	LIHTC	48	N/A	N/A	N/A	N/A	0.0%
2	Tori Pines	LIHTC	65	0.0%	3.1%	N/A	N/A	0.0%
3	Washington Estates	LIHTC/ Market	94	N/A	N/A	9.6%	N/A	2.1%
4	49 West Apartments	Market	106	7.8%	1.0%	2.9%	7.5%	8.5%
5	Carrington Woods Apartments	Market	76	2.6%	5.3%	1.3%	6.6%	5.3%
6	Cedaridge Apartments	Market	60	0.0%	3.3%	5.0%	0.0%	3.3%
7	Ivy League Estates	Market	28	N/A	0.0%	10.7%	0.0%	0.0%
8	Legacy Mills	Market	72	N/A	N/A	N/A	N/A	0.0%

The historical vacancy rates at all of the comparable properties for several quarters in the past three years are illustrated in the previous table. Washington Estates had increased vacancy in 2018, but reported that at that time all six vacant units were pre-leased and that management maintained a waiting list. Further, Washington Estates currently has two vacant units, both of which are pre-leased, and management maintains a waiting list that consists of ten households. 49 West Apartments has had historically fluctuating vacancy. The contact at 49 West Apartments stated that the property currently has an elevated vacancy that is coincidental with the timing of the survey. The contact at this property also stated that the property is typically occupied at 95 percent, which is supported by the data above. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low vacancy rates, indicates demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Pecan Grove Apartments	LIHTC	Family	Increased five percent
Tori Pines	LIHTC	Family	Increased to max
Washington Estates	LIHTC/ Market	Family	Increased five percent
49 West Apartments*	Market	Family	Increased three to four percent
Carrington Woods Apartments*	Market	Family	Increased five percent
Cedaridge Apartments*	Market	Family	Increased three percent
Ivy League Estates*	Market	Family	Increased up to three percent
Legacy Mills*	Market	Family	None

*Located outside of the PMA

One of the three LIHTC properties reported keeping rents at maximum allowable levels. Of the two remaining LIHTC properties, both properties reported rent increases. It should be noted that Washington Estates is managed by a non-profit organization and is likely not testing the market. However, the contact at this property stated that the property could achieve higher rents if they weren’t intentionally kept at lower rents. The market rate properties reported strong growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property. However, with Section 8 rental assistance in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay just 30 percent of their income toward rent.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 2,820 housing units nationwide was in some stage of foreclosure as of February 2020. Washington County is experiencing a foreclosure rate of one in every 1,508 homes, and Georgia experienced one foreclosure in every 2,728 housing units. Overall, Washington County is experiencing a higher foreclosure rate than the state of Georgia and the nation as a whole. However, the Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

12. Effect of Subject on Other Affordable Units in Market

There are no proposed LIHTC developments in the PMA. The generally low vacancy rates among both the affordable and market rate properties illustrates a strong demand for the addition of affordable housing within the market. As the Subject is an existing, subsidized property, it is not considered an addition to the amount of affordable housing in the market. Overall vacancy in the market is low at 3.1 percent and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. Additionally, one of the two fully-occupied properties reported maintaining a waiting list. Further, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The average vacancy rate for the LIHTC properties is 1.0 percent, indicating strong demand for affordable housing in the area. The need for quality rental housing is further illustrated by the high occupancy rates of the other subsidized properties in the area. In summary, the performance of the comparable LIHTC properties and the fact that the Subject is an existing, subsidized property, all indicate that the Subject will not negatively impact the existing affordable rental units in the market. Additionally, the proposed renovations at the Subject will bring no new units on line due to existing occupancy levels and renovations occurring with tenants in place.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall vacancy in the market is low at 3.1 percent and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. Additionally, one of the two fully-occupied properties reported maintaining a waiting list. Further, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The average vacancy rate for the LIHTC properties is 1.0 percent, indicating strong demand for affordable housing in the area. The renovated Subject will offer inferior to superior property amenities and slightly inferior to similar in-unit amenities relative to the comparables. The Subject will offer a community room and central laundry facility, which many of the comparables lack. However, the Subject will not offer balconies/patios, a business center, an exercise facility, or a swimming pool, which many of the comparables offer. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the subsidies in place. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to superior in terms of condition to all of the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy and waiting lists at LIHTC comparable properties, we believe that the Subject is feasible as-proposed and will perform well.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

None of the comparable properties reported absorption information. We extended our search to include two proximate LIHTC properties located in Waynesboro and Dublin. Information regarding the absorption data at these properties is illustrated in the following table.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Absorption (units/month)
Pine Trails	LIHTC	Family	2018	60	10
Waterford Estates	LIHTC	Family	2010	56	9

As illustrated in the previous table, the properties were constructed between 2010 and 2018 and reported absorption rates of nine and ten units per month, respectively. Pine Trails was built in 2018 in Waynesboro, Georgia approximately 47 miles from the Subject site. The property began leasing in December 2018 and was fully-occupied by May 2019, which equates to an absorption rate of ten units per month. Waterford Estates was built in 2010 in Dublin, Georgia approximately 32 miles from the Subject site. The property experienced an absorption rate of nine units per month upon opening.

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. If the Subject were vacant following the renovations with a Section 8 rental assistance subsidy in place for all the units, we would expect the Subject to experience an absorption pace of ten units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

According to a rent roll dated March 1, 2020, the Subject is currently 98.6 percent occupied with a waiting list. The vacant unit is being processed from the waiting list, which consists of 30 households. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. According to the developer, the majority of current residents will be income-qualified for the Subject, post-renovation. All tenants currently pay 30 percent of their income toward rent. Post renovation, tenants will continue to pay 30 percent of income toward rent. Further, renovations will occur on a rolling basis with tenants in place. Thus, this absorption analysis is hypothetical.

K. INTERVIEWS

Georgia Department of Community Affairs, Waycross Regional Office

We were able to speak with Ms. Valencia Jordan, Director of Operations, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Washington County. According to Ms. Jordan, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Ms. Jordan also mentioned that there are ten families utilizing these Housing Choice Vouchers in Washington County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list, 20 of which are from Washington County. The payment standards for Washington County are listed below.

PAYMENT STANDARDS

Unit Type	Standard
Two-Bedroom	\$716
Three-Bedroom	\$972
Four-Bedroom	\$976

Source: Georgia DCA, retrieved March 2020

The Subject’s proposed LIHTC rents (absent subsidies) are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers would not pay out of pocket for rent. However, the Subject’s proposed LIHTC units benefit from a Section 8 contract; as such, tenants will not need to utilize vouchers.

Planning

We made numerous attempts to contact the City of Sandersville Building and Zoning Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s PMA.

Development Authority of Washington County

We spoke to Mr. Jayson Johnston, Executive Director of the Development Authority of Washington County. Mr. Johnston was able to provide information on a company that is planning to add jobs in the Sandersville area.

- The Shared Services Center (SSC) located in Sandersville, Georgia, provides HR Management Systems support to 26 of the University System of Georgia Institutions. The SSC’s focus is in HR and Payroll support. The organization currently employs 60 workers in Sandersville and is planning to add 20 more jobs in the near future.

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

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA and the SMA decreased from 2000 to 2010, and remained relatively unchanged from 2010 to 2019. The rate of population and household growth is projected to slightly decrease through 2022. The current population of the PMA is 16,018 and is expected to be 16,003 in 2022. The current number of households in the PMA is 6,226 and is expected to be 6,221 in 2024. Renter households are concentrated in the lowest income cohorts, with 75.9 percent of renters in the PMA earning less than \$50,000 annually. The Subject will target households earning between \$0 and \$42,180 for its subsidized units as proposed; therefore, the Subject should be well-positioned to service this market. Overall, while population growth has declined, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods.

Overall, the SMA experienced a modest decline in total employment growth from 2011 through September 2019. As of September 2019, total employment in the SMA was 11.8 percent lower than its pre-recession peak, while national employment was 2.7 percent above its pre-recession peak. The unemployment rate in the SMA as of September 2019 was 3.7 percent, 40 basis points higher than the national unemployment rate but significantly lower than the 2010 peak of 14.9 percent. However, it is important to note that the unemployment rate in the SMA has been declining by greater rates than the nation in recent years. Based on the employment and unemployment trends in the SMA, it appears that the SMA was slower to recover from the most recent national recession than the nation as a whole. However, recent trends in employment growth and unemployment decline indicate that the economy in the SMA is now recovering. Growing total employment is a positive indicator of demand for rental housing and, therefore, the Subject’s proposed units.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
2BR at 60% AMI	\$0	\$32,700	12	292	0	292	4.1%	\$717
2BR at 60% AMI Absent Subsidy	\$25,166	\$32,700	12	80	0	80	15.0%	\$650
2BR Overall	\$0	\$32,700	12	292	0	292	4.1%	-
2BR Overall Absent Subsidy	\$25,166	\$32,700	12	80	0	80	15.0%	-
3BR at 60% AMI	\$0	\$39,240	44	145	0	145	30.4%	\$803
3BR at 60% AMI Absent Subsidy	\$29,314	\$39,240	44	40	0	40	111.0%	\$750
3BR Overall	\$0	\$39,240	44	145	0	145	30.4%	-
3BR Overall Absent Subsidy	\$29,314	\$39,240	44	40	0	40	111.0%	-
4BR at 60% AMI	\$0	\$42,180	16	56	0	56	28.7%	\$863
4BR at 60% AMI Absent Subsidy	\$34,457	\$42,180	16	15	0	15	104.9%	\$850
4BR Overall	\$0	\$42,180	16	56	0	56	28.7%	-
4BR Overall Absent Subsidy	\$34,457	\$42,180	16	15	0	15	104.9%	-
@60% Overall	\$0	\$42,180	72	492	0	492	14.6%	-
@60% Overall Absent Subsidy	\$25,166	\$42,180	72	135	0	135	53.4%	-

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level with subsidy will range from 4.1 to 30.4 percent. The overall capture rate at the Subject, with subsidy, is 14.6 percent. Absent subsidy, the Subject’s capture rates at the 60 percent AMI level will range from 15.0 to 111.0 percent. The overall capture rate at the Subject, absent subsidy, is 53.4 percent. All capture rates with subsidy are within DCA thresholds. The capture rate for the two-bedroom units absent subsidy are within DCA thresholds, while the capture rates for the three and four-bedroom units absent subsidy are above DCA thresholds. However, as a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market. Therefore, we believe there is adequate demand for the Subject.

Absorption

None of the comparable properties reported absorption information. We extended our search to include two proximate LIHTC properties located in Waynesboro and Dublin. Information regarding the absorption data at these properties is illustrated in the following table.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Absorption (units/month)
Pine Trails	LIHTC	Family	2018	60	10
Waterford Estates	LIHTC	Family	2010	56	9

As illustrated in the previous table, the properties were constructed between 2010 and 2018 and reported absorption rates of nine and ten units per month, respectively. Pine Trails was built in 2018 in Waynesboro, Georgia approximately 47 miles from the Subject site. The property began leasing in December 2018 and was fully-occupied by May 2019, which equates to an absorption rate of ten units per month. Waterford Estates was built in 2010 in Dublin, Georgia approximately 32 miles from the Subject site. The property experienced an absorption rate of nine units per month upon opening.

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. If the Subject were vacant following the renovations with a Section 8 rental assistance subsidy in place for all the units, we would expect the Subject to experience an absorption pace of ten units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

According to a rent roll dated March 1, 2020, the Subject is currently 98.6 percent occupied with a waiting list. The vacant unit is being processed from the waiting list, which consists of 30 households. DCA requires that the new rent structure will not result in rent increases during the term of existing leases at the Subject. According to the developer, the majority of current residents will be income-qualified for the Subject, post-renovation. All tenants currently pay 30 percent of their income toward rent. Post renovation, tenants will continue to pay 30 percent of income toward rent. Further, renovations will occur on a rolling basis with tenants in place. Thus, this absorption analysis is hypothetical.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Pecan Grove Apartments	LIHTC	Family	48	0	0.0%
Tori Pines	LIHTC	Family	65	0	0.0%
Washington Estates	LIHTC/ Market	Family	94	2	2.1%
49 West Apartments*	Market	Family	106	9	8.5%
Carrington Woods Apartments*	Market	Family	76	4	5.3%
Cedaridge Apartments*	Market	Family	60	2	3.3%
Ivy League Estates*	Market	Family	28	0	0.0%
Legacy Mills*	Market	Family	72	0	0.0%
Total LIHTC			207	2	1.0%
Total Market Rate			342	15	4.4%
Overall Total			549	17	3.1%

*Located outside of the PMA

Overall vacancy in the market is low at 3.1 percent and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. It should be noted that Washington Estates is managed by a non-profit organization and is likely not testing the market. However, the contact at this property stated that the property could achieve higher rents if they weren't intentionally kept at lower rents. Additionally, one of the two properties reported maintaining a waiting list. Further, the contact at Tori Pines reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The average vacancy rate for the LIHTC properties is 1.0 percent, indicating strong demand for affordable housing in the area. The Subject will exhibit similar to superior condition to the LIHTC comparables upon completion. Therefore, we believe there is adequate demand for the Subject as proposed.

Vacancy among the market rate comparable properties is low at 4.4 percent and two of the market rate properties are fully-occupied. 49 West Apartments reported the highest vacancy rate among the comparables, at 8.5 percent. Our contact at the property stated that the elevated vacancy rate was coincidental with the timing of the survey. She also stated that the property is typically occupied at 95 percent. Carrington Woods Apartments reported a vacancy rate of 5.3 percent. However, the contact at this property stated that three of the four vacant units are pre-leased. As a newly renovated property with a competitive amenity package with subsidies in place for all units, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that has historically maintained high occupancy rates and maintains a waiting list, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated. Further, as a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market.

Strengths of the Subject

Upon completion of renovations, the Subject will be in good condition and will be considered similar to superior in terms of condition to all of the comparable properties. The Subject is an existing property that has historically maintained high occupancy rates and maintains a waiting list. Further, as a proposed rehabilitation with renovations occurring with tenants in place, the Subject will not be adding to supply in the market. Additionally, the property will receive Section 8 assistance for its units. As such, qualifying tenants will pay only 30 percent of their household income on rent. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation. The rehabilitation of the current Section 8 property will be an enhancement to the

surrounding community. Further, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall vacancy in the market is low at 3.1 percent and two of the LIHTC comparables are fully-occupied, while the two vacant units at Washington Estates are pre-leased, according to the contact at this property. The contact at this property stated that management maintains a waiting list of ten households. Additionally, one of the two fully-occupied properties reported maintaining a waiting list. Further, the contact at Tori Pines, the property not reporting a waiting list, reported that the property had recently gone under a change in management and stated that the property would be able to maintain a waiting list. The average vacancy rate for the LIHTC properties is 1.0 percent, indicating strong demand for affordable housing in the area. The renovated Subject will offer inferior to superior property amenities and slightly inferior to similar in-unit amenities relative to the comparables. The Subject will offer a community room and central laundry facility, which many of the comparables lack. However, the Subject will not offer balconies/patios, a business center, an exercise facility, or a swimming pool, which many of the comparables offer. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market, given the subsidies in place. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to superior in terms of condition to all of the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy and waiting lists at LIHTC comparable properties, we believe that the Subject is feasible as-proposed and will perform well.

Recommendations

We recommend the Subject as proposed.

M. SIGNED STATEMENT REQUIREMENTS

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

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

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



Brad Weinberg, MAI, CVA, CRE
Partner
Novogradac Consulting LLP

April 14, 2020



Brian Neukam
Manager
Novogradac Consulting LLP

April 14, 2020



Brinton Noble
Analyst
Novogradac Consulting LLP

April 14, 2020

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



View north along Martin Luther King Jr. Avenue



View south along Martin Luther King Jr. Avenue



View of Subject



View of Subject



View of Subject



View of Subject



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Commercial Use in Subject's neighborhood



Industrial Use in Subject's neighborhood



Industrial Use in Subject's neighborhood



Single-Family Home in Subject's neighborhood



Single-Family Home in Subject's neighborhood



Single-Family Home in Subject's neighborhood



Single-Family Home in Subject's neighborhood

ADDENDUM C
Qualifications

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CRE

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)
Member, The Counselors of Real Estate (CRE)
Member, Urban Land Institute
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628
State of California – Certified General Real Estate Appraiser, No. AG27638
State of Florida – Certified General Real Estate Appraiser; No. RZ3249
State of Maryland – Certified General Real Estate Appraiser; No. 6048
Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900
State of Oregon – Certified General Real Estate Appraiser; No. C001280
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111
State of South Carolina – Certified General Real Estate Appraiser; No. 4566
State of Washington – Certified General Real Estate Appraiser, No. 1102433

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country
Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process,"
Affordable Housing Finance, March 2001

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw

AFB and Lackland AFB Phase II.

- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

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

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Brinton Noble

I. Education

Clemson University - Clemson, SC
Bachelor of Science in Economics

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2019 – Present
Junior Analyst, Novogradac & Company LLP, January 2019 – December 2019
Substitute Teacher, Fayetteville-Manlius School District, September 2017 - October 2018
Intern to the Assistant Superintendent of Business Administration, Fayetteville-Manlius School District, May 2016 - June 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

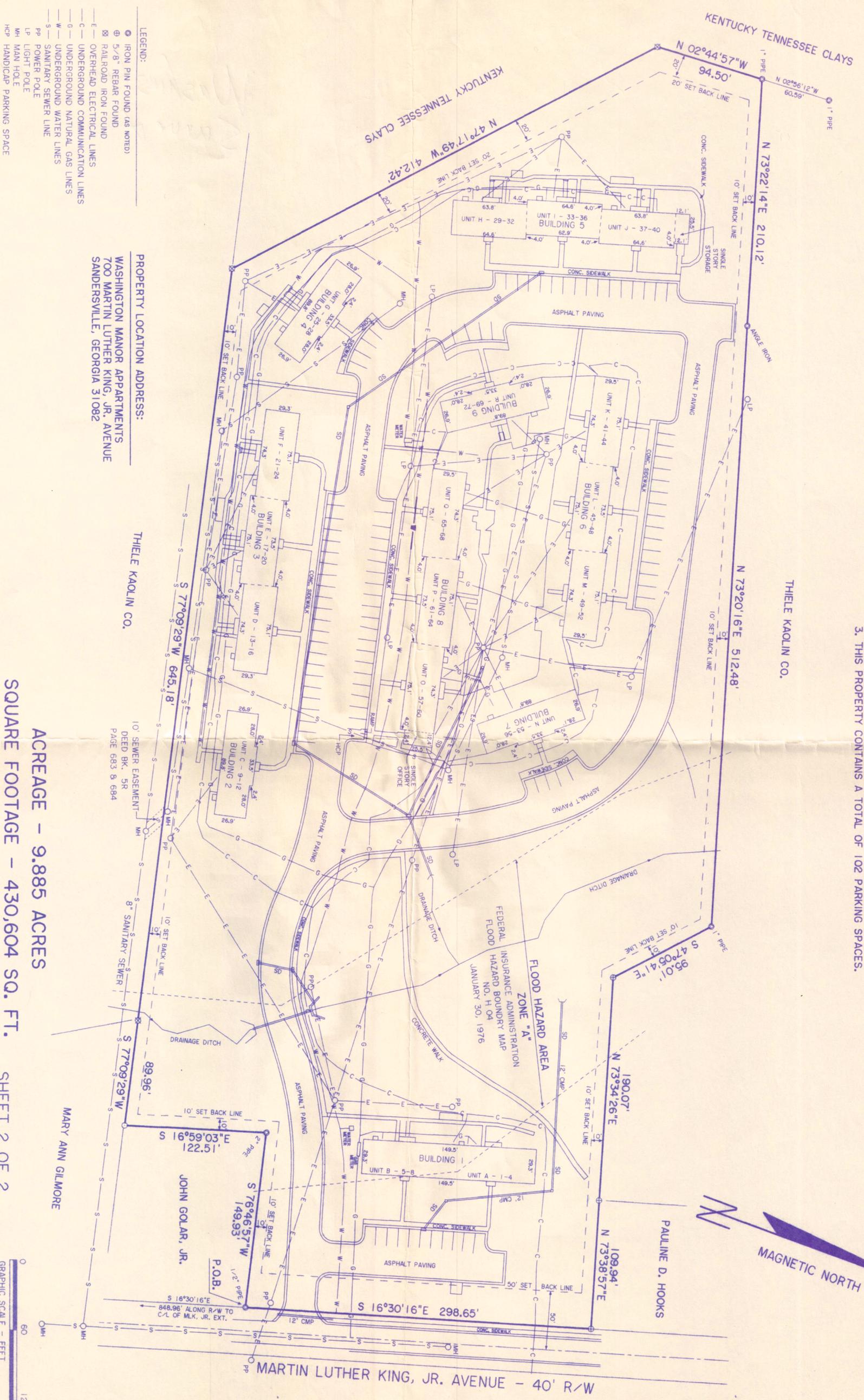
ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Enclave At Washington 700 Martin Luther King Jr Avenue Sandersville, GA 31082 Washington County	-	Garden 2-stories 1977 / 2022 Family	@60% (Section 8)	2BR / 1BA	12	16.7%	1,077	@60% (Section 8)	\$717	N/A	N/A	N/A	N/A
					3BR / 1BA	44	61.1%	1,080	@60% (Section 8)	\$803	N/A	N/A	N/A	N/A
					4BR / 1.5BA	16	22.2%	1,215	@60% (Section 8)	\$863	N/A	N/A	N/A	N/A
					72									
1	Pecan Grove Apartments 647 Ferncrest Drive Sandersville, GA 31082 Washington County	2.2 miles	Garden 2-stories 1990 / n/a Family	@60%	1BR / 1BA	36	75.0%	550	@60%	\$414	No	Yes	0	0.0%
					2BR / 1BA	12	25.0%	750	@60%	\$454	No	Yes	0	0.0%
48												0	0.0%	
2	Tori Pines 635 Ferncrest Drive Sandersville, GA 31082 Washington County	2.1 miles	Various 2-stories 2006 / n/a Family	@30%, @50%, @60%	1BR / 1BA	2	3.1%	932	@30%	\$379	Yes	No	0	0.0%
					1BR / 1BA	2	3.1%	932	@50%	\$607	Yes	No	0	0.0%
					1BR / 1BA	2	3.1%	932	@60%	\$720	Yes	No	0	0.0%
					2BR / 2BA	2	3.1%	1,190	@30%	\$457	Yes	No	0	0.0%
					2BR / 2BA	3	4.6%	1,217	@30%	\$457	Yes	No	0	0.0%
					2BR / 2BA	3	4.6%	1,190	@50%	\$730	Yes	No	0	0.0%
					2BR / 2BA	10	15.4%	1,217	@50%	\$730	Yes	No	0	0.0%
					2BR / 2BA	1	1.5%	1,190	@60%	\$866	Yes	No	0	0.0%
					2BR / 2BA	14	21.5%	1,217	@60%	\$866	Yes	No	0	0.0%
					3BR / 2BA	1	1.5%	1,342	@30%	\$531	Yes	No	0	0.0%
					3BR / 2BA	1	1.5%	1,415	@30%	\$531	Yes	No	0	0.0%
					3BR / 2BA	1	1.5%	1,342	@50%	\$846	Yes	No	0	0.0%
					3BR / 2BA	8	12.3%	1,439	@50%	\$846	Yes	No	0	0.0%
					3BR / 2BA	6	9.2%	1,342	@60%	\$1,004	Yes	No	0	0.0%
3BR / 2BA	8	12.3%	1,457	@60%	\$1,004	Yes	No	0	0.0%					
3BR / 2BA	1	1.5%	1,415	Non-Rental	-	N/A	N/A	0	0.0%					
65												0	0.0%	
3	Washington Estates 101 Washington Drive Tennille, GA 31089 Washington County	1.8 miles	Garden 2-stories 2013 / n/a Family	@50%, @60%, Market	3BR / 2BA	N/A	N/A	1,347	@50%	\$552	No	No	0	N/A
					3BR / 2BA	N/A	N/A	1,347	@60%	\$722	No	No	0	N/A
					3BR / 2BA	N/A	N/A	1,347	Market	\$821	N/A	Yes	1	N/A
					3BR / 2.5BA	N/A	N/A	1,614	@50%	\$538	No	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,614	@60%	\$678	No	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,614	Market	\$821	N/A	Yes	0	N/A
					4BR / 2BA	N/A	N/A	1,562	@50%	\$569	No	No	1	N/A
					4BR / 2BA	N/A	N/A	1,704	@50%	\$569	No	No	0	N/A
					4BR / 2BA	N/A	N/A	1,562	@60%	\$742	No	No	0	N/A
					4BR / 2BA	N/A	N/A	1,704	@60%	\$742	No	No	0	N/A
					4BR / 2BA	N/A	N/A	1,562	Market	\$929	N/A	Yes	0	N/A
					4BR / 2BA	N/A	N/A	1,704	Market	\$929	N/A	Yes	0	N/A
94												2	2.1%	
4	49 West Apartments 196 Highway 49 W Milledgeville, GA 31061 Baldwin County	26.9 miles	Various 2-stories 1975 / 2017 Family	Market	0BR / 1BA	6	5.7%	454	Market	\$540	N/A	No	N/A	N/A
					1BR / 1BA	4	3.8%	605	Market	\$556	N/A	No	N/A	N/A
					1BR / 1BA	4	3.8%	605	Market	\$579	N/A	No	N/A	N/A
					2BR / 1BA	21	19.8%	724	Market	\$636	N/A	No	N/A	N/A
					2BR / 1BA	21	19.8%	724	Market	\$659	N/A	No	N/A	N/A
					2BR / 1.5BA	21	19.8%	964	Market	\$686	N/A	No	N/A	N/A
					2BR / 1.5BA	21	19.8%	964	Market	\$709	N/A	No	N/A	N/A
					3BR / 1BA	4	3.8%	915	Market	\$726	N/A	No	N/A	N/A
					3BR / 1BA	4	3.8%	915	Market	\$754	N/A	No	N/A	N/A
106												9	8.5%	
5	Carrington Woods Apartments 1980 Briarcliff Road Milledgeville, GA 31061 Baldwin County	26.1 miles	Various 2-stories 1982 / n/a Family	Market	1BR / 1BA	N/A	N/A	625	Market	\$596	N/A	Yes	2	N/A
					1BR / 1BA	N/A	N/A	675	Market	\$621	N/A	N/A	0	N/A
					2BR / 1BA	8	10.5%	950	Market	\$680	N/A	No	2	25.0%
					2BR / 1BA	24	31.6%	1,100	Market	\$695	N/A	No	0	0.0%
					3BR / 1.5BA	8	10.5%	1,400	Market	\$795	N/A	No	0	0.0%
76												4	5.3%	
6	Cedaridge Apartments 141 Frank Bone Road SW Milledgeville, GA 31061 Baldwin County	25.9 miles	Garden 2-stories 1984 / n/a Family	Market	1BR / 1BA	20	33.3%	900	Market	\$616	N/A	No	0	0.0%
					2BR / 2BA	40	66.7%	1,100	Market	\$650	N/A	No	2	5.0%
60												2	3.3%	
7	Ivy League Estates 2051 Ivy Drive Milledgeville, GA 31061 Baldwin County	25.7 miles	Garden 2-stories 2006 / 2017 Family	Market	2BR / 2BA	22	78.6%	950	Market	\$844	N/A	No	0	0.0%
					3BR / 2BA	6	21.4%	1,350	Market	\$909	N/A	No	0	0.0%
28												0	0.0%	
8	Legacy Mills 250 Legacy Way Milledgeville, GA 31061 Baldwin County	26.4 miles	Various 2-stories 2007 / n/a Family	Market	2BR / 2BA	12	16.7%	1,100	Market	\$744	N/A	No	0	0.0%
					2BR / 2.5BA	N/A	N/A	1,140	Market	\$774	N/A	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,300	Market	\$909	N/A	No	0	N/A
72												0	0.0%	

ADDENDUM E
Subject Floor Plans

- NOTES:
1. ALL BUILDINGS ARE 2-STORY, EXCEPT WHERE NOTED. BOTTOM FLOOR IS BRICK, TOP FLOOR IS WOOD FRAME.
 2. BUILDING 1, CONTAINING UNITS "A" & "B", LIES WITHIN THE FLOOD HAZARD AREA (ZONE A), ALL OTHER BUILDINGS ARE NOT LOCATED WITHIN A FLOOD HAZARD AREA.
 3. THIS PROPERTY CONTAINS A TOTAL OF 102 PARKING SPACES.



- LEGEND:
- IRON PIN FOUND (AS NOTED)
 - ⊕ 5/8" REBAR FOUND
 - ⊗ RAILROAD IRON FOUND
 - OVERHEAD ELECTRICAL LINES
 - UNDERGROUND COMMUNICATION LINES
 - UNDERGROUND NATURAL GAS LINES
 - UNDERGROUND WATER LINES
 - SANITARY SEWER LINE
 - PP POWER POLE
 - LP LIGHT POLE
 - MH MAN HOLE
 - HCP HANDICAP PARKING SPACE

PROPERTY LOCATION ADDRESS:
 WASHINGTON MANOR APARTMENTS
 700 MARTIN LUTHER KING, JR. AVENUE
 SANDERSVILLE, GEORGIA 31082

THIELE KAOLIN CO.

THIELE KAOLIN CO.

ACREAGE - 9.885 ACRES
 SQUARE FOOTAGE - 430,604 SQ. FT.

SHEET 2 OF 2

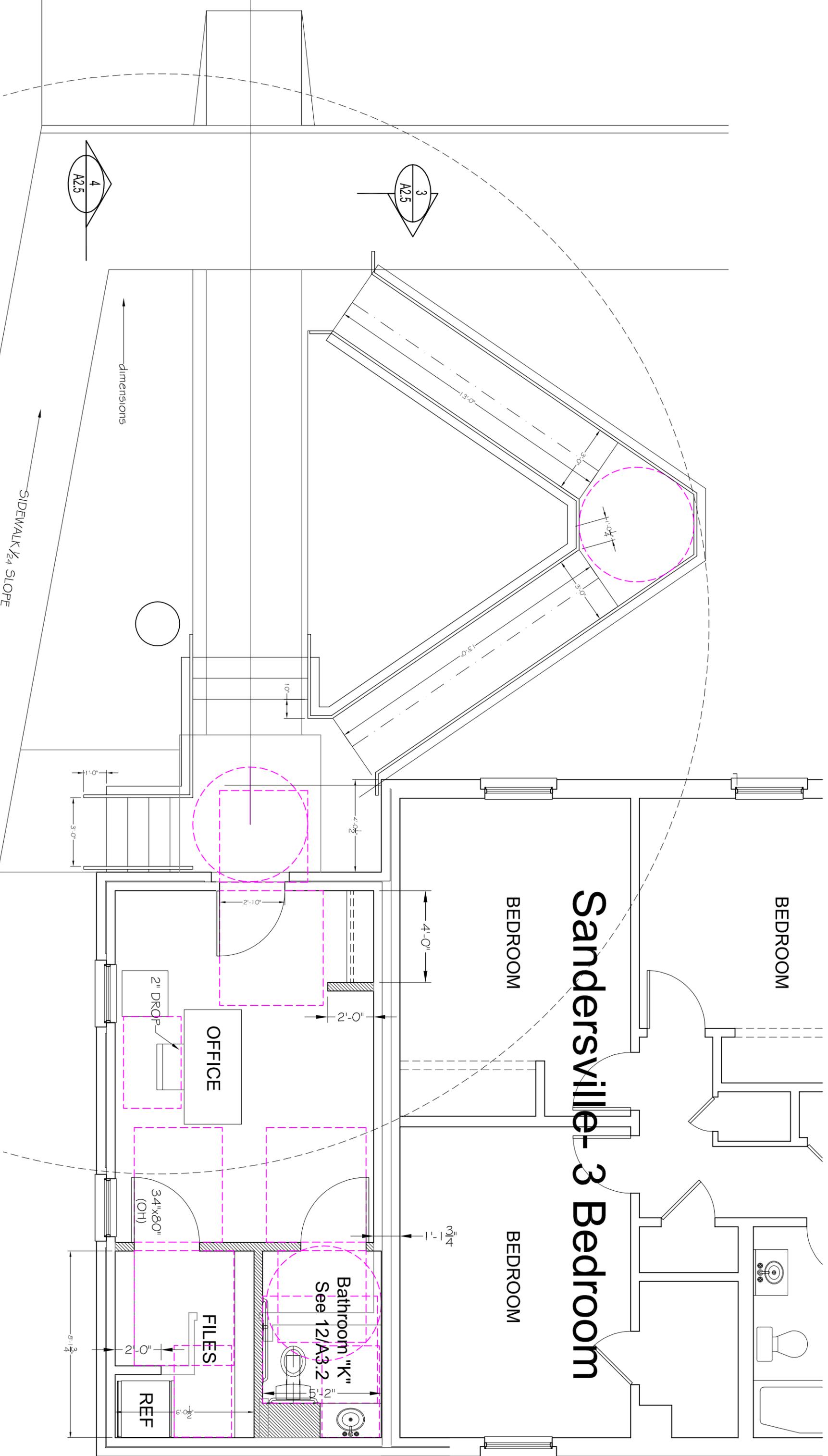


ALTA SURVEY FOR
 WACHOVIA BANK,
 LAWYERS TITLE INSURANCE
 CORPORATION
 8 WASHINGTON MANOR
 PARTNERS, LLC,
 CITY OF SANDERSVILLE
 97th, G.M.D.,
 WASHINGTON COUNTY, GEORGIA

BELLEW SURVEYORS
 1396 HWY 15 NORTH
 SANDERSVILLE, GEORGIA
 (478-552-3081)

DATE : OCTOBER 15, 2007
 SCALE : 1" = 60'
 JOB NO. 07054-A MAP NO: 2594

THIS FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN 98,960 FEET, AND AN ANGULAR ERROR OF .02 SEC. PER ANGLE POINT, AND WAS ADJUSTED USING COMPASS RULE. THIS PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE WITHIN ONE FOOT IN 1,695,373 FEET. A TOPCON 2005 WAS USED FOR ANGULAR AND LINEAR MEASUREMENTS.



Sandersville - 3 Bedroom

BEDROOM

BEDROOM

OFFICE

Bathroom "K"
See 12/A3.2

FILES

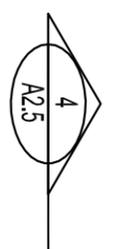
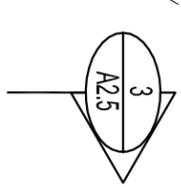
REF

34" x 80"
(OH)

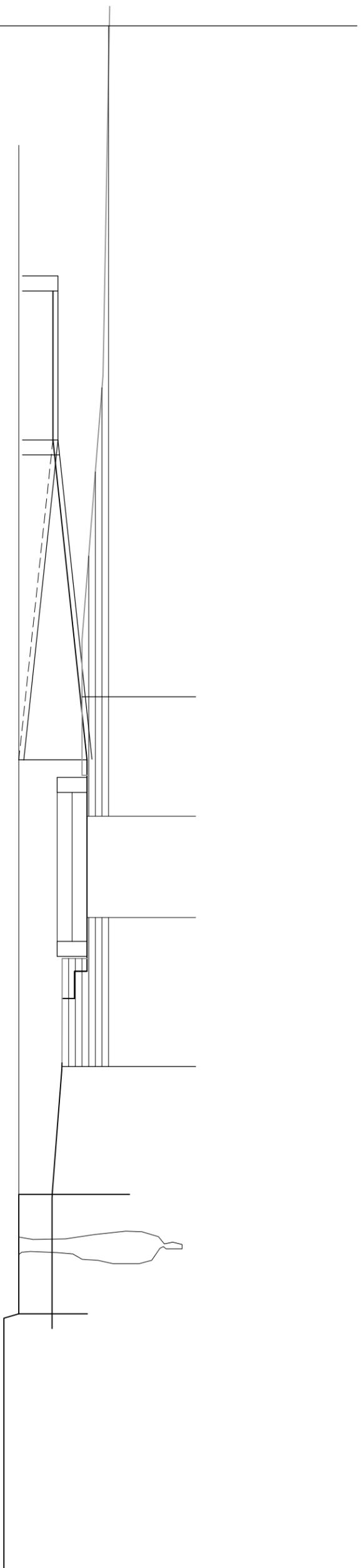
2" DROP

SIDEWALK 1/24 SLOPE

dimensions

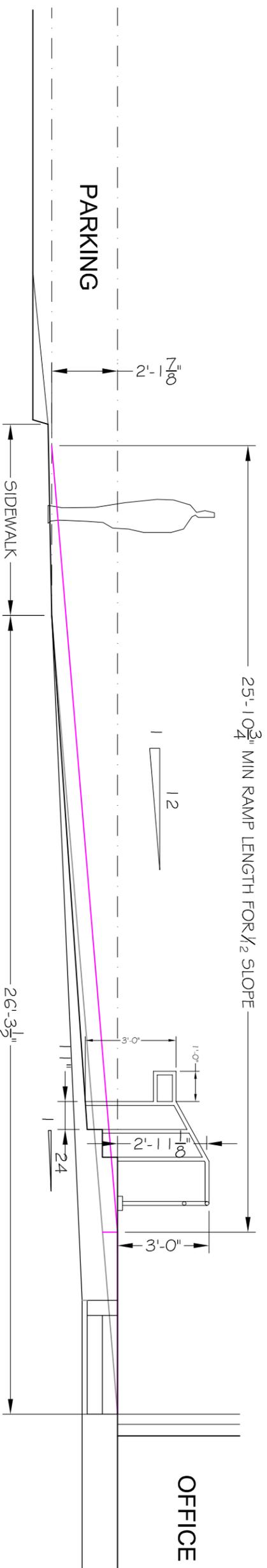


Proposed Sandersville Office Plan
Scale: 1/4" = 1'-0"



3
A2.5

Proposed Entry Ramp Section/ Elevation
Scale: 1/4" = 1'-0"



4
A2.5

Proposed Entry Ramp Section/ Elevation
Scale: 1/4" = 1'-0"

OFFICE

PARKING