

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY**

OF:

**BOXWOOD
HEIGHTS**

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: BOXWOOD HEIGHTS

Midtown Loop
Columbus, Muscogee County, Georgia 31906

Effective Date: April 25, 2020
Report Date: May 22, 2020

Prepared for:
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May 22, 2020

Jeff Rice
Main Street Homes
6825 Halcyon Drive
Montgomery, AL 36117

Re: Application Market Study for Boxwood Heights, located in Columbus, Muscogee County, Georgia

Dear Mr. Rice:

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

The purpose of this market study is to assess the viability of the proposed 48-unit senior LIHTC project. It will be a newly constructed affordable LIHTC project, with 48 revenue generating units, restricted to senior households ages 55 and older earning 50 and 60 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

Novogradac 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 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.

JEFF RICE
MAIN STREET HOMES
MAY 22, 2020

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.

In the wake of the COVID-19 pandemic there has been significant turmoil and uncertainty. Governments across the globe are taking dramatic efforts reduce the strain on health care systems. These efforts result in extensive impacts to economic activity. However, governments are also implementing significant economic stimulus packages to help with this economic disruption. At this point it is unclear how long it will be before the emergency restrictions are lifted or loosened or how effectively the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the specific housing market surrounding the Subject. However, some trends are clear:

- 1) Clients and market participants throughout the country report April and May collections that were better than expected for all types of multifamily properties. Particularly for affordable and senior housing.*
- 2) Based upon various conversations with market participants and published articles and webinars many believe that multifamily real estate will be impacted but significantly less so than other sectors. Further, the impact is expected be shorter lived. Many view multifamily as a safer haven during this period of uncertainty. The Subject will not open until 2021, at which point the market is expected to be stabilized or have less uncertainty.*
- 3) Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was at 96.3 percent and it dropped less than one percentage point during the slowdown, dropping to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018 but continued through 2019. While this recession will undoubtedly be different than the last this performance supports the points made above and illustrates the resilience in the affordable housing sector.*
- 4) States are starting to plan the reopening over the next several weeks to months and the state of Georgia has already begun loosening restrictions on businesses including eat-in restaurants and barber shops. This will open up various job segments creating more stability and demand in the local economy.*
- 5) Finally, there have been transactions that were started prior to shut-down that have recently closed without adjustment.*

All of the comparable properties were interviewed since late April 2020. Property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. However, some properties reported slightly slower leasing paces as a result of the pandemic and tenants being reluctant to relocate at this time. Local employment and unemployment data is not yet available that reflects the effects of these orders; however, we expect significant employment losses will result in the market, particularly in volatile industries including retail trade and accommodation/food services. Overall, we did not experience significant barriers to local data collection as a result of the pandemic and we believe the quality of data collected in this report supports the credibility of our conclusions.

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

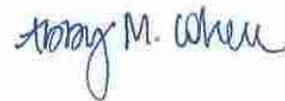
JEFF RICE
MAIN STREET HOMES
MAY 22, 2020

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,
Novogradac Consulting LLP



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A. TABLE OF CONTENTS

TABLE OF CONTENTS

| | | |
|-----------|---|-----------|
| A. | Table of Contents | 1 |
| B. | Executive Summary | 3 |
| | Executive Summary..... | 4 |
| C. | Project Description | 10 |
| | Project Description..... | 11 |
| D. | Site Evaluation | 14 |
| E. | Market Area | 27 |
| | Primary Market Area | 28 |
| F. | Community Demographic Data | 30 |
| | Community Demographic Data | 31 |
| G. | Employment Trends | 37 |
| H. | Project-Specific Affordability and Demand Analysis | 48 |
| | Capture Rate Analysis Chart..... | 62 |
| I. | Existing Competitive Rental Environment | 64 |
| J. | Absorption and Stabilization Rates | 83 |
| | Absorption and Stabilization Rates..... | 84 |
| K. | Interviews | 85 |
| L. | Conclusions and Recommendations | 88 |
| | Conclusions | 89 |
| M. | Signed Statement Requirements | 93 |
| | ADDENDUM A | 95 |
| | ADDENDUM B | 98 |
| | ADDENDUM C | 104 |
| | ADDENDUM D | 113 |
| | ADDENDUM E | 115 |

B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Boxwood Heights will be a newly constructed senior property located on Midtown Loop in Columbus, Muscogee County, Georgia, which will consist of one, four-story, elevator-serviced, midrise building.

The following table illustrates the proposed unit mix.

| PROPOSED RENTS | | | | | | | | |
|----------------|----------------|-----------------|-------------|-----------------------|------------|---|----------------------------|--|
| Unit Type | Unit Size (SF) | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | 2019 LIHTC Maximum Allowable Gross Rent | 2020 HUD Fair Market Rents | |
| @50% | | | | | | | | |
| 1BR / 1BA | 700 | 5 | \$433 | \$121 | \$554 | \$559 | \$670 | |
| 2BR / 1BA | 900 | 5 | \$515 | \$151 | \$666 | \$671 | \$790 | |
| @60% | | | | | | | | |
| 1BR / 1BA | 700 | 19 | \$545 | \$121 | \$666 | \$671 | \$670 | |
| 2BR / 1BA | 900 | 19 | \$649 | \$151 | \$800 | \$805 | \$790 | |
| | | 48 | | | | | | |

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

The proposed rents for the Subject’s units at the 50 and 60 percent of AMI levels are slightly below the maximum allowable rents. The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market ate comparable properties and slightly inferior property amenities. The Subject will offer in-unit washers and dryers, a business center, community room and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool that is offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

2. Site Description/Evaluation

The Subject site is located on the northwest side of Boxwood Place and the northeast side of Midtown Loop. The Subject site has limited visibility from Boxwood Place, a street with no outlet. The Subject will be accessible from Midtown Loop, which provides access only to Midtown Drive and Boxwood Place. However the Subject is near Interstate 185 and a major commercial plaza. The Subject site is currently a vacant lot. Surrounding uses consist of multifamily, commercial, and single-family uses. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 49 out of 100. Crime risk indices in the Subject’s area are considered above average. The Subject site is considered a desirable building site for rental housing. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within 3.1 miles of the Subject site.

3. Market Area Definition

The PMA is defined by the Manchester Expressway to the north; the Georgia-Alabama state line to the west; Victory Drive to the south; and Schatulga Road and Jefferson Drive to the east. This area includes the central and southern portions of the city of Columbus. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

- North: 4.0 miles
- East: 5.4 miles
- South: 5.4 miles

West: 3.8 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Property managers report that tenants come from throughout Columbus and Muscogee County. However, we included only the central and southern portions of Columbus in our PMA to not overstate demand. 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 5.4 miles.

4. Community Demographic Data

The population in the PMA decreased by 2.5 percent between 2010 and 2019, compared to the 3.6 percent increase in the regional MSA and 7.1 percent increase across the overall nation. The current population of the PMA is 108,896 and is expected to be 108,891 in 2022. The current senior population of the PMA is 29,554 and is expected to be 30,106 in 2022. The percentage of senior renter households in the PMA increased between 2000 and 2019, and is estimated to be 59.3 percent as of 2019. This is more than the estimated 38.5 percent of renter households across the overall nation. Renter households are concentrated in the lowest income cohorts, with 58.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$16,620 and \$28,620 for its LIHTC units; therefore, the Subject should be well positioned to service this market. Overall, while the PMA has lost population since 2010, 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 2,893 housing units nationwide was in some stage of foreclosure as of May 2020. The city of Columbus is experiencing a foreclosure rate of one in every 2,358 homes, while Muscogee County is experiencing foreclosure rate of one in every 2,408 homes and Georgia experienced one foreclosure in every 2,210 housing units. Overall, Columbus is experiencing a higher foreclosure rate to the nation, and slightly lower than Muscogee County as a whole, indicating a stable housing market. The Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject. Due to the CARES Act passed in April 2020 in response to the COVID-19 pandemic, lenders are prohibited from foreclosing on homes with federally backed mortgages.

5. Economic Data

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and accommodation/food services industries, which collectively comprise 39.4 percent of local employment. The largest industry, healthcare/social assistance, is resilient during periods of economic downturn. The PMA and the Columbus, GA-AL MSA are economically reliant on healthcare and Fort Benning, a major military base. Employment is concentrated in industries relating to or supporting the base, which is the largest employer in the region. Industries related to hospitality also represent major employment sectors in the PMA. In February 2020, Fort Benning announcing that it is reactivating the 197th Infantry Brigade to meet the demand for infantry soldiers. More than 500 soldiers will be coming to Fort Benning when the brigade is activated.

The effects of the recession were more pronounced in the MSA, which suffered a 5.6 percent employment contraction, compared to only 4.8 percent across the nation. As of December 2019, MSA employment is below record levels, and is declining at an annualized rate of 0.9 percent, compared to a 1.1 percent increase across the nation. Overall, the MSA was heavily impacted by the recession, and has yet to recover its recessionary job losses. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. While unemployment data for 2020 is not yet available in the MSA, we anticipate a significant increase in unemployment figures. It is unclear how severely the regional economy has been affected and how temporary in nature any increase in unemployment will be for the MSA. We expect the local economy will suffer as a result of the COVID-19 pandemic given the outsized

reliance on volatile industries. However, the presence of Fort Benning will provide additional stability to the local economy.

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

| Unit Type | Minimum Income | Maximum Income | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Proposed Rents |
|--------------|----------------|----------------|----------------|--------------|--------|------------|--------------|----------------|
| 1BR @50% | \$16,620 | \$23,850 | 5 | 143 | 10 | 133 | 3.8% | \$433 |
| 1BR @60% | \$19,980 | \$25,080 | 19 | 107 | 37 | 70 | 27.1% | \$545 |
| 1BR Overall | \$16,620 | \$25,080 | 24 | 202 | 47 | 155 | 15.5% | - |
| 2BR @50% | \$19,980 | \$23,850 | 5 | 220 | 11 | 209 | 2.4% | \$515 |
| 2BR @60% | \$24,000 | \$28,620 | 19 | 165 | 44 | 121 | 15.6% | \$649 |
| 2BR Overall | \$19,980 | \$28,620 | 24 | 311 | 55 | 256 | 9.4% | - |
| @50% Overall | \$16,620 | \$23,850 | 10 | 363 | 21 | 342 | 2.9% | - |
| @60% Overall | \$19,980 | \$28,620 | 38 | 273 | 81 | 192 | 19.8% | - |
| Overall | \$16,620 | \$28,620 | 48 | 513 | 102 | 411 | 11.7% | - |

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. All capture rates are within DCA thresholds.

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 structure. 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 10 “true” comparable properties containing 2,190 units.

The availability of LIHTC data is considered good; there are 11 LIHTC properties in the PMA. Additionally, there are three LIHTC properties under construction. We included three LIHTC properties and two mixed-income comparable properties. Three of these LIHTC properties target the general population and two target seniors, similar to the proposed Subject. One of the senior properties, The Cottages at Arbor Pointe, consists almost entirely of subsidized units. Additionally, the remaining unsubsidized units at this property are all occupied by voucher holders. As such, we will not rely upon the rents at this property in our analysis. Ashely Station targets the general population but has 63 units that are set-aside for senior households. The comparable LIHTC properties are all located in the PMA, between 2.3 and 3.7 miles of the proposed Subject.

The availability of market rate data is considered good. The Subject is located in Columbus and there are several market rate properties in the area. We included five conventional properties in our analysis of the competitive market. One of these properties, Patriot Pointe, targets seniors. All of the market rate properties are located in the PMA, between 0.3 and 3.3 miles from the Subject site. These comparables were built or renovated between 2000 and 2018. There are a limited number of new construction market rate properties in the area. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity and unit types and several were excluded because we were unable to contact a management representative willing to provide information for our survey.

All of the comparable properties were interviewed since late April 2020. The majority of property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-

at-home orders. However, some properties reported slightly slower leasing paces as a result of the pandemic and tenants being reluctant to relocate at this time. One of the comparable properties, Avalon Apartments, reported an increase in vacancy among its three-bedroom units; however, none of the remaining comparable properties reported a similar trend.

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 | Rent Level | Subject Pro Forma Rent | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
|-----------|------------|------------------------|--------------|--------------|------------------|------------------------|
| 1BR / 1BA | @50% | \$433 | \$455 | \$844 | \$632 | 46% |
| 1BR / 1BA | @60% | \$545 | \$561 | \$844 | \$650 | 19% |
| 2BR / 1BA | @50% | \$515 | \$539 | \$1,217 | \$771 | 50% |
| 2BR / 1BA | @60% | \$649 | \$635 | \$1,217 | \$792 | 22% |

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject will offer a rent advantage of 22 to 50 percent for its LIHTC units. The Subject will be the newest development in the market with competitive amenities.

The Lakes Apartments reported the highest one-bedroom unit rents in the market. This property is a 316-unit, garden-style development located 3.0 miles north of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1995 and renovated in 2000. We consider the condition of this property inferior relative to the Subject, which will be built in 2022. The manager at The Lakes Apartments reported a low vacancy rate of 0.9 percent, indicating the current rents are well accepted in the market. This property offers balconies/patios, walk-in closets, a playground, a swimming pool, tennis courts, and garages, all of which the proposed Subject will lack. However, the Subject will offer washer/dryers, microwaves and a business center, none of which are provided by The Lakes Apartments. On balance, we believe the in-unit and property amenity packages offered by The Lakes Apartments to be slightly inferior and superior relative to the Subject, respectively. However, The Lakes Apartments offers superior unit sizes to the proposed Subject. The Subject’s LIHTC rents have an advantage of 29 to 80 percent over the rents at this property. Therefore, we believe the Subject’s proposed rents are reasonable compared to this development. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

Information regarding the absorption periods of properties throughout Columbus is illustrated in the following table.

ABSORPTION

| Property Name | Rent | Tenancy | Year | Total Units | Units Absorbed Per Month |
|----------------------------|--------|---------|------|-------------|--------------------------|
| Waverly Terrace Apartments | LIHTC | Senior | 2017 | 80 | 7 |
| Highland Ridge | Market | Family | 2011 | 297 | 17 |
| Greystone Summit | Market | Family | 2008 | 220 | 30 |
| Greystone Falls | Market | Family | 2007 | 214 | 22 |

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. The Subject will be a new construction, senior LIHTC property with 48 units. The most recently opened LIHTC property is Waverly Terrace, a senior LIHTC development that reported an absorption pace of seven units per month. We believe the Subject as a senior property would experience a similar absorption pace to this development. As such, we believe the Subject would experience an absorption pace of seven units per month, indicating an absorption period of six months. The Subject will enter the market in July 2022, during the recovery from the COVID-19 pandemic.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 3.2 percent, which is considered low. All five of the LIHTC properties maintain waiting lists, from which their existing vacancies are expected to be leased. The comparable properties reported a moderate effect of slowed leasing as a result of the COVID-19 pandemic. However, demand appears to be strong regardless of the slower leasing process in the market at this time. None of the senior LIHTC properties reported a slowing of leasing. The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly inferior property amenities. The Subject will offer microwaves, in-unit washers and dryers, balconies/patios, dishwashers, garbage disposals, a business center, community room and exercise facility that several of the comparable properties lack. However, the Subject will lack a swimming pool, which several properties offer. The developments that lack a swimming pool reported low vacancy rates, indicating the absence of this amenity will not negatively affect the proposed Subject. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject’s proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Given the Subject’s anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at several LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

| Summary Table: (must be completed by the analyst and included in the executive summary) | | | | | | | | | | |
|--|----------------|--|--------------|----------------------|----------------------|-------------|---|------------------------------|----------------|-----------|
| Development Name: | | Boxwood Heights | | | | | Total # Units: | | | 48 |
| Location: | | Midtown Loop Columbus, GA 31906 | | | | | # LIHTC Units: | | | 48 |
| PMA Boundary: | | Manchester Expressway to the north; the Georgia-Alabama state line to the west; Victory Drive to the south; and Schatulga Road and Jefferson Drive to the east | | | | | Farthest Boundary Distance to Subject: | | | 5.4 miles |
| Rental Housing Stock (found on page 72) | | | | | | | | | | |
| Type | # Properties* | Total Units | Vacant Units | Average Occupancy | | | | | | |
| All Rental Housing** | 43 | 6,210 | 622 | 90.0% | | | | | | |
| Market-Rate Housing | 18 | 2,689 | 264 | 90.2% | | | | | | |
| <i>Assisted/Subsidized Housing not to include LIHTC</i> | 12 | 1,225 | 35 | 97.1% | | | | | | |
| LIHTC | 10 | 2,048 | 75 | 96.3% | | | | | | |
| Stabilized Comps | 40 | 5,962 | 374 | 93.7% | | | | | | |
| Properties in Construction & Lease Up | 3 | 248 | 248 | 0.0% | | | | | | |
| *Only includes properties in PMA | | | | | | | | | | |
| **Includes properties under construction or proposed | | | | | | | | | | |
| 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 | |
| 5 | 1BR at 50% AMI | 1 | 700 | \$433 | \$632 | \$0.90 | 46% | \$844 | \$0.71 | |
| 5 | 2BR at 50% AMI | 1 | 900 | \$515 | \$771 | \$0.86 | 50% | \$1,217 | \$1.00 | |
| 19 | 1BR at 60% AMI | 1 | 700 | \$545 | \$650 | \$0.93 | 19% | \$844 | \$0.71 | |
| 19 | 2BR at 60% AMI | 1 | 900 | \$649 | \$792 | \$0.88 | 22% | \$1,217 | \$1.00 | |
| Capture Rates (found on page 63) | | | | | | | | | | |
| Targeted Population | | | | | @50% | @60% | - | - | Overall | - |
| Capture Rate: | | | | | 2.9% | 19.8% | - | - | 11.7% | - |

*Includes LIHTC and unrestricted (when applicable)

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- | | |
|---|--|
| 1. Project Address and Development Location: | The Subject site is located on Midtown Loop in Columbus, Muscogee County, Georgia 31906. The Subject site is currently vacant. |
| 2. Construction Type: | The Subject will consist of one, four-story, elevator-serviced, midrise building. The Subject will be new construction. |
| 3. Occupancy Type: | Housing for Older Persons ages 55 and older. |
| 4. Special Population Target: | None. |
| 5. Number of Units by Bedroom Type and AMI Level: | See following property profile. |
| 6. Unit Size, Number of Bedrooms and Structure Type: | See following property profile. |
| 7. Rents and Utility Allowances: | See following property profile. |
| 8. Existing or Proposed Project-Based Rental Assistance: | See following property profile. |
| 9. Proposed Development Amenities: | See following property profile. |

| Boxwood Heights | | | | | | | | | | | | |
|--|---|---------------------|-------|-----------|---------------------|--|--------------|-----------------|--------|--------------|-----------|--|
| Location | Midtown Loop Columbus, GA 31906 Muscogee County | | | | |  | | | | | | |
| Units | 48 | | | | | | | | | | | |
| Type | Midrise (age-restricted) (4 stories) | | | | | | | | | | | |
| Year Built / Renovated | 2022 / n/a | | | | | | | | | | | |
| Tenant Characteristics | HFOP, Seniors 55+ | | | | | | | | | | | |
| Market | | | | | | | | | | | | |
| Program | @50%, @60% | | | | | Leasing Pace | n/a | | | | | |
| Annual Turnover Rate | N/A | | | | | Change in Rent (Past Year) | n/a | | | | | |
| Units/Month Absorbed | n/a | | | | | Concession | n/a | | | | | |
| Section 8 Tenants | N/A | | | | | | | | | | | |
| Utilities | | | | | | | | | | | | |
| A/C | not included – central | | | | | Other Electric | not included | | | | | |
| Cooking | not included – electric | | | | | Water | not included | | | | | |
| Water Heat | not included – electric | | | | | Sewer | not included | | | | | |
| Heat | not included – electric | | | | | Trash Collection | included | | | | | |
| Unit Mix (face rent) | | | | | | | | | | | | |
| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max rent? | |
| 1 | 1 | Lowrise (3 stories) | 5 | 700 | \$433 | \$0 | @50% | n/a | N/A | N/A | no | |
| 1 | 1 | Lowrise (3 stories) | 19 | 700 | \$545 | \$0 | @60% | n/a | N/A | N/A | no | |
| 2 | 1 | Lowrise (3 stories) | 5 | 900 | \$514 | \$0 | @50% | n/a | N/A | N/A | no | |
| 2 | 1 | Lowrise (3 stories) | 19 | 900 | \$649 | \$0 | @60% | n/a | N/A | N/A | no | |
| Amenities | | | | | | | | | | | | |
| In-Unit | Blinds | Property | | | Business | Security | | Limited Access | | | | |
| | Carpeting | | | | Center/Computer Lab | Premium | | none | | | | |
| | Central A/C | | | | Clubhouse/Meeting | Other | | Library | | | | |
| | Dishwasher | | | | Room/Community Room | Services | | Adult Education | | | | |
| | Ceiling Fan | | | | Courtyard | | | | | | | |
| | Garbage Disposal | | | | Elevators | | | | | | | |
| | Hand Rails | | | | Exercise Facility | | | | | | | |
| | Microwave | | | | Off-Street Parking | | | | | | | |
| | Oven | | | | On-Site Management | | | | | | | |
| | Pull Cords | | | | Picnic Area | | | | | | | |
| | Refrigerator | | | | Wi-Fi | | | | | | | |
| | Washer/Dryer | | | | | | | | | | | |
| Comments | | | | | | | | | | | | |
| Adult education will include classes on healthy eating, computers, and technology as well as fitness. The proposed utility allowances are \$121 for one-bedroom units and \$151 for two-bedroom units. | | | | | | | | | | | | |

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in July 2021 and be completed in July 2022. We will utilize 2022 as the market entry year for demographic purposes according to the DCA Market Study Manual.
- Conclusion:** The Subject will be an excellent-quality, four-story, elevator-serviced midrise apartment complex, comparable to most of the inventory in the area. As new construction, 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 25, 2020.

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

Frontage: The Subject site has frontage along the northwest side of Boxwood Place and the northeast side of Midtown Loop.

Visibility/Views: The Subject will be located on Midtown Loop, a small connector street. The Subject will have visibility from Boxwood Place, a street with no outlet and Midtown Drive, a small commercial road. As such, the Subject will have limited visibility. Views from the Subject site include a hotel, vacant land and commercial uses.

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



Source: Google Earth, May 2020.

The Subject site is located on the northwest side of Boxwood Place and the northeast side of Midtown Loop. The Subject site is currently vacant. Adjacent north of the Subject site is a house of worship and small warehouse building. Directly east is a hotel in average condition follow by Interstate 85. A storage facility and car dealerships are located father east of the Interstate. South of the Subject site are a number of small scale commercial uses on Boxwood Place including a music center, medical office and house of worship. Farther south is Azalea Ridge Apartments, which is included as a comparable in this report. Farther south are single-family homes in average condition. Directly west of the Subject site is a restaurant, house of worship and a retail plaza. Farther west is a library and school. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 49 out of 100. The Subject site is considered a desirable building site for rental housing due to the proximity of commercial uses. The uses surrounding the Subject are in good condition.

Positive/Negative Attributes of Site:

The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. The Subject site is located directly west of Interstate 185. Some noise from this use is audible at the Subject site. However, Azalea Ridge Apartments, a market rate comparable, is located in similar proximity to this use and has not reported it has negatively impacted the property’s marketability.

3. Physical Proximity to Locational Amenities:

The Subject is located within 4.3 miles of all locational amenities. Additionally, it is within 11 miles of Fort Benning, which is the area’s largest employer.

4. Pictures of Site and Adjacent Uses:

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



Subject site



Subject site



Subject site



Subject site



View south on Boxwood Place



View north on Boxwood Place



Restaurant northwest of the Subject site



Creek northwest of the Subject site



Hotel directly east of the Subject site



Music shop south of the Subject site



Commercial uses south of the Subject site on Boxwood Place



Commercial uses south of the Subject site on Boxwood Place



Commercial uses south of the Subject site on Boxwood Place



Commercial uses south of the Subject site on Boxwood Place



Library southwest of the Subject



Commercial uses south of the Subject site on Boxwood Place



Single-family home south of Subject site



Single-family home south of Subject site



Single-family home south of Subject site



Single-family home south of Subject site



Retail center northwest of Subject site



Commercial use northwest of Subject site



Retail center northwest of Subject site



Retail center northwest of Subject site



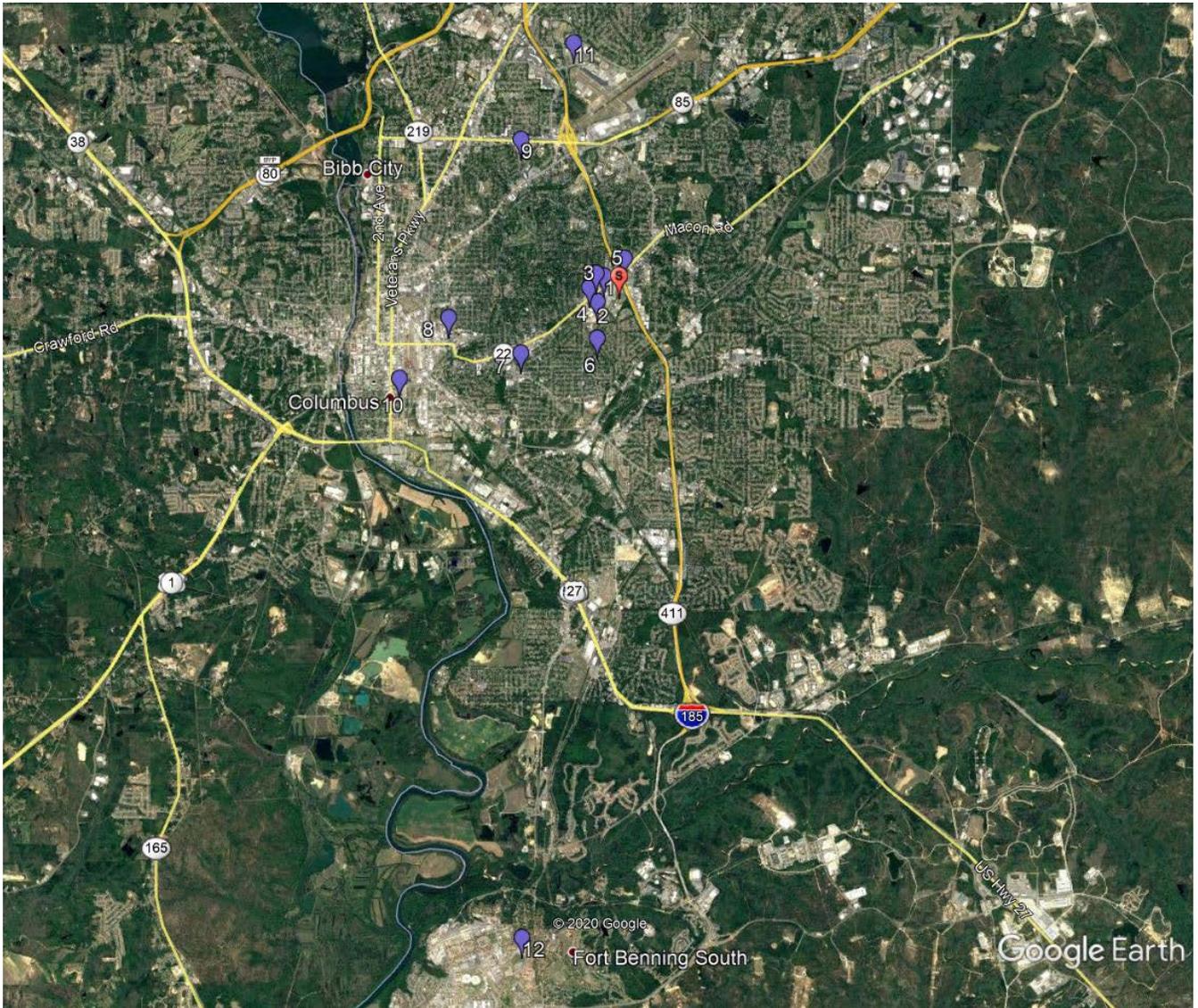
Retail center northwest of Subject site



Retail center northwest of Subject site

5. Proximity to Locational Amenities:

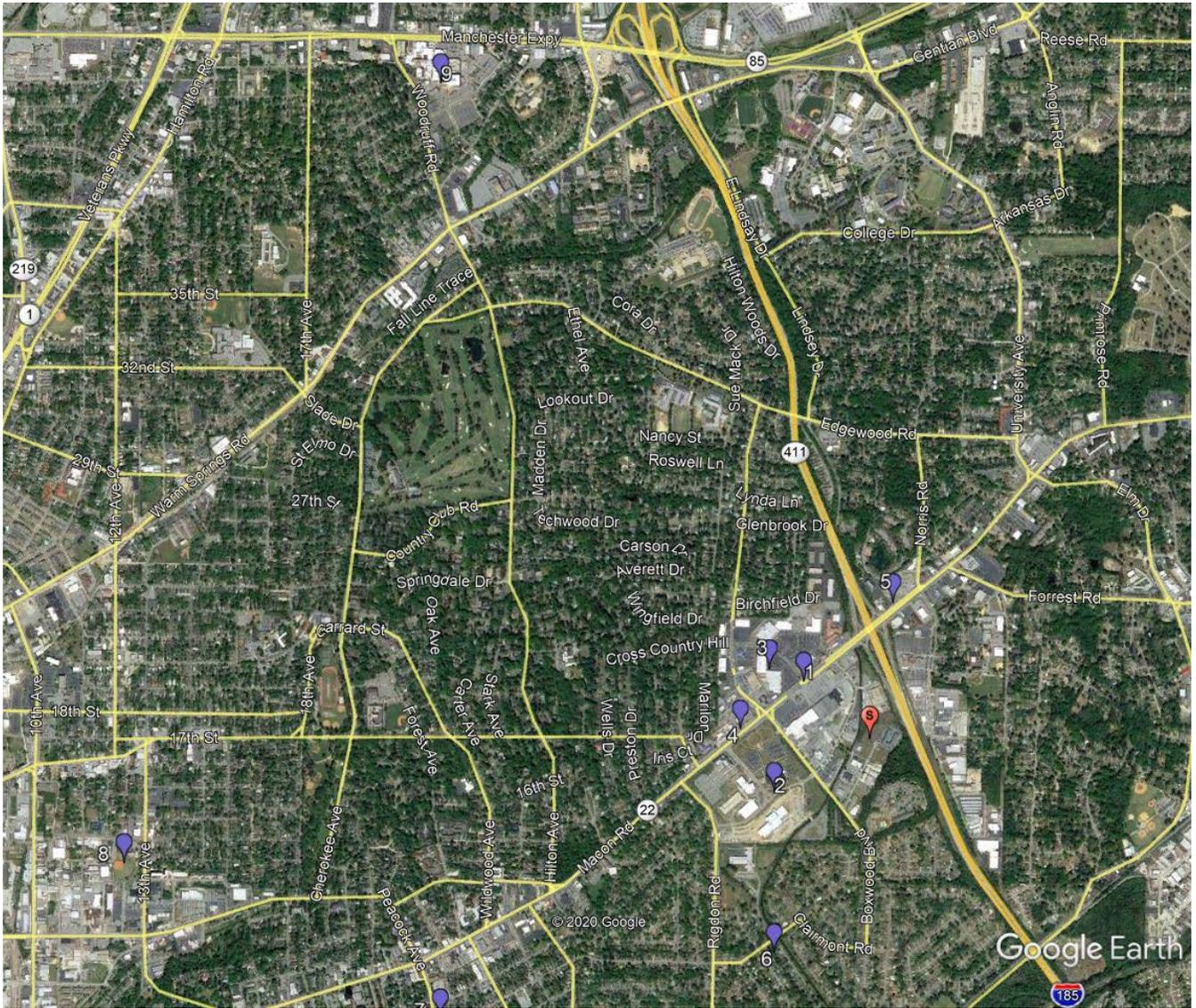
The following table details the Subject's distance from key locational amenities.



Source: Google Earth, May 2020.

LOCATIONAL AMENITIES

| Map # | Service or Amenity | Distance from Subject (Crow) |
|-------|---------------------------------|------------------------------|
| 1 | Wells Fargo Bank | 0.3 miles |
| 2 | Columbus Public Library | 0.3 miles |
| 3 | Publix Super Market | 0.4 miles |
| 4 | CVS Pharmacy | 0.4 miles |
| 5 | United States Postal Service | 0.5 miles |
| 6 | Ardahlia Mack Park | 0.6 miles |
| 7 | Columbus Fire and EMS Station 6 | 1.4 miles |
| 8 | Gallops Senior Center | 2.1 miles |
| 9 | St. Francis-Emory Healthcare | 2.2 miles |
| 10 | Columbus Police Department | 2.9 miles |
| 11 | Walmart | 3.1 miles |
| 12 | Fort Benning | 8.0 miles |



Source: Google Earth, May 2020.

6. Description of Land Uses

The Subject site is located south of Cross Country Plaza, a retail area with restaurants, retail, and a grocery store. The majority of the surrounding area is developed. The Subject site is located on the northwest side of Boxwood Place and the northeast side of Midtown Loop. The Subject site is currently vacant. Adjacent north of the Subject site is a house of worship and small warehouse building. Directly east is a hotel in average condition followed by Interstate 85. A storage facility and car dealerships are located further east of the Interstate. South of the Subject site are a number of small scale commercial uses on Boxwood Place including a music center, medical office and house of worship. Farther south is Azalea Ridge Apartments, which is included as a comparable in this report. Farther south are single-family homes in average condition. Directly west of the Subject site is a restaurant, house of worship and a retail plaza.

Farther west is a library and school. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 49 out of 100. The Subject site is considered a desirable building site for rental housing due to the proximity of commercial uses. The uses surrounding the Subject are in good condition.

7. Crime:

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

2019 CRIME INDICES

| | PMA | Columbus, GA-AL Metropolitan Statistical Area |
|------------------------|------------|---|
| Total Crime* | 228 | 172 |
| Personal Crime* | 151 | 120 |
| Murder | 193 | 165 |
| Rape | 88 | 94 |
| Robbery | 224 | 159 |
| Assault | 122 | 103 |
| Property Crime* | 238 | 179 |
| Burglary | 248 | 190 |
| Larceny | 238 | 178 |
| Motor Vehicle Theft | 210 | 158 |

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

*Unweighted aggregations

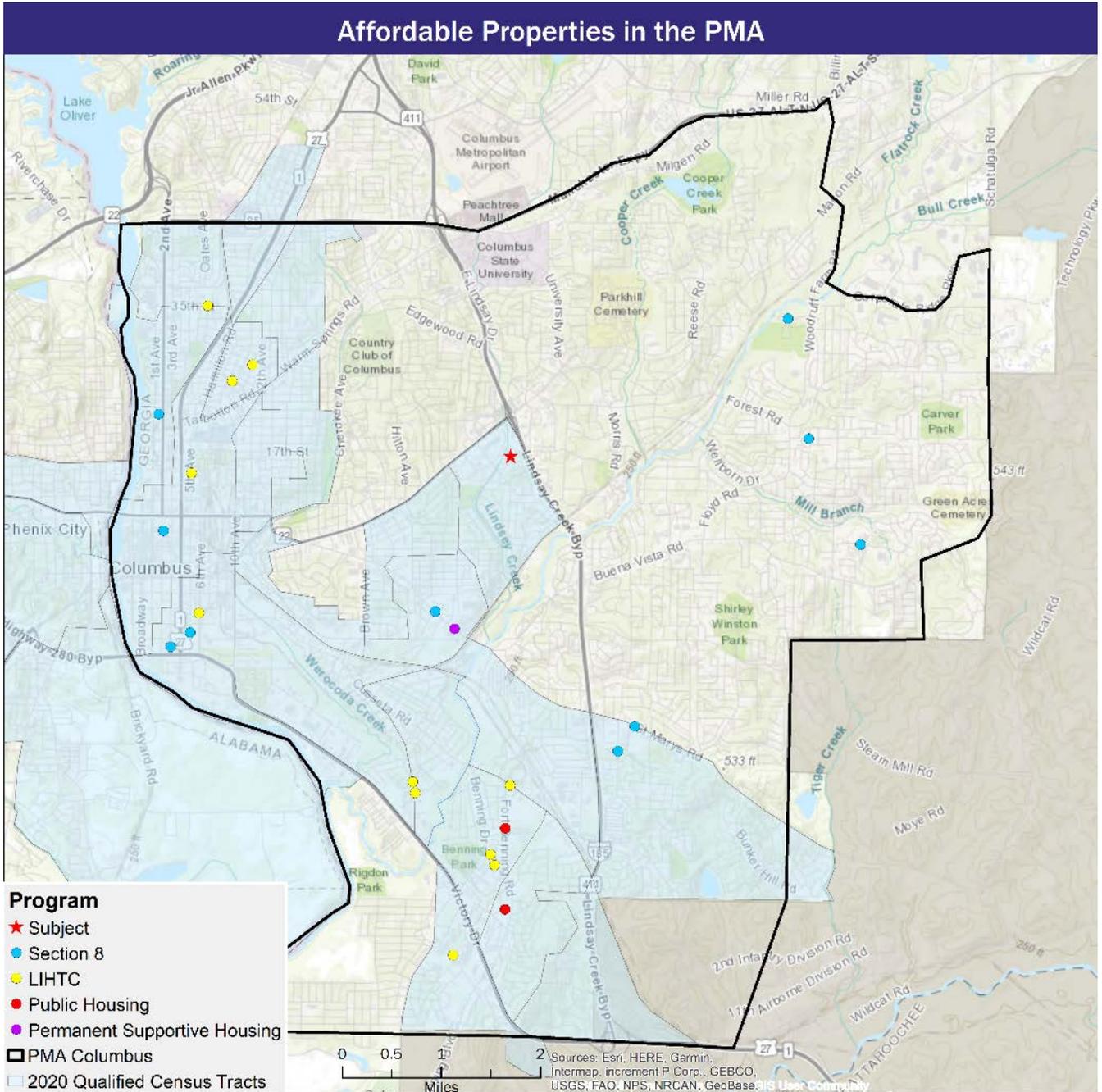
Total crime risk indices in the PMA are more than double the national average, and above the surrounding MSA. Both geographic areas feature crime risk indices above the overall nation. The Subject will offer limited access as a security feature. The majority of the comparable properties offer some sort of security feature including in-unit alarms, limited access, perimeter fencing, security patrols, or video surveillance. The majority of comparable developments offer either one or no security features. Given the presence of features in the market, we believe the Subject’s security feature is market oriented.

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 | |
|------------------------------|-------------------------|----------|---------|------------|-----------------------|-----------|------|
| Boxwood Heights | LIHTC | Columbus | Senior | 48 | - | Red Star | |
| Arbor Pointe I And II | LIHTC/ Market | Columbus | Family | 296 | 3.5 miles | Yellow | |
| Ashley Station | LIHTC/Section 8/ Market | Columbus | Family | 367 | 2.4 miles | | |
| Avalon Apartments | LIHTC | Columbus | Family | 232 | 2.8 miles | | |
| The Cottages At Arbor Pointe | LIHTC/PBRA | Columbus | Senior | 120 | 3.7 miles | | |
| Waverly Terrace Apartments | LIHTC | Columbus | Senior | 80 | 2.3 miles | | |
| Eagle Trace | LIHTC | Columbus | Family | 381 | 4.3 miles | | |
| Liberty Commons | LIHTC | Columbus | Family | 172 | 5.6 miles | | |
| Liberty Gardens Townhomes | LIHTC | Columbus | Family | 88 | 3.0 miles | | |
| Lumpkin Park Apartments | LIHTC | Columbus | Family | 192 | 3.0 miles | | |
| Springfield Crossing | LIHTC/ Market | Columbus | Family | 120 | 2.9 miles | | |
| Claflin School Apartments | LIHTC | Columbus | Family | 44 | 2.7 miles | | |
| Highland Terrace | LIHTC | Columbus | Senior | 102 | 2.9 miles | | |
| Mill Village | LIHTC/Section 8/ Market | Columbus | Family | 102 | 3.1 miles | | |
| EJ Knight Apartments | Public Housing | Columbus | Senior | 92 | 3.2 miles | | Red |
| Columbus Commons | LIHTC/Section 8/ Market | Columbus | Family | 106 | 3.1 miles | | Blue |
| Bull Creek Apartments | Section 8 | Columbus | Family | 128 | 2.6 miles | | |
| Columbus Villas | Section 8 | Columbus | Family | 88 | 3.0 miles | | |
| Columbus Gardens I And II | Section 8 | Columbus | Family | 116 | 3.3 miles | | |
| Farrfield Manor | Section 8 | Columbus | Senior | 74 | 2.7 miles | | |
| Hunter Haven Apartments | Section 8 | Columbus | Family | 104 | 2.5 miles | | |
| Ralston Towers | Section 8 | Columbus | Family | 269 | 3.0 miles | | |
| Renaissance Villa Apartments | Section 8 | Columbus | Family | 72 | 1.5 miles | | |
| Saint Mary's Woods Estates | Section 8 | Columbus | Senior | 48 | 2.5 miles | | |
| Patriot Pointe | Section 8/Market | Columbus | Senior | 100 | 3.9 miles | | |
| Willow Glen | Supportive Housing | Columbus | Family | 28 | 1.5 miles | Purple | |



9. Road, Infrastructure or Proposed Improvements:

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

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

The Subject site can be accessed from Midtown Loop, which leads to Boxwood Boulevard via Midtown Drive and Boxwood Place. Macon Road, which Boxwood Boulevard intersects with, leads to Interstate 185 in the west-central part of the U.S. state of Georgia.

11. Conclusion:

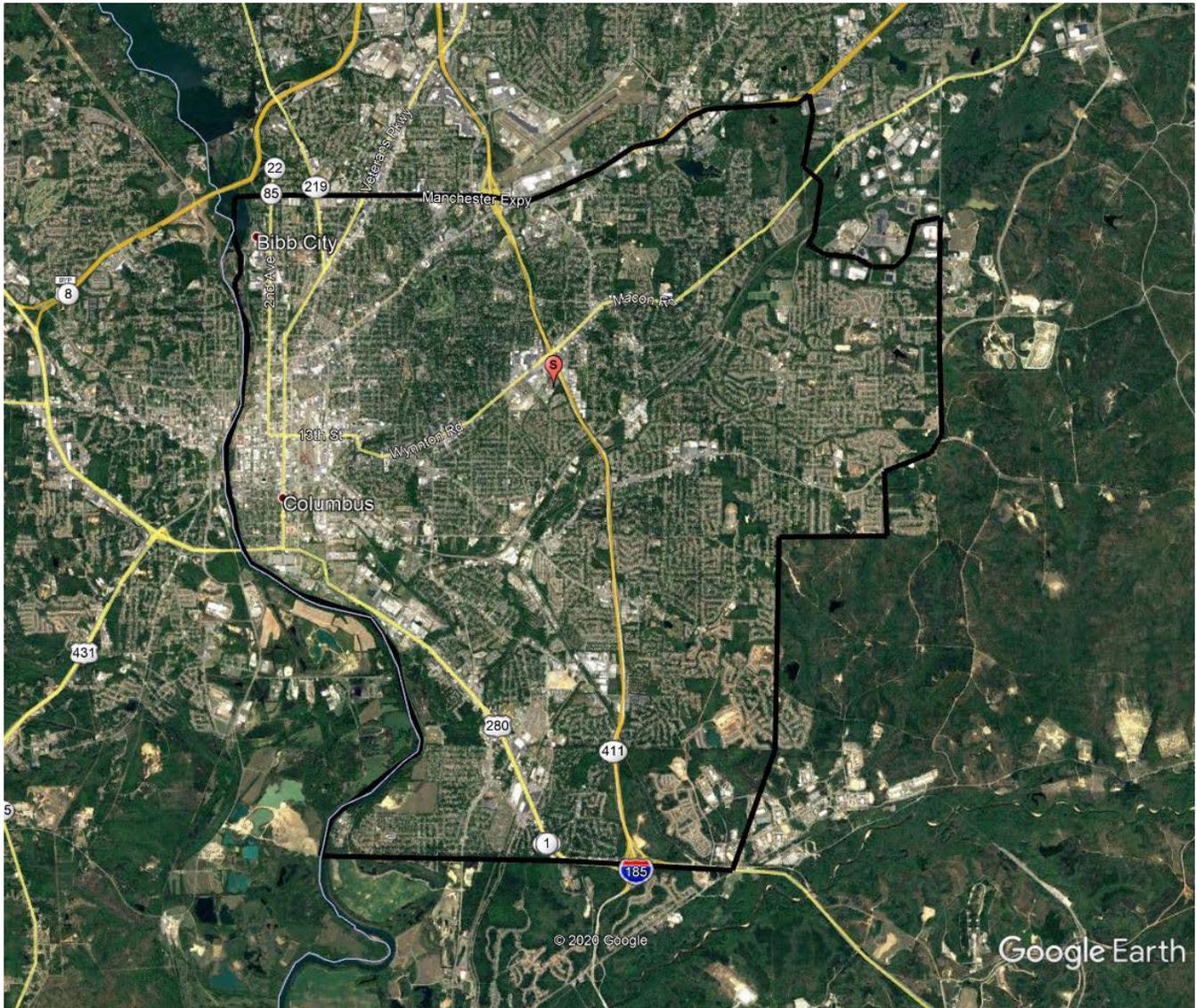
The Subject site is located on the northwest side of Boxwood Place and the northeast side of Midtown Loop. The Subject site has limited visibility from Boxwood Place, a street with no outlet. The Subject will be accessible from Midtown Loop, which provides access only to Midtown Drive and Boxwood Place. However the Subject is near Interstate 185 and a major commercial plaza. The Subject site is currently a vacant lot. Surrounding uses consist of multifamily, commercial, and single-family uses. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 49 out of 100. Crime risk indices in the Subject’s area are considered above average. The Subject site is considered a desirable building site for rental housing. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within 3.1 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, April 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 Columbus, GA-AL Metropolitan Statistical Area are areas of growth or contraction.

The PMA is defined by the Manchester Expressway to the north; the Georgia-Alabama state line to the west; Victory Drive to the south; and Schatulga Road and Jefferson Drive to the east. This area includes the central

and southern portions of the city of Columbus. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 4.0 miles
East: 5.4 miles
South: 5.4 miles
West: 3.8 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Property managers report that tenants come from throughout Columbus and Muscogee County. However, we included only the central and southern portions of Columbus in our PMA to not overstate demand. 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 5.4 miles. The SMA is defined as the Columbus, GA-AL Metropolitan Statistical Area (MSA), which consists of 30 counties in northwest Georgia and encompasses 1,835 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 Columbus, GA-AL MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and Columbus, GA-AL MSA. The Subject's anticipated completed is in July 2022, which we will utilize 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, Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2024.

Total Population

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

| POPULATION | | | | | | |
|----------------------------------|---------|---------------|--|---------------|-------------|---------------|
| Year | PMA | | Columbus, GA-AL Metropolitan Statistical Area | | USA | |
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 117,743 | - | 289,023 | - | 281,250,431 | - |
| 2010 | 111,631 | -0.5% | 294,865 | 0.2% | 308,745,538 | 1.0% |
| 2019 | 108,896 | -0.3% | 305,871 | 0.4% | 332,417,793 | 0.8% |
| Projected Mkt Entry July 2022 | 108,891 | 0.0% | 310,322 | 0.5% | 340,259,678 | 0.8% |
| 2024 | 108,887 | 0.0% | 313,290 | 0.5% | 345,487,602 | 0.8% |

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

| SENIOR POPULATION, 55+ | | | | | | |
|----------------------------------|--------|---------------|--|---------------|-------------|---------------|
| Year | PMA | | Columbus, GA-AL Metropolitan Statistical Area | | USA | |
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 23,037 | - | 56,300 | - | 59,213,944 | - |
| 2010 | 25,324 | 1.0% | 67,610 | 2.0% | 76,750,713 | 3.0% |
| 2019 | 29,554 | 1.8% | 84,304 | 2.7% | 97,974,761 | 3.0% |
| Projected Mkt Entry July 2022 | 30,106 | 0.6% | 87,555 | 1.3% | 102,832,282 | 1.7% |
| 2024 | 30,474 | 0.6% | 89,723 | 1.3% | 106,070,630 | 1.7% |

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

The PMA experienced declining population growth between 2000 and 2010, and lagged behind the surrounding MSA, which reported positive growth over the same time period. However, senior growth in the PMA was strong between 2000 and 2010. Senior growth in the PMA increased through 2019, although at rates below senior growth in the MSA and nation. General population growth over this time period continued to decline. Through market entry and 2024, senior population growth is expected to slow and remain at rates below the MSA and the nation. However, general population growth in the PMA will stabilize.

Total Population by Age Group

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

POPULATION BY AGE GROUP

| Age Cohort | PMA | | | | |
|--------------|----------------|----------------|----------------|-------------------------------|----------------|
| | 2000 | 2010 | 2019 | Projected Mkt Entry July 2022 | 2024 |
| 0-4 | 8,844 | 8,682 | 7,738 | 7,719 | 7,706 |
| 5-9 | 9,188 | 7,826 | 7,611 | 7,460 | 7,360 |
| 10-14 | 8,681 | 7,509 | 7,250 | 7,236 | 7,226 |
| 15-19 | 9,203 | 9,108 | 7,354 | 7,468 | 7,544 |
| 20-24 | 9,704 | 9,355 | 8,226 | 8,015 | 7,874 |
| 25-29 | 9,196 | 8,298 | 8,638 | 7,968 | 7,522 |
| 30-34 | 8,188 | 7,294 | 7,543 | 7,709 | 7,820 |
| 35-39 | 8,655 | 6,530 | 6,904 | 6,943 | 6,969 |
| 40-44 | 8,984 | 6,360 | 5,904 | 6,273 | 6,519 |
| 45-49 | 7,655 | 7,402 | 5,947 | 5,910 | 5,886 |
| 50-54 | 6,407 | 7,943 | 6,228 | 6,083 | 5,987 |
| 55-59 | 4,878 | 6,795 | 6,916 | 6,350 | 5,973 |
| 60-64 | 4,011 | 5,413 | 6,520 | 6,473 | 6,441 |
| 65-69 | 4,031 | 3,883 | 5,428 | 5,703 | 5,887 |
| 70-74 | 3,651 | 2,976 | 4,095 | 4,447 | 4,681 |
| 75-79 | 2,786 | 2,676 | 2,845 | 3,233 | 3,491 |
| 80-84 | 1,899 | 2,027 | 1,888 | 2,021 | 2,109 |
| 85+ | 1,781 | 1,554 | 1,862 | 1,880 | 1,892 |
| Total | 117,742 | 111,631 | 108,897 | 108,891 | 108,887 |

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

POPULATION BY AGE GROUP

| Age Cohort | Columbus, GA-AL Metropolitan Statistical Area | | | | |
|--------------|---|----------------|----------------|-------------------------------|----------------|
| | 2000 | 2010 | 2019 | Projected Mkt Entry July 2022 | 2024 |
| 0-4 | 20,798 | 21,542 | 20,369 | 20,584 | 20,727 |
| 5-9 | 22,249 | 20,299 | 20,317 | 20,254 | 20,212 |
| 10-14 | 21,296 | 20,131 | 19,943 | 20,200 | 20,371 |
| 15-19 | 22,966 | 22,475 | 19,535 | 19,985 | 20,285 |
| 20-24 | 23,494 | 23,344 | 21,823 | 21,308 | 20,965 |
| 25-29 | 21,761 | 22,334 | 24,364 | 22,839 | 21,823 |
| 30-34 | 20,391 | 19,428 | 21,671 | 22,554 | 23,143 |
| 35-39 | 22,273 | 18,679 | 20,206 | 20,795 | 21,188 |
| 40-44 | 21,797 | 18,251 | 17,530 | 18,787 | 19,625 |
| 45-49 | 19,207 | 20,405 | 17,840 | 17,621 | 17,475 |
| 50-54 | 16,506 | 20,367 | 17,969 | 17,839 | 17,753 |
| 55-59 | 12,760 | 18,015 | 19,643 | 18,407 | 17,583 |
| 60-64 | 10,442 | 14,920 | 18,381 | 18,681 | 18,881 |
| 65-69 | 9,824 | 10,893 | 15,833 | 16,684 | 17,252 |
| 70-74 | 8,862 | 8,135 | 12,113 | 13,297 | 14,086 |
| 75-79 | 6,573 | 6,557 | 7,985 | 9,368 | 10,290 |
| 80-84 | 4,316 | 5,018 | 5,216 | 5,803 | 6,194 |
| 85+ | 3,523 | 4,072 | 5,133 | 5,315 | 5,437 |
| Total | 289,038 | 294,865 | 305,871 | 310,322 | 313,290 |

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

The largest age cohorts in the PMA are between 20 and 29, which indicates the presence of families and reflects the military presence in the area.

Number of Elderly and Non-Elderly

The following table illustrates the elderly and non-elderly population within the PMA, MSA and nation from 2000 through 2024.

| NUMBER OF ELDERLY AND NON-ELDERLY | | | | | | |
|-----------------------------------|---------|-------------|---------------|---|-------------|---------------|
| Year | Total | PMA | | Columbus, GA-AL Metropolitan Statistical Area | | |
| | | Non-Elderly | Elderly (55+) | Total | Non-Elderly | Elderly (55+) |
| 2000 | 117,743 | 94,706 | 23,037 | 289,023 | 232,723 | 56,300 |
| 2010 | 111,631 | 86,307 | 25,324 | 294,865 | 227,255 | 67,610 |
| 2019 | 108,896 | 79,342 | 29,554 | 305,871 | 221,567 | 84,304 |
| Projected Mkt Entry July 2022 | 108,891 | 78,785 | 30,106 | 310,322 | 222,767 | 87,555 |
| 2024 | 108,887 | 78,413 | 30,474 | 313,290 | 223,567 | 89,723 |

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

The elderly population in the PMA is expected to increase through market entry and 2024.

2. Household Trends

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

| Year | PMA | | Columbus, GA-AL Metropolitan Statistical Area | | USA | |
|----------------------------------|--------|---------------|--|---------------|------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 15,589 | - | 36,031 | - | 36,436,106 | - |
| 2010 | 16,669 | 0.7% | 43,539 | 2.1% | 45,892,723 | 2.6% |
| 2019 | 16,863 | 0.1% | 47,250 | 0.9% | 56,080,840 | 2.4% |
| Projected Mkt Entry July 2022 | 17,327 | 0.9% | 49,798 | 1.8% | 59,372,949 | 2.0% |
| 2024 | 17,637 | 0.9% | 51,497 | 1.8% | 61,567,688 | 2.0% |

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

AVERAGE HOUSEHOLD SIZE

| Year | PMA | | Columbus, GA-AL Metropolitan Statistical Area | | USA | |
|----------------------------------|--------|---------------|--|---------------|--------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 2.47 | - | 2.57 | - | 2.59 | - |
| 2010 | 2.46 | 0.0% | 2.49 | -0.3% | 2.58 | -0.1% |
| 2019 | 2.42 | -0.2% | 2.50 | 0.1% | 2.59 | 0.1% |
| Projected Mkt Entry July 2022 | 2.42 | 0.0% | 2.50 | 0.0% | 2.60 | 0.1% |
| 2024 | 2.42 | 0.0% | 2.50 | 0.0% | 2.60 | 0.1% |

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

The PMA experienced modest senior household growth between 2000 and 2010, and lagged behind the surrounding MSA and the nation over the same time period. Senior household growth in the PMA slowed significantly between 2010 through 2019, and remained at rates below the surrounding MSA and nation. However, according to ESRI demographic projections, annualized senior household PMA growth is expected to increase through 2024, although remain at rates below projected growth in the MSA and nation. The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household size in the PMA will remain stable along with the MSA 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- | Percentage | Renter- | Percentage |
|----------------------------------|----------------|----------------|----------------|-----------------|
| | Occupied Units | Owner-Occupied | Occupied Units | Renter-Occupied |
| 2000 | 23,183 | 51.0% | 22,313 | 49.0% |
| 2019 | 17,648 | 40.7% | 25,705 | 59.3% |
| Projected Mkt Entry July 2022 | 17,882 | 41.2% | 25,531 | 58.8% |
| 2024 | 18,038 | 41.5% | 25,415 | 58.5% |

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

PMA TENURE PATTERNS OF SENIORS 55+

| Year | Owner- | Percentage | Renter- | Percentage |
|----------------------------------|----------|----------------|----------------|-----------------|
| | Occupied | Owner-Occupied | Occupied Units | Renter-Occupied |
| 2000 | 11,086 | 71.1% | 4,503 | 28.9% |
| 2019 | 10,367 | 61.5% | 6,496 | 38.5% |
| Projected Mkt Entry July 2022 | 10,669 | 61.6% | 6,659 | 38.4% |
| 2024 | 10,870 | 61.6% | 6,767 | 38.4% |

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of senior renter households in the PMA increased between 2000 and 2019, and is estimated to be 38.5 percent as of 2019. This is more than the estimated 15 percent of senior renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2024.

Household Income

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+

| Income Cohort | 2019 | | Projected Mkt Entry July 2022 | | 2024 | |
|-------------------|--------------|---------------|-------------------------------|---------------|--------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 1,474 | 22.7% | 1,449 | 21.8% | 1,432 | 21.2% |
| \$10,000-19,999 | 1,802 | 27.7% | 1,793 | 26.9% | 1,787 | 26.4% |
| \$20,000-29,999 | 821 | 12.6% | 803 | 12.1% | 791 | 11.7% |
| \$30,000-39,999 | 606 | 9.3% | 613 | 9.2% | 618 | 9.1% |
| \$40,000-49,999 | 508 | 7.8% | 573 | 8.6% | 617 | 9.1% |
| \$50,000-59,999 | 330 | 5.1% | 337 | 5.1% | 341 | 5.0% |
| \$60,000-74,999 | 340 | 5.2% | 355 | 5.3% | 365 | 5.4% |
| \$75,000-99,999 | 287 | 4.4% | 329 | 4.9% | 357 | 5.3% |
| \$100,000-124,999 | 119 | 1.8% | 150 | 2.2% | 170 | 2.5% |
| \$125,000-149,999 | 62 | 1.0% | 76 | 1.1% | 85 | 1.3% |
| \$150,000-199,999 | 73 | 1.1% | 87 | 1.3% | 97 | 1.4% |
| \$200,000+ | 74 | 1.1% | 94 | 1.4% | 107 | 1.6% |
| Total | 6,496 | 100.0% | 6,659 | 100.0% | 6,767 | 100.0% |

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - Columbus, GA-AL Metropolitan Statistical Area, 55+

| Income Cohort | 2019 | | Projected Mkt Entry May 2022 | | 2024 | |
|-------------------|---------------|---------------|------------------------------|---------------|---------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 2,452 | 18.7% | 2,460 | 17.9% | 2,465 | 17.4% |
| \$10,000-19,999 | 3,224 | 24.6% | 3,253 | 23.7% | 3,272 | 23.1% |
| \$20,000-29,999 | 1,556 | 11.9% | 1,554 | 11.3% | 1,552 | 11.0% |
| \$30,000-39,999 | 1,239 | 9.4% | 1,282 | 9.3% | 1,311 | 9.3% |
| \$40,000-49,999 | 943 | 7.2% | 1,055 | 7.7% | 1,129 | 8.0% |
| \$50,000-59,999 | 761 | 5.8% | 779 | 5.7% | 791 | 5.6% |
| \$60,000-74,999 | 1,025 | 7.8% | 1,099 | 8.0% | 1,149 | 8.1% |
| \$75,000-99,999 | 819 | 6.2% | 923 | 6.7% | 992 | 7.0% |
| \$100,000-124,999 | 369 | 2.8% | 433 | 3.1% | 475 | 3.4% |
| \$125,000-149,999 | 222 | 1.7% | 265 | 1.9% | 293 | 2.1% |
| \$150,000-199,999 | 242 | 1.8% | 286 | 2.1% | 315 | 2.2% |
| \$200,000+ | 277 | 2.1% | 360 | 2.6% | 416 | 2.9% |
| Total | 13,129 | 100.0% | 13,748 | 100.0% | 14,160 | 100.0% |

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

The Subject will target tenants earning between \$16,620 and \$28,620 for its LIHTC units. As the table above depicts, approximately 72.4 percent of renter households in the PMA are earning incomes between \$0 and \$39,999, which is comparable to the 64.5 percent of renter households in the MSA in 2019. For the projected market entry date of July 2022, these percentages are projected to slightly decrease to 70.0 percent and 62.2 percent for the PMA and MSA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2019, market entry 2022 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, 55+

| Household Size | 2019 | | Projected Mkt Entry July 2022 | | 2024 | |
|-------------------------|---------------|-------------------|-------------------------------|-------------------|---------------|-------------------|
| | <i>Number</i> | <i>Percentage</i> | <i>Number</i> | <i>Percentage</i> | <i>Number</i> | <i>Percentage</i> |
| 1 Person | 3,717 | 57.2% | 3,865 | 58.0% | 3,963 | 58.6% |
| 2 Persons | 1,417 | 21.8% | 1,409 | 21.2% | 1,403 | 20.7% |
| 3 Persons | 651 | 10.0% | 659 | 9.9% | 665 | 9.8% |
| 4 Persons | 299 | 4.6% | 312 | 4.7% | 320 | 4.7% |
| 5+ Persons | 412 | 6.3% | 414 | 6.2% | 416 | 6.1% |
| Total Households | 6,496 | 100% | 6,659 | 100% | 6,767 | 100% |

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

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

Conclusion

The population in the PMA decreased by 2.5 percent between 2010 and 2019, compared to the 3.6 percent increase in the regional MSA and 7.1 percent increase across the overall nation. The current population of the PMA is 108,896 and is expected to be 108,891 in 2022. The current senior population of the PMA is 29,554 and is expected to be 30,106 in 2022. The percentage of senior renter households in the PMA increased between 2000 and 2019, and is estimated to be 59.3 percent as of 2019. This is more than the estimated 38.5 percent of renter households across the overall nation. Renter households are concentrated in the lowest income cohorts, with 58.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$16,620 and \$28,620 for its LIHTC units; therefore, the Subject should be well positioned to service this market. Overall, while the PMA has lost population since 2010, 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 the Columbus, GA-AL MSA are economically reliant on healthcare and Fort Benning, a major military base. Employment is concentrated in industries relating to or supporting the base, which is the largest employer in the region. Industries related to hospitality also represent major employment sectors in the PMA. Employment levels decreased during the national recession and have not surpassed pre-recession highs, indicating that the local economy is still in a recovery phase.

1. Covered Employment

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

| COVERED EMPLOYMENT | | |
|--------------------------|------------------|----------|
| Muscogee County, Georgia | | |
| Year | Total Employment | % Change |
| 2008 | 80,960 | - |
| 2009 | 78,276 | -3.4% |
| 2010 | 73,484 | -6.5% |
| 2011 | 74,559 | 1.4% |
| 2012 | 75,432 | 1.2% |
| 2013 | 75,375 | -0.1% |
| 2014 | 73,822 | -2.1% |
| 2015 | 72,808 | -1.4% |
| 2016 | 73,115 | 0.4% |
| 2017 | 74,356 | 1.7% |
| 2018 | 75,325 | 1.3% |
| 2019 YTD Average | 74,540 | 0.2% |
| Dec-18 | 75,522 | - |
| Dec-19 | 74,741 | -1.0% |

Source: U.S. Bureau of Labor Statistics
YTD as of Mar 2019

As illustrated in the table above, Muscogee County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 with its first employment decrease of the decade. Employment growth quickly rebounded and Muscogee County exhibited employment growth in 2011 and 2012 before declining again through 2015. Total employment again grew from 2016 to 2019 year to date, however total employment in Muscogee County decreased 1.0 percent from December 2018 to December 2019. However, employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. Georgia has begun to reopen several businesses in the state as of April 2020, but a return to full economic potential is unlikely while the global health crisis continues.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Muscogee County as of the second quarter of 2018.

TOTAL JOBS BY INDUSTRY
Muscogee County, Georgia - Q2 2018

| | Number | Percent |
|--------------------------------------|---------------|---------|
| Total, all industries | 75,467 | - |
| Goods-producing | 9,956 | - |
| Natural resources and mining | 117 | 0.2% |
| Construction | 3,183 | 4.2% |
| Manufacturing | 6,656 | 8.8% |
| Service-providing | 65,511 | - |
| Trade, transportation, and utilities | 14,245 | 18.9% |
| Information | 1,162 | 1.5% |
| Financial activities | 11,344 | 15.0% |
| Professional and business services | 11,113 | 14.7% |
| Education and health services | 13,091 | 17.3% |
| Leisure and hospitality | 12,057 | 16.0% |
| Other services | 2,403 | 3.2% |
| Unclassified | 96 | 0.1% |

Source: Bureau of Labor Statistics, 2019

Trade, transportation, and utilities is the largest industry in Muscogee County, followed by education and health services, and leisure and hospitality. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. As a result of the COVID-19 pandemic, volatile industries including accommodation/food services and retail trade pose an outsized risk to the local economy. 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 | 6,701 | 14.9% | 22,612,482 | 14.1% |
| Retail Trade | 5,711 | 12.7% | 17,127,172 | 10.7% |
| Accommodation/Food Services | 5,284 | 11.8% | 11,738,765 | 7.3% |
| Manufacturing | 5,120 | 11.4% | 16,057,876 | 10.0% |
| Educational Services | 3,548 | 7.9% | 14,565,802 | 9.1% |
| Finance/Insurance | 2,811 | 6.3% | 7,377,311 | 4.6% |
| Public Administration | 2,570 | 5.7% | 7,828,907 | 4.9% |
| Construction | 2,411 | 5.4% | 11,245,975 | 7.0% |
| Admin/Support/Waste Mgmt Svcs | 2,223 | 5.0% | 6,106,184 | 3.8% |
| Transportation/Warehousing | 2,105 | 4.7% | 7,876,848 | 4.9% |
| Other Services | 1,994 | 4.4% | 8,141,078 | 5.1% |
| Prof/Scientific/Tech Services | 1,434 | 3.2% | 11,744,228 | 7.3% |
| Real Estate/Rental/Leasing | 982 | 2.2% | 3,204,043 | 2.0% |
| Arts/Entertainment/Recreation | 646 | 1.4% | 3,332,132 | 2.1% |
| Wholesale Trade | 558 | 1.2% | 4,183,931 | 2.6% |
| Information | 535 | 1.2% | 3,157,650 | 2.0% |
| Utilities | 213 | 0.5% | 1,276,400 | 0.8% |
| Agric/Forestry/Fishing/Hunting | 60 | 0.1% | 1,915,709 | 1.2% |
| Mgmt of Companies/Enterprises | 0 | 0.0% | 237,307 | 0.1% |
| Mining | 0 | 0.0% | 819,151 | 0.5% |
| Total Employment | 44,906 | 100.0% | 160,548,951 | 100.0% |

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

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and accommodation/food services industries, which collectively comprise 39.4 percent of local employment. The PMA has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. However, the large share of PMA employment in retail trade and accommodation/food services is notable as both industries are historically volatile, and prone to contraction during recessionary periods. As a result of the COVID-19 pandemic, volatile industries including accommodation/food services and retail trade pose an outsized risk to the local economy. Relative to the overall nation, the PMA features comparatively greater employment in the accommodation/food services, retail trade, and finance/insurance industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, construction, and wholesale trade industries. We expect the local economy will suffer as a result of the COVID-19 pandemic given the outsized reliance on volatile industries. However, the presence of Fort Benning will provide additional stability to the local economy.

3. Major Employers

The table below shows the largest employers in Columbus, GA-AL MSA.

MAJOR EMPLOYERS

Columbus, GA-AL MSA

| # | Employer Name | Industry | # Of Employees |
|---------------|---------------------------------|--------------------|----------------|
| 1 | Fort Benning | Military | 42,870 |
| 2 | TSYS | Technology | 5,500 |
| 3 | Muscogee County School District | Education | 5,125 |
| 4 | Aflac | Insurance | 3,800 |
| 5 | Columbus City Government | Government | 3,000 |
| 6 | Kia Motors Manufacturing | Manufacturing | 2,700 |
| 7 | Piedmont Columbus Regional | Healthcare | 2,850 |
| 8 | St. Francis-Emory Healthcare | Healthcare | 2,500 |
| 9 | Pratt & Whitney | Manufacturing | 2,250 |
| 10 | Anthem Blue Cross Blue Shield | Insurance | 1,650 |
| 11 | Synovus | Financial Services | 1,385 |
| 12 | Columbus State University | Education | 1,200 |
| 13 | WestRock | Manufacturing | 900 |
| Totals | | | 75,730 |

Source: Choose Columbus, Retrieved May 2020

The largest employer in Columbus is Fort Benning, a United States Army base that supports more than 208,000 active-duty military, family members, reserve soldiers, retirees and civilian employees. According to the Greater Columbus Chamber of Commerce, Fort Benning generates an annual economic impact of \$4.75 billion. In February 2020, Fort Benning announcing that it is reactivating the 197th Infantry Brigade to meet the demand for infantry soldiers. More than 500 soldiers will be coming to Fort Benning when the brigade is activated. The presence of Fort Benning will provide additional stability to the local economy during the recovery from the COVID-19 pandemic.

Expansions/Contractions

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

WARN LISTINGS

Muscogee County, GA

| Company | Industry | Employees Affected | Lay off date |
|-------------------------------|--------------------|--------------------|--------------|
| Aludyne Columbus | Manufacturing | 166 | 4/27/2020 |
| Vision Works | Retail | 3 | 4/4/2020 |
| Bloomin Brands | Restaurants | 170 | 3/15/2020 |
| TIYA Support Services | Maintenance | 168 | 8/31/2019 |
| Gildan Yarns | Retail | 97 | 7/28/2019 |
| Concentrix CVG Corporation | Telecommunications | 106 | 4/30/2019 |
| Exide Technologies | Manufacturing | 251 | 3/1/2019 |
| Childcare Network of GA LLC | Education | 146 | 1/1/2019 |
| NCR | Manufacturing | 349 | 12/31/2018 |
| First Data Remitco | Financial Services | 83 | 3/31/2018 |
| XPO Logistics Worldwide, Inc. | Logistics | 75 | 2/28/2018 |
| Denim North America, LLC | Manufacturing | 125 | 1/28/2018 |
| Total | | 1,739 | |

Source: Georgia Department of Labor, May 2020

As illustrated in the above table, there have been 1,739 employees in the area impacted by layoffs or closures since 2018. Despite these job losses, employment growth in the area has continued. We attempted to contact a representative with the Columbus Planning Division and Columbus Economic Development Department. Despite numerous attempts, our calls have not been returned. We conducted internet research regarding employment expansions in the area. Details of these expansions are included in the following table.

EXPANSIONS/NEW ADDITIONS - MUSCOGEE COUNTY, GA - 2017-2020 YTD

| Company | Industry | Jobs |
|-----------------------------|------------------|------|
| First Credit Services | Customer Service | 155 |
| Califormulations | Retail | 30 |
| Daechang Seat Co | Manufacturing | 100 |
| Global Callcenter Solutions | Customer Service | 600 |
| InComm | Technology | 55 |
| Elwood Staffing | Human Resources | 100 |
| Gildan Yarns | Manufacturing | 80 |
| Pratt & Whitney | Manufacturing | 500 |
| Heckler & Koch | Manufacturing | 84 |

Source: Georgia Department of Economic Development, May 2020

- First Credit Services, which manages call center operations for other businesses, announced in December 2019 it will be expanding its Columbus location by adding 155 jobs and investing \$2 million by purchasing and renovating a new building.
- Califormulations, a business that helps food and beverage companies create innovative products, announced in November 2019 is coming to Columbus with the promise to create 30 jobs and invest more than \$5 million.
- Daechang Seat Co accounted in June 2019, to locate a manufacturing facility in Phenix City, AL at 903 Fontaine Road. This new manufacturing operation is expected to create 100 jobs and have an initial capital investment of more than \$9,000,000.
- In September 2018, Global Callcenter Solutions, a call center consulting company, announced plans to invest \$4.9 million in Muscogee County and create 600 new jobs.

- InComm, a technology company, announced plans in April 2018 to add 55 jobs at its Columbus location.
- Elwood Staffing, a staffing company, expanded its offices in Columbus and added approximately 100 new jobs in 2018.
- In 2018, Gildan Yarns, a yarn manufacturer, expanded its manufacturing facility in Columbus and created 80 new jobs.
- Pratt & Whitney, a manufacturer of aircraft engines and power units, announced in February 2017 that they plan to create more than 500 jobs and invest \$386 million to expand their Columbus facility over the next five years.
- Heckler & Koch, a manufacturer of firearms, announced in January 2017 that they plan to invest \$28.5 million to expand their Columbus facility. The expansion created 84 new jobs by January 2019.

As discussed, there have been an uptick in recent WARN notices filed in Muscogee County. Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past two months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response.

However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area.

Military

The military plays a large role in the Columbus economy. Muscogee County is home to Fort Benning, a United States Army base that supports more than 208,000 active-duty military, family members, reserve soldiers, retirees and civilian employees. The base is home to multiple tenant units include the United States Army Armor School, The United States Infantry School, and elements of the 75th Ranger Regiment. In February 2020, Fort Benning announcing that it is reactivating the 197th Infantry Brigade to meet the demand for infantry soldiers. More than 500 soldiers will be coming to Fort Benning when the brigade is activated.

4. Employment and Unemployment Trends

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

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| | Columbus, GA-AL Metropolitan Statistical Area | | | USA | | |
|-------------------|---|----------|------------------------|------------------|----------|------------------------|
| | Total Employment | % Change | Differential from peak | Total Employment | % Change | Differential from peak |
| 2003 | 118,645 | - | -2.7% | 137,736,000 | - | -11.6% |
| 2004 | 118,700 | 0.0% | -2.7% | 139,252,000 | 1.1% | -10.6% |
| 2005 | 119,930 | 1.0% | -1.7% | 141,730,000 | 1.8% | -9.0% |
| 2006 | 121,473 | 1.3% | -0.4% | 144,427,000 | 1.9% | -7.3% |
| 2007 | 121,762 | 0.2% | -0.2% | 146,047,000 | 1.1% | -6.2% |
| 2008 | 121,955 | 0.2% | 0.0% | 145,363,000 | -0.5% | -6.7% |
| 2009 | 117,614 | -3.6% | -3.6% | 139,878,000 | -3.8% | -10.2% |
| 2010 | 115,159 | -2.1% | -5.6% | 139,064,000 | -0.6% | -10.7% |
| 2011 | 117,213 | 1.8% | -3.9% | 139,869,000 | 0.6% | -10.2% |
| 2012 | 118,806 | 1.4% | -2.6% | 142,469,000 | 1.9% | -8.5% |
| 2013 | 118,698 | -0.1% | -2.7% | 143,929,000 | 1.0% | -7.6% |
| 2014 | 116,905 | -1.5% | -4.1% | 146,305,000 | 1.7% | -6.1% |
| 2015 | 115,395 | -1.3% | -5.4% | 148,833,000 | 1.7% | -4.4% |
| 2016 | 115,687 | 0.3% | -5.1% | 151,436,000 | 1.7% | -2.8% |
| 2017 | 117,767 | 1.8% | -3.4% | 153,337,000 | 1.3% | -1.6% |
| 2018 | 119,425 | 1.4% | -2.1% | 155,761,000 | 1.6% | 0.0% |
| 2019 YTD Average* | 118,789 | -0.5% | - | 157,538,083 | 1.1% | - |
| Dec-2018 | 120,132 | - | - | 156,481,000 | - | - |
| Dec-2019 | 119,073 | -0.9% | - | 158,504,000 | 1.3% | - |

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| | Columbus, GA-AL Metropolitan Statistical Area | | | USA | | |
|-------------------|---|--------|------------------------|-------------------|--------|------------------------|
| | Unemployment Rate | Change | Differential from peak | Unemployment Rate | Change | Differential from peak |
| 2003 | 5.6% | - | 0.9% | 6.0% | - | 2.1% |
| 2004 | 5.6% | 0.0% | 1.0% | 5.5% | -0.5% | 1.6% |
| 2005 | 6.0% | 0.4% | 1.3% | 5.1% | -0.5% | 1.2% |
| 2006 | 5.4% | -0.6% | 0.7% | 4.6% | -0.5% | 0.7% |
| 2007 | 5.2% | -0.2% | 0.5% | 4.6% | 0.0% | 0.7% |
| 2008 | 6.4% | 1.2% | 1.8% | 5.8% | 1.2% | 1.9% |
| 2009 | 9.5% | 3.1% | 4.9% | 9.3% | 3.5% | 5.4% |
| 2010 | 10.0% | 0.4% | 5.3% | 9.6% | 0.3% | 5.7% |
| 2011 | 9.8% | -0.2% | 5.1% | 9.0% | -0.7% | 5.1% |
| 2012 | 9.3% | -0.4% | 4.6% | 8.1% | -0.9% | 4.2% |
| 2013 | 8.6% | -0.7% | 3.9% | 7.4% | -0.7% | 3.5% |
| 2014 | 7.7% | -0.9% | 3.1% | 6.2% | -1.2% | 2.3% |
| 2015 | 6.9% | -0.8% | 2.3% | 5.3% | -0.9% | 1.4% |
| 2016 | 6.3% | -0.6% | 1.7% | 4.9% | -0.4% | 1.0% |
| 2017 | 5.4% | -1.0% | 0.7% | 4.4% | -0.5% | 0.4% |
| 2018 | 4.7% | -0.7% | 0.0% | 3.9% | -0.4% | 0.0% |
| 2019 YTD Average* | 4.1% | -0.6% | - | 3.7% | -0.2% | - |
| Dec-2018 | 4.3% | - | - | 3.7% | - | - |
| Dec-2019 | 3.3% | -1.0% | - | 3.4% | -0.3% | - |

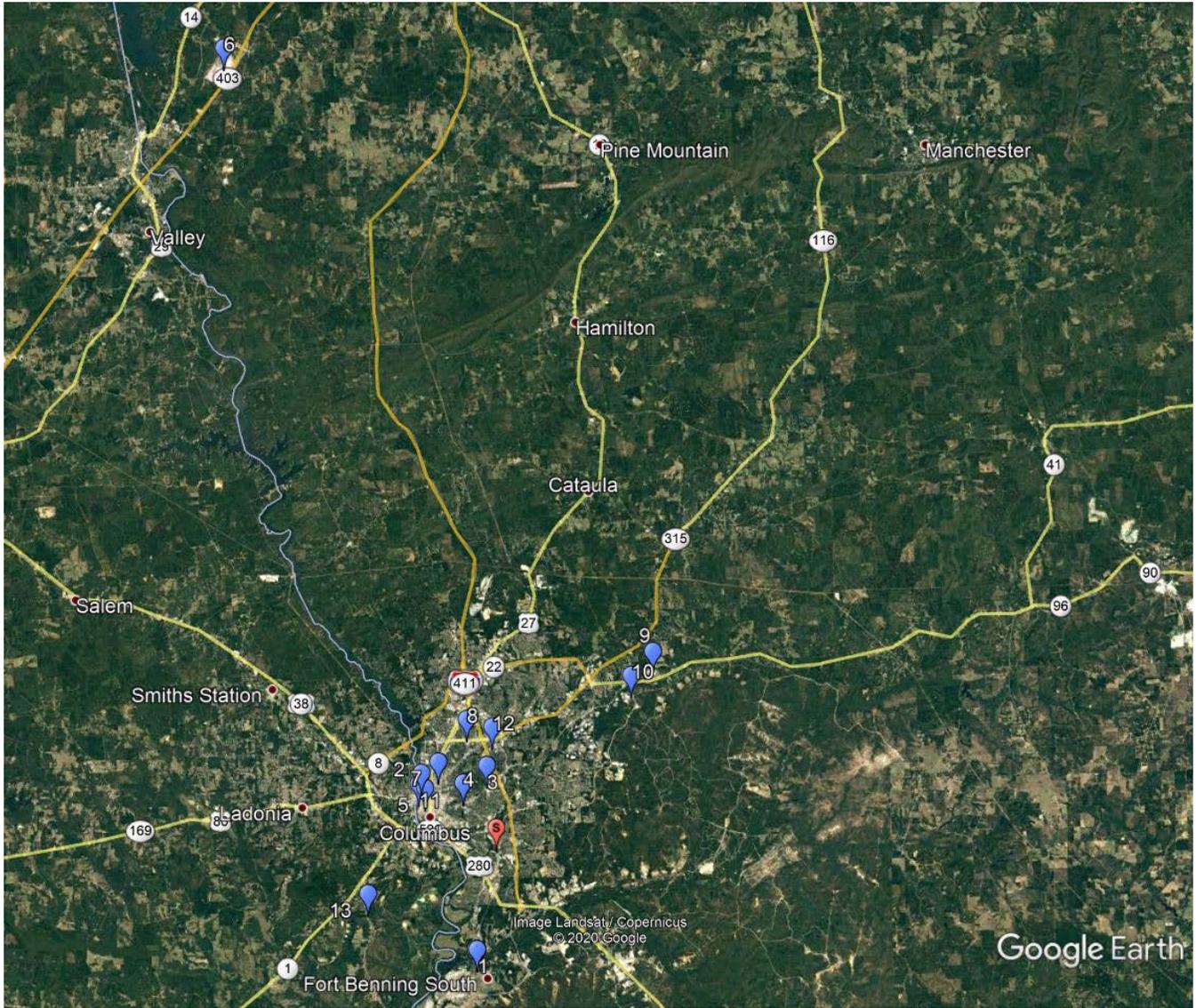
Source: U.S. Bureau of Labor Statistics, May 2020

Prior to the national recession, average employment growth in the MSA generally trailed the nation. Annual job growth in the MSA lagged the nation in all but one year between 2002 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 5.6 percent contraction in employment growth (2008-2010), well above the 4.8 percent contraction reported by the nation as a whole (2007-2010). Since 2012, average employment growth in the MSA trailed the nation in all but one year. As of December 2019, MSA employment is below record levels; and is declining at an annualized rate of 0.9 percent, compared to a 1.3 percent increase across the overall nation. However, employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. Georgia has begun to reopen several businesses in the state as of April 2020, but a return to full economic potential is unlikely while the global health crisis continues.

The MSA experienced a higher average unemployment rate relative to the overall nation during the years preceding the recession. However, the local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 3.5 percentage points, compared to a 3.8 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 3.3 percent, slightly lower than the current national unemployment rate of 3.4 percent. The MSA was heavily impacted by the recession, and has yet to recover its recessionary job losses. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. While unemployment data for 2020 is not yet available in the MSA, we anticipate a significant increase in unemployment figures. It is unclear how severely the regional economy has been affected and how temporary in nature any increase in unemployment will be for the MSA.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Columbus, GA-AL MSA.



Source: Google Earth, May 2020.

MAJOR EMPLOYERS

Columbus, GA-AL MSA

| # | Employer Name | Industry | City | # Of Employees |
|---------------|---------------------------------|--------------------|--------------|----------------|
| 1 | Fort Benning | Military | Fort Benning | 42,870 |
| 2 | TSYS | Technology | Columbus | 5,500 |
| 3 | Muscogee County School District | Education | Columbus | 5,125 |
| 4 | Aflac | Insurance | Columbus | 3,800 |
| 5 | Columbus City Government | Government | Columbus | 3,000 |
| 6 | Kia Motors Manufacturing | Manufacturing | West Point | 2,700 |
| 7 | Piedmont Columbus Regional | Healthcare | Columbus | 2,850 |
| 8 | St. Francis-Emory Healthcare | Healthcare | Columbus | 2,500 |
| 9 | Pratt & Whitney | Manufacturing | Columbus | 2,250 |
| 10 | Anthem Blue Cross Blue Shield | Insurance | Columbus | 1,650 |
| 11 | Synovus | Financial Services | Columbus | 1,385 |
| 12 | Columbus State University | Education | Columbus | 1,200 |
| 13 | WestRock | Manufacturing | Ladonia | 900 |
| Totals | | | | 75,730 |

Source: Choose Columbus, Retrieved May 2020

6. Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and accommodation/food services industries, which collectively comprise 39.4 percent of local employment. The largest industry, healthcare/social assistance, is resilient during periods of economic downturn. The PMA and the Columbus, GA-AL MSA are economically reliant on healthcare and Fort Benning, a major military base. Employment is concentrated in industries relating to or supporting the base, which is the largest employer in the region. Industries related to hospitality also represent major employment sectors in the PMA. In February 2020, Fort Benning announcing that it is reactivating the 197th Infantry Brigade to meet the demand for infantry soldiers. More than 500 soldiers will be coming to Fort Benning when the brigade is activated.

The effects of the recession were more pronounced in the MSA, which suffered a 5.6 percent employment contraction, compared to only 4.8 percent across the nation. As of December 2019, MSA employment is below record levels, and is declining at an annualized rate of 0.9 percent, compared to a 1.1 percent increase across the nation. Overall, the MSA was heavily impacted by the recession, and has yet to recover its recessionary job losses. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. While unemployment data for 2020 is not yet available in the MSA, we anticipate a significant increase in unemployment figures. It is unclear how severely the regional economy has been affected and how temporary in nature any increase in unemployment will be for the MSA. We expect the local economy will suffer as a result of the COVID-19 pandemic given the outsized reliance on volatile industries. However, the presence of Fort Benning will provide additional stability to the local economy.

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.

55+ INCOME LIMITS

| Unit Type | Minimum Allowable Income | Maximum Allowable Income | Minimum Allowable Income | Maximum Allowable Income |
|-----------|--------------------------|--------------------------|--------------------------|--------------------------|
| | @50% | | @60% | |
| 1BR | \$16,620 | \$23,850 | \$19,980 | \$28,620 |
| 2BR | \$19,980 | \$23,850 | \$24,000 | \$28,620 |

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 2019 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

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

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

Net Demand

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

Additions to Supply

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

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

PLANNED DEVELOPMENT

| Property Name | Rent Structure | Tenancy | Total Units | Competitive Units | LIHTC Allocation Year | Construction Status |
|--------------------------|-------------------------|---------|-------------|-------------------|-----------------------|---------------------|
| Mill Village | LIHTC/Section 8/ Market | Family | 102 | 0 | 2019 | Proposed |
| Clafin School Apartments | LIHTC | Family | 44 | 0 | 2017 | Under construction |
| Highland Terrace | LIHTC | Senior | 102 | 102 | 2017 | Under construction |
| Totals | | | 248 | 102 | | |

Source: CoStar, Georgia Department of Community Affairs, May 2020

- Mill Village was awarded tax credits in 2019 for the new construction of 102 mixed-income units targeted towards family households. The property will offer one, two and three-bedroom units restricted to the 30, 60 and 80 percent of AMI levels as well as market rate units. However, all 60 units at the 30 and 60 percent of AMI levels will operate with a subsidy. None of the units at this property will be directly competitive with the Subject as this property will target families. Therefore, none of the units at this property will be deducted from our demand analysis.
- Clafin School Apartments was awarded tax credits in 2017. This development is an adaptive re-use of an old school building that will offer 44 one, two, and three-bedroom units at 50 and 60 percent of the AMI. Construction began in fall 2018 and is anticipated to be completed in summer 2020. As this property will target families, none of these units will be deducted from our demand analysis.
- Highland Terrace was awarded tax credits in 2017. This development will offer 102 one and two-bedroom units to senior households aged 62 and over earning 50 and 60 percent of the AMI. Construction began in fall 2018 and is anticipated to be completed in summer 2020. As this property will target senior households, the Subject is expected to be directly competitive with this development and we will deduct all 102 units at this property from our analysis.

A number of market rate properties were also identified but they will not be directly competitive with the Subject’s affordable units. A total of 102 LIHTC units are deducted from our demand analysis.

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 |
|--------------|----------|----------|-----------|-----------|--------------|------------|
| OBR | | | | | | |
| 1BR | | | 10 | 37 | | 47 |
| 2BR | | | 11 | 44 | | 55 |
| 3BR | | | | | | |
| 4BR | | | | | | |
| 5BR | | | | | | |
| Total | 0 | 0 | 21 | 81 | 0 | 102 |

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, 55+

| Income Cohort | 2019 | | Projected Mkt Entry July 2022 | | 2024 | |
|-------------------|--------------|---------------|-------------------------------|---------------|--------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 1,474 | 22.7% | 1,449 | 21.8% | 1,432 | 21.2% |
| \$10,000-19,999 | 1,802 | 27.7% | 1,793 | 26.9% | 1,787 | 26.4% |
| \$20,000-29,999 | 821 | 12.6% | 803 | 12.1% | 791 | 11.7% |
| \$30,000-39,999 | 606 | 9.3% | 613 | 9.2% | 618 | 9.1% |
| \$40,000-49,999 | 508 | 7.8% | 573 | 8.6% | 617 | 9.1% |
| \$50,000-59,999 | 330 | 5.1% | 337 | 5.1% | 341 | 5.0% |
| \$60,000-74,999 | 340 | 5.2% | 355 | 5.3% | 365 | 5.4% |
| \$75,000-99,999 | 287 | 4.4% | 329 | 4.9% | 357 | 5.3% |
| \$100,000-124,999 | 119 | 1.8% | 150 | 2.2% | 170 | 2.5% |
| \$125,000-149,999 | 62 | 1.0% | 76 | 1.1% | 85 | 1.3% |
| \$150,000-199,999 | 73 | 1.1% | 87 | 1.3% | 97 | 1.4% |
| \$200,000+ | 74 | 1.1% | 94 | 1.4% | 107 | 1.6% |
| Total | 6,496 | 100.0% | 6,659 | 100.0% | 6,767 | 100.0% |

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

| Minimum Income Limit | | \$16,620 | | Maximum Income Limit | | \$23,850 | |
|----------------------|---|---------------|-----------------|-----------------------|----------------------------------|----------|--|
| Income Category | New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry July 2022 | | Income Brackets | Percent within Cohort | Renter Households within Bracket | | |
| \$0-9,999 | -25 | -15.5% | \$0 | 0.0% | 0 | | |
| \$10,000-19,999 | -9 | -5.5% | \$3,378 | 33.8% | -3 | | |
| \$20,000-29,999 | -18 | -11.1% | \$3,851 | 38.5% | -7 | | |
| \$30,000-39,999 | 7 | 4.4% | \$0 | 0.0% | 0 | | |
| \$40,000-49,999 | 65 | 40.2% | \$0 | 0.0% | 0 | | |
| \$50,000-59,999 | 7 | 4.1% | \$0 | 0.0% | 0 | | |
| \$60,000-74,999 | 15 | 9.2% | \$0 | 0.0% | 0 | | |
| \$75,000-99,999 | 42 | 25.8% | \$0 | 0.0% | 0 | | |
| \$100,000-124,999 | 31 | 18.8% | \$0 | 0.0% | 0 | | |
| \$125,000-149,999 | 14 | 8.5% | \$0 | 0.0% | 0 | | |
| \$150,000-199,999 | 14 | 8.9% | \$0 | 0.0% | 0 | | |
| \$200,000+ | 20 | 12.2% | \$0 | 0.0% | 0 | | |
| Total | 163 | 100.0% | | -6.1% | -10 | | |

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

| Minimum Income Limit | | \$16,620 | | Maximum Income Limit | | \$23,850 | |
|----------------------|----------------------------------|---------------|-----------------|-----------------------|---------------------------|----------|--|
| Income Category | Total Renter Households PMA 2019 | | Income Brackets | Percent within Cohort | Households within Bracket | | |
| \$0-9,999 | 1,474 | 22.7% | \$0 | 0.0% | 0 | | |
| \$10,000-19,999 | 1,802 | 27.7% | \$3,378 | 33.8% | 609 | | |
| \$20,000-29,999 | 821 | 12.6% | \$3,851 | 38.5% | 316 | | |
| \$30,000-39,999 | 606 | 9.3% | \$0 | 0.0% | 0 | | |
| \$40,000-49,999 | 508 | 7.8% | \$0 | 0.0% | 0 | | |
| \$50,000-59,999 | 330 | 5.1% | \$0 | 0.0% | 0 | | |
| \$60,000-74,999 | 340 | 5.2% | \$0 | 0.0% | 0 | | |
| \$75,000-99,999 | 287 | 4.4% | \$0 | 0.0% | 0 | | |
| \$100,000-124,999 | 119 | 1.8% | \$0 | 0.0% | 0 | | |
| \$125,000-149,999 | 62 | 1.0% | \$0 | 0.0% | 0 | | |
| \$150,000-199,999 | 73 | 1.1% | \$0 | 0.0% | 0 | | |
| \$200,000+ | 74 | 1.1% | \$0 | 0.0% | 0 | | |
| Total | 6,496 | 100.0% | | 14.2% | 925 | | |

ASSUMPTIONS - @50%

| Tenancy | 55+ | % of Income towards Housing | | | | 40% |
|----------------------|-------|-----------------------------|-----|-----|------|-----|
| Rural/Urban | Urban | Maximum # of Occupants | | | | 2 |
| Persons in Household | OBR | 1BR | 2BR | 3BR | 4BR+ | |
| 1 | 0% | 50% | 50% | 0% | 0% | |
| 2 | 0% | 10% | 90% | 0% | 0% | |
| 3 | 0% | 0% | 0% | 40% | 0% | |
| 4 | 0% | 0% | 0% | 40% | 30% | |
| 5+ | 0% | 0% | 0% | 50% | 50% | |

Demand from New Renter Households 2019 to July 2022

| | |
|---|------------|
| Income Target Population | @50% |
| New Renter Households PMA | 163 |
| Percent Income Qualified | -6.1% |
| New Renter Income Qualified Households | -10 |

Demand from Existing Households 2019

Demand from Rent Overburdened Households

| | |
|--|------------|
| Income Target Population | @50% |
| Total Existing Demand | 6,496 |
| Income Qualified | 14.2% |
| Income Qualified Renter Households | 925 |
| Percent Rent Overburdened Prj Mrkt Entry July 2022 | 47.0% |
| Rent Overburdened Households | 435 |

Demand from Living in Substandard Housing

| | |
|---|-----------|
| Income Qualified Renter Households | 925 |
| Percent Living in Substandard Housing | 2.6% |
| Households Living in Substandard Housing | 24 |

Senior Households Converting from Homeownership

| | |
|--|----------|
| Income Target Population | @50% |
| Total Senior Homeowners | 10,669 |
| Rural Versus Urban | 0.08% |
| Senior Demand Converting from Homeownership | 9 |

Total Demand

| | |
|--|------------|
| Total Demand from Existing Households | 468 |
| Total New Demand | -10 |
| Total Demand (New Plus Existing Households) | 458 |

| | |
|---|-------|
| Demand from Seniors Who Convert from Homeownership | 9 |
| Percent of Total Demand From Homeownership Conversion | 1.96% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|---------------|------------|
| One Person | 58.0% | 266 |
| Two Persons | 21.2% | 97 |
| Three Persons | 9.9% | 45 |
| Four Persons | 4.7% | 21 |
| Five Persons | 6.2% | 29 |
| Total | 100.0% | 458 |

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 | 50% | 133 |
| Of two-person households in 1BR units | 10% | 10 |
| 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 | 50% | 133 |
| Of two-person households in 2BR units | 90% | 87 |
| Of three-person households in 2BR units | 0% | 0 |
| Of four-person households in 2BR units | 0% | 0 |
| Of five-person households in 2BR units | 0% | 0 |
| Of one-person households in 3BR units | 0% | 0 |
| Of two-person households in 3BR units | 0% | 0 |
| Of three-person households in 3BR units | 40% | 18 |
| Of four-person households in 3BR units | 40% | 9 |
| Of five-person households in 3BR units | 50% | 14 |
| Of one-person households in 4BR units | 0% | 0 |
| Of two-person households in 4BR units | 0% | 0 |
| Of three-person households in 4BR units | 0% | 0 |
| Of four-person households in 4BR units | 30% | 6 |
| Of five-person households in 4BR units | 50% | 14 |
| 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 **425**

| | Total Demand (Subject Unit Types) | | Additions to Supply | | Net Demand |
|--------------|-----------------------------------|---|---------------------|---|------------|
| 0 BR | - | - | - | = | - |
| 1 BR | 143 | - | 10 | = | 133 |
| 2 BR | 220 | - | 11 | = | 209 |
| 3 BR | - | - | - | = | - |
| 4 BR | - | - | - | = | - |
| 5 BR | - | - | - | = | - |
| Total | 363 | | 21 | | 342 |

| | Developer's Unit Mix | | Net Demand | Capture Rate | |
|--------------|----------------------|---|------------|--------------|-------------|
| 0 BR | - | / | - | = | - |
| 1 BR | 5 | / | 133 | = | 3.8% |
| 2 BR | 5 | / | 209 | = | 2.4% |
| 3 BR | - | / | - | = | - |
| 4 BR | - | / | - | = | - |
| 5 BR | - | / | - | = | - |
| Total | 10 | | 342 | | 2.9% |

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

| Minimum Income Limit | | \$19,980 | | Maximum Income Limit | | \$28,620 | |
|----------------------|---|---------------|-----------------|-----------------------|----------------------------------|----------|--|
| Income Category | New Renter Households - Total Change in | | Income Brackets | Percent within Cohort | Renter Households within Bracket | | |
| | Households PMA 2019 to Prj Mrkt Entry July 2022 | | | | | | |
| \$0-9,999 | -25 | -15.5% | \$0 | 0.0% | 0 | | |
| \$10,000-19,999 | -9 | -5.5% | \$18 | 0.2% | 0 | | |
| \$20,000-29,999 | -18 | -11.1% | \$8,621 | 86.2% | -16 | | |
| \$30,000-39,999 | 7 | 4.4% | \$0 | 0.0% | 0 | | |
| \$40,000-49,999 | 65 | 40.2% | \$0 | 0.0% | 0 | | |
| \$50,000-59,999 | 7 | 4.1% | \$0 | 0.0% | 0 | | |
| \$60,000-74,999 | 15 | 9.2% | \$0 | 0.0% | 0 | | |
| \$75,000-99,999 | 42 | 25.8% | \$0 | 0.0% | 0 | | |
| \$100,000-124,999 | 31 | 18.8% | \$0 | 0.0% | 0 | | |
| \$125,000-149,999 | 14 | 8.5% | \$0 | 0.0% | 0 | | |
| \$150,000-199,999 | 14 | 8.9% | \$0 | 0.0% | 0 | | |
| \$200,000+ | 20 | 12.2% | \$0 | 0.0% | 0 | | |
| Total | 163 | 100.0% | | -9.6% | -16 | | |

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

| Minimum Income Limit | | \$19,980 | | Maximum Income Limit | | \$28,620 | |
|----------------------|----------------------------------|---------------|-----------------|-----------------------|---------------------------|----------|--|
| Income Category | Total Renter Households PMA 2019 | | Income Brackets | Percent within Cohort | Households within Bracket | | |
| | | | | | | | |
| \$0-9,999 | 1,474 | 22.7% | \$0 | 0.0% | 0 | | |
| \$10,000-19,999 | 1,802 | 27.7% | \$18 | 0.2% | 3 | | |
| \$20,000-29,999 | 821 | 12.6% | \$8,621 | 86.2% | 708 | | |
| \$30,000-39,999 | 606 | 9.3% | \$0 | 0.0% | 0 | | |
| \$40,000-49,999 | 508 | 7.8% | \$0 | 0.0% | 0 | | |
| \$50,000-59,999 | 330 | 5.1% | \$0 | 0.0% | 0 | | |
| \$60,000-74,999 | 340 | 5.2% | \$0 | 0.0% | 0 | | |
| \$75,000-99,999 | 287 | 4.4% | \$0 | 0.0% | 0 | | |
| \$100,000-124,999 | 119 | 1.8% | \$0 | 0.0% | 0 | | |
| \$125,000-149,999 | 62 | 1.0% | \$0 | 0.0% | 0 | | |
| \$150,000-199,999 | 73 | 1.1% | \$0 | 0.0% | 0 | | |
| \$200,000+ | 74 | 1.1% | \$0 | 0.0% | 0 | | |
| Total | 6,496 | 100.0% | | 10.9% | 711 | | |

ASSUMPTIONS - @60%

| Tenancy | 55+ | % of Income towards Housing | | 40% | |
|----------------------|-------|-----------------------------|-----|-----|------|
| Rural/Urban | Urban | Maximum # of Occupants | | 2 | |
| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR+ |
| 1 | 0% | 50% | 50% | 0% | 0% |
| 2 | 0% | 10% | 90% | 0% | 0% |
| 3 | 0% | 0% | 0% | 40% | 0% |
| 4 | 0% | 0% | 0% | 40% | 30% |
| 5+ | 0% | 0% | 0% | 50% | 50% |

Demand from New Renter Households 2019 to July 2022

| | |
|---|------------|
| Income Target Population | @60% |
| New Renter Households PMA | 163 |
| Percent Income Qualified | -9.6% |
| New Renter Income Qualified Households | -16 |

Demand from Existing Households 2019

Demand from Rent Overburdened Households

| | |
|--|------------|
| Income Target Population | @60% |
| Total Existing Demand | 6,496 |
| Income Qualified | 10.9% |
| Income Qualified Renter Households | 711 |
| Percent Rent Overburdened Prj Mrkt Entry July 2022 | 47.0% |
| Rent Overburdened Households | 334 |

Demand from Living in Substandard Housing

| | |
|---|-----------|
| Income Qualified Renter Households | 711 |
| Percent Living in Substandard Housing | 2.6% |
| Households Living in Substandard Housing | 19 |

Senior Households Converting from Homeownership

| | |
|--|----------|
| Income Target Population | @60% |
| Total Senior Homeowners | 10,669 |
| Rural Versus Urban | 0.06% |
| Senior Demand Converting from Homeownership | 7 |

Total Demand

| | |
|--|------------|
| Total Demand from Existing Households | 360 |
| Total New Demand | -16 |
| Total Demand (New Plus Existing Households) | 344 |

| | |
|---|-------|
| Demand from Seniors Who Convert from Homeownership | 7 |
| Percent of Total Demand From Homeownership Conversion | 1.98% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|---------------|------------|
| One Person | 58.0% | 200 |
| Two Persons | 21.2% | 73 |
| Three Persons | 9.9% | 34 |
| Four Persons | 4.7% | 16 |
| Five Persons | 6.2% | 21 |
| Total | 100.0% | 344 |

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 | 50% | 100 |
| Of two-person households in 1BR units | 10% | 7 |
| 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 | 50% | 100 |
| Of two-person households in 2BR units | 90% | 66 |
| Of three-person households in 2BR units | 0% | 0 |
| Of four-person households in 2BR units | 0% | 0 |
| Of five-person households in 2BR units | 0% | 0 |
| Of one-person households in 3BR units | 0% | 0 |
| Of two-person households in 3BR units | 0% | 0 |
| Of three-person households in 3BR units | 40% | 14 |
| Of four-person households in 3BR units | 40% | 6 |
| 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 | 30% | 5 |
| 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 | | 319 |

| | Total Demand (Subject Unit Types) | | Additions to Supply | | Net Demand |
|--------------|-----------------------------------|---|---------------------|---|------------|
| 0 BR | - | - | - | = | - |
| 1 BR | 107 | - | 37 | = | 70 |
| 2 BR | 165 | - | 44 | = | 121 |
| 3 BR | - | - | - | = | - |
| 4 BR | - | - | - | = | - |
| 5 BR | - | - | - | = | - |
| Total | 273 | | 81 | | 192 |

| | Developer's Unit Mix | | Net Demand | | Capture Rate |
|--------------|----------------------|---|------------|---|--------------|
| 0 BR | - | / | - | = | - |
| 1 BR | 19 | / | 70 | = | 27.1% |
| 2 BR | 19 | / | 121 | = | 15.6% |
| 3 BR | - | / | - | = | - |
| 4 BR | - | / | - | = | - |
| 5 BR | - | / | - | = | - |
| Total | 38 | | 192 | | 19.8% |

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

| Minimum Income Limit | | \$16,620 | | Maximum Income Limit | | \$28,620 | |
|----------------------|---|---------------|-----------------|-----------------------|----------------------------------|----------|--|
| Income Category | New Renter Households - Total Change in | | Income Brackets | Percent within Cohort | Renter Households within Bracket | | |
| | Households PMA 2019 to Prj Mrkt Entry July 2022 | | | | | | |
| \$0-9,999 | -25 | -15.5% | \$0 | 0.0% | 0 | | |
| \$10,000-19,999 | -9 | -5.5% | \$3,378 | 33.8% | -3 | | |
| \$20,000-29,999 | -18 | -11.1% | \$8,621 | 86.2% | -16 | | |
| \$30,000-39,999 | 7 | 4.4% | \$0 | 0.0% | 0 | | |
| \$40,000-49,999 | 65 | 40.2% | \$0 | 0.0% | 0 | | |
| \$50,000-59,999 | 7 | 4.1% | \$0 | 0.0% | 0 | | |
| \$60,000-74,999 | 15 | 9.2% | \$0 | 0.0% | 0 | | |
| \$75,000-99,999 | 42 | 25.8% | \$0 | 0.0% | 0 | | |
| \$100,000-124,999 | 31 | 18.8% | \$0 | 0.0% | 0 | | |
| \$125,000-149,999 | 14 | 8.5% | \$0 | 0.0% | 0 | | |
| \$150,000-199,999 | 14 | 8.9% | \$0 | 0.0% | 0 | | |
| \$200,000+ | 20 | 12.2% | \$0 | 0.0% | 0 | | |
| Total | 163 | 100.0% | | -11.4% | -19 | | |

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

| Minimum Income Limit | | \$16,620 | | Maximum Income Limit | | \$28,620 | |
|----------------------|----------------------------------|---------------|-----------------|-----------------------|---------------------------|----------|--|
| Income Category | Total Renter Households PMA 2019 | | Income Brackets | Percent within Cohort | Households within Bracket | | |
| | | | | | | | |
| \$0-9,999 | 1,474 | 22.7% | \$0 | 0.0% | 0 | | |
| \$10,000-19,999 | 1,802 | 27.7% | \$3,378 | 33.8% | 609 | | |
| \$20,000-29,999 | 821 | 12.6% | \$8,621 | 86.2% | 708 | | |
| \$30,000-39,999 | 606 | 9.3% | \$0 | 0.0% | 0 | | |
| \$40,000-49,999 | 508 | 7.8% | \$0 | 0.0% | 0 | | |
| \$50,000-59,999 | 330 | 5.1% | \$0 | 0.0% | 0 | | |
| \$60,000-74,999 | 340 | 5.2% | \$0 | 0.0% | 0 | | |
| \$75,000-99,999 | 287 | 4.4% | \$0 | 0.0% | 0 | | |
| \$100,000-124,999 | 119 | 1.8% | \$0 | 0.0% | 0 | | |
| \$125,000-149,999 | 62 | 1.0% | \$0 | 0.0% | 0 | | |
| \$150,000-199,999 | 73 | 1.1% | \$0 | 0.0% | 0 | | |
| \$200,000+ | 74 | 1.1% | \$0 | 0.0% | 0 | | |
| Total | 6,496 | 100.0% | | 20.3% | 1,317 | | |

ASSUMPTIONS - Overall

| | | | | | |
|-----------------------------|------------|-----------------------------|------------|------------|-------------|
| Tenancy | 55+ | % of Income towards Housing | | 40% | |
| Rural/Urban | Urban | Maximum # of Occupants | | 2 | |
| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR+ |
| 1 | 0% | 50% | 50% | 0% | 0% |
| 2 | 0% | 10% | 90% | 0% | 0% |
| 3 | 0% | 0% | 0% | 40% | 0% |
| 4 | 0% | 0% | 0% | 40% | 30% |
| 5+ | 0% | 0% | 0% | 50% | 50% |

Demand from New Renter Households 2019 to July 2022

| | |
|---|------------|
| Income Target Population | Overall |
| New Renter Households PMA | 163 |
| Percent Income Qualified | -11.4% |
| New Renter Income Qualified Households | -19 |

Demand from Existing Households 2019

Demand from Rent Overburdened Households

| | |
|--|------------|
| Income Target Population | Overall |
| Total Existing Demand | 6,496 |
| Income Qualified | 20.3% |
| Income Qualified Renter Households | 1,317 |
| Percent Rent Overburdened Prj Mrkt Entry July 2022 | 47.0% |
| Rent Overburdened Households | 619 |

Demand from Living in Substandard Housing

| | |
|---|-----------|
| Income Qualified Renter Households | 1,317 |
| Percent Living in Substandard Housing | 2.6% |
| Households Living in Substandard Housing | 35 |

Senior Households Converting from Homeownership

| | |
|--|-----------|
| Income Target Population | Overall |
| Total Senior Homeowners | 10,669 |
| Rural Versus Urban | 0.12% |
| Senior Demand Converting from Homeownership | 13 |

Total Demand

| | |
|--|------------|
| Total Demand from Existing Households | 666 |
| Total New Demand | -19 |
| Total Demand (New Plus Existing Households) | 648 |

| | |
|---|-------|
| Demand from Seniors Who Convert from Homeownership | 13 |
| Percent of Total Demand From Homeownership Conversion | 1.98% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|---------------|------------|
| One Person | 58.0% | 376 |
| Two Persons | 21.2% | 137 |
| Three Persons | 9.9% | 64 |
| Four Persons | 4.7% | 30 |
| Five Persons | 6.2% | 40 |
| Total | 100.0% | 648 |

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 | 50% | 188 |
| Of two-person households in 1BR units | 10% | 14 |
| 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 | 50% | 188 |
| Of two-person households in 2BR units | 90% | 123 |
| Of three-person households in 2BR units | 0% | 0 |
| Of four-person households in 2BR units | 0% | 0 |
| Of five-person households in 2BR units | 0% | 0 |
| Of one-person households in 3BR units | 0% | 0 |
| Of two-person households in 3BR units | 0% | 0 |
| Of three-person households in 3BR units | 40% | 26 |
| Of four-person households in 3BR units | 40% | 12 |
| Of five-person households in 3BR units | 50% | 20 |
| Of one-person households in 4BR units | 0% | 0 |
| Of two-person households in 4BR units | 0% | 0 |
| Of three-person households in 4BR units | 0% | 0 |
| Of four-person households in 4BR units | 30% | 9 |
| Of five-person households in 4BR units | 50% | 20 |
| 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 | | 600 |

| | Total Demand (Subject Unit Types) | | Additions to Supply | | Net Demand |
|--------------|-----------------------------------|---|---------------------|---|------------|
| 0 BR | - | - | - | = | - |
| 1 BR | 202 | - | 47 | = | 155 |
| 2 BR | 311 | - | 55 | = | 256 |
| 3 BR | - | - | - | = | - |
| 4 BR | - | - | - | = | - |
| 5 BR | - | - | - | = | - |
| Total | 513 | | 102 | | 411 |

| | Developer's Unit Mix | | Net Demand | | Capture Rate |
|--------------|----------------------|---|------------|---|--------------|
| 0 BR | - | / | - | = | - |
| 1 BR | 24 | / | 155 | = | 15.5% |
| 2 BR | 24 | / | 256 | = | 9.4% |
| 3 BR | - | / | - | = | - |
| 4 BR | - | / | - | = | - |
| 5 BR | - | / | - | = | - |
| Total | 48 | | 411 | | 11.7% |

CAPTURE RATE ANALYSIS CHART

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

- The number of households in the PMA is expected to increase 2.8 percent 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 @50% AMI (\$16,620 to \$23,850) | HH at @60% AMI (\$19,980 to \$28,620) | All Households |
|---|--|--|----------------|
| Demand from New Households (age and income appropriate) | -10 | -16 | -19 |
| PLUS | + | + | + |
| Demand from Existing Renter Households - Substandard Housing | 24 | 19 | 35 |
| PLUS | + | + | + |
| Demand from Existing Renter Housholds - Rent Overburdened Households | 435 | 334 | 619 |
| Sub Total | 449 | 338 | 635 |
| Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable) | 9 | 7 | 13 |
| Equals Total Demand | 458 | 344 | 648 |
| Less | - | - | - |
| Competitive New Supply | 21 | 81 | 102 |
| Equals Net Demand | 437 | 263 | 546 |

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 |
|--------------|----------------|----------------|----------------|--------------|--------|------------|--------------|----------------------|---------------------|---------------------|----------------|
| 1BR @50% | \$16,620 | \$23,850 | 5 | 143 | 10 | 133 | 3.8% | \$632 | \$455 | \$844 | \$433 |
| 1BR @60% | \$19,980 | \$25,080 | 19 | 107 | 37 | 70 | 27.1% | \$650 | \$561 | \$844 | \$545 |
| 1BR Overall | \$16,620 | \$25,080 | 24 | 202 | 47 | 155 | 15.5% | - | - | - | - |
| 2BR @50% | \$19,980 | \$23,850 | 5 | 220 | 11 | 209 | 2.4% | \$771 | \$539 | \$1,217 | \$515 |
| 2BR @60% | \$24,000 | \$28,620 | 19 | 165 | 44 | 121 | 15.6% | \$792 | \$635 | \$1,217 | \$649 |
| 2BR Overall | \$19,980 | \$28,620 | 24 | 311 | 55 | 256 | 9.4% | - | - | - | - |
| @50% Overall | \$16,620 | \$23,850 | 10 | 363 | 21 | 342 | 2.9% | - | - | - | - |
| @60% Overall | \$19,980 | \$28,620 | 38 | 273 | 81 | 192 | 19.8% | - | - | - | - |
| Overall | \$16,620 | \$28,620 | 48 | 513 | 102 | 411 | 11.7% | - | - | - | - |

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 2.4 to 3.8 percent, with an overall capture rate of 2.9 percent. The Subject’s 60 percent AMI capture rates range from 15.6 to 27.1 percent, with an overall capture rate of 19.8 percent. The overall capture rate for the project’s units is 11.7 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

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 structure. 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 10 “true” comparable properties containing 2,190 units.

The availability of LIHTC data is considered good; there are 11 LIHTC properties in the PMA. Additionally, there are three LIHTC properties under construction. We included three LIHTC properties and two mixed-income comparable properties. Three of these LIHTC properties target the general population and two target seniors, similar to the proposed Subject. One of the senior properties, The Cottages at Arbor Pointe, consists almost entirely of subsidized units. Additionally, the remaining unsubsidized units at this property are all occupied by voucher holders. As such, we will not rely upon the rents at this property in our analysis. Ashely Station targets the general population but has 63 units that are set-aside for senior households. The comparable LIHTC properties are all located in the PMA, between 2.3 and 3.7 miles of the proposed Subject.

The availability of market rate data is considered good. The Subject is located in Columbus and there are several market rate properties in the area. We included five conventional properties in our analysis of the competitive market. One of these properties, Patriot Pointe, targets seniors. All of the market rate properties are located in the PMA, between 0.3 and 3.3 miles from the Subject site. These comparables were built or renovated between 2000 and 2018. There are a limited number of new construction market rate properties in the area. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity and unit types and several were excluded because we were unable to contact a management representative willing to provide information for our survey.

All of the comparable properties were interviewed since late April 2020. The majority of property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. However, some properties reported slightly slower leasing paces as a result of the pandemic and tenants being reluctant to relocate at this time. One of the comparable properties, Avalon Apartments, reported an increase in vacancy among its three-bedroom units; however, none of the remaining comparable properties reported a similar trend.

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.

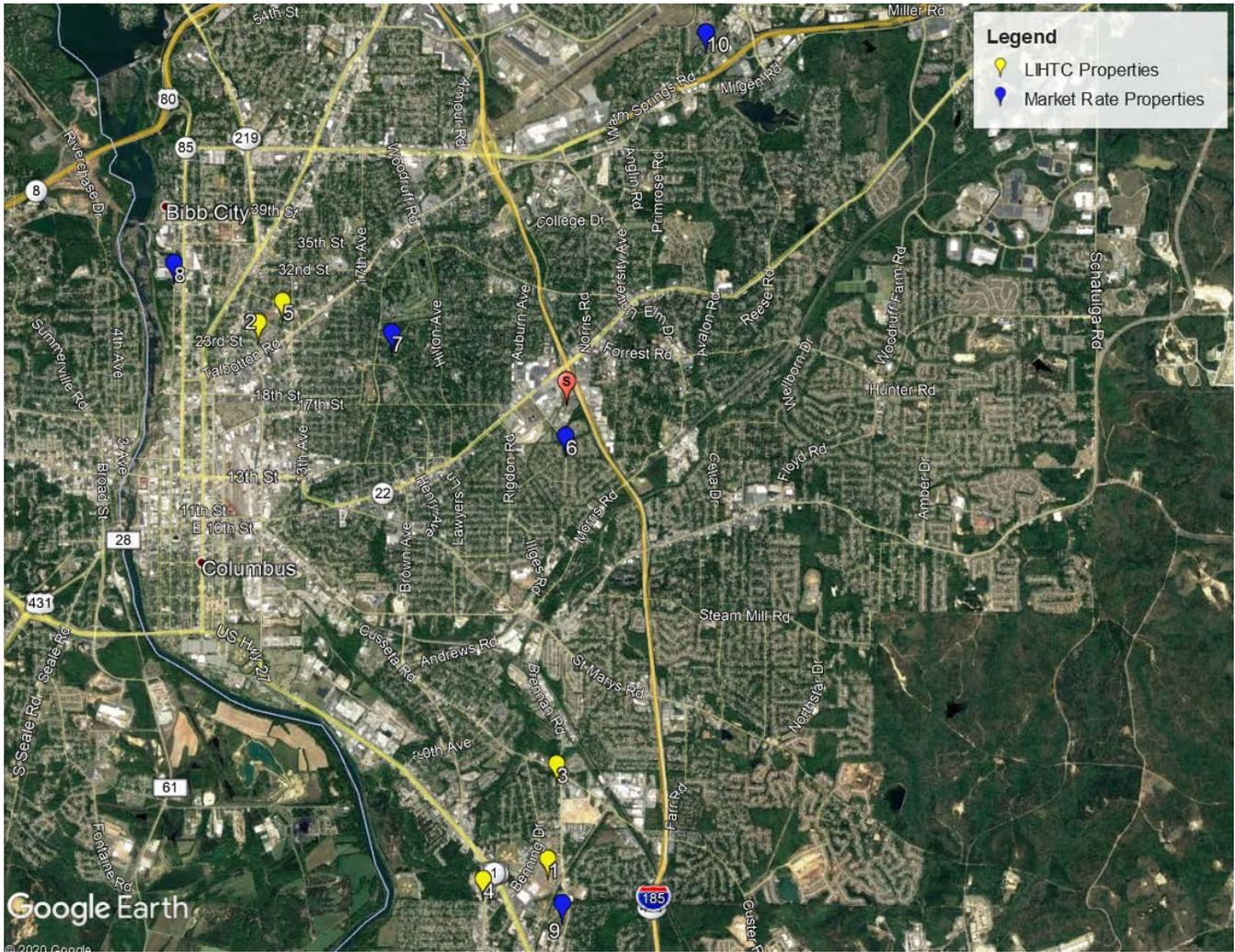
Excluded Properties

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 |
|------------------------------|-------------------------|----------|---------|------------|-------------------------------|
| Eagle Trace | LIHTC | Columbus | Family | 381 | Inferior condition |
| Liberty Commons | LIHTC | Columbus | Family | 172 | Lacks one-bedroom units |
| Liberty Gardens Townhomes | LIHTC | Columbus | Family | 88 | Lacks one-bedroom units |
| Lumpkin Park Apartments | LIHTC | Columbus | Family | 192 | Lacks one-bedroom units |
| Springfield Crossing | LIHTC/ Market | Columbus | Family | 120 | Lacks one-bedroom units |
| Clafin School Apartments | LIHTC | Columbus | Family | 44 | Under construction |
| Highland Terrace | LIHTC | Columbus | Senior | 102 | Under construction |
| Mill Village | LIHTC/Section 8/ Market | Columbus | Family | 102 | Proposed |
| EJ Knight Apartments | Public Housing | Columbus | Senior | 92 | Subsidized |
| Columbus Commons | LIHTC/Section 8/ Market | Columbus | Family | 106 | Subsidized |
| Bull Creek Apartments | Section 8 | Columbus | Family | 128 | Subsidized |
| Columbus Villas | Section 8 | Columbus | Family | 88 | Subsidized |
| Columbus Gardens I And II | Section 8 | Columbus | Family | 116 | Subsidized |
| Farrfield Manor | Section 8 | Columbus | Senior | 74 | Subsidized |
| Hunter Haven Apartments | Section 8 | Columbus | Family | 104 | Subsidized |
| Ralston Towers | Section 8 | Columbus | Family | 269 | Subsidized |
| Renaissance Villa Apartments | Section 8 | Columbus | Family | 72 | Subsidized |
| Saint Mary's Woods Estates | Section 8 | Columbus | Senior | 48 | Subsidized |
| Willow Glen | Supportive Housing | Columbus | Family | 28 | Subsidized |
| Country Village | Market | Columbus | Family | 52 | Offers only one-bedroom units |
| Cross Creek | Market | Columbus | Family | 200 | Inferior condition |
| Hannah Heights | Market | Columbus | Family | 90 | Inferior condition |
| Heritage Apartments | Market | Columbus | Family | 64 | Offers only one-bedroom units |
| Hunters Run Apartments | Market | Columbus | Family | 160 | Dissimilar location |
| Parkway Place | Market | Columbus | Family | 208 | Dissimilar location |
| Pembrook Apartments | Market | Columbus | Family | 109 | Inferior condition |
| Quail Ridge Apartments | Market | Columbus | Family | 160 | Dissimilar location |
| Riverwind Apartments | Market | Columbus | Family | 44 | Dissimilar location |
| Sherwood Arms | Market | Columbus | Family | 165 | Dissimilar location |
| Southside Court Apartments | Market | Columbus | Family | 83 | Unable to contact |
| The Lodge Apartments | Market | Columbus | Family | 237 | Inferior condition |
| Village Square Apartments | Market | Columbus | Family | 70 | Unable to contact |
| Willow Creek Apartments | Market | Columbus | Family | 285 | Unable to contact |
| Woodville Apartments | Market | Columbus | Family | 83 | Dissimilar design |

1. Comparable Rental Property Map



Source: Google Earth, May 2020.

COMPARABLE PROPERTIES

| # | Comparable Property | Rent Structure | Tenancy | Distance to Subject |
|----------|------------------------------|-----------------------------------|---------------|---------------------|
| S | Boxwood Heights | @50%, @60% | Senior | - |
| 1 | Arbor Pointe I And II | @60%, Market | Family | 3.5 miles |
| 2 | Ashley Station | @60%, Market, Section 8 | Family | 2.4 miles |
| 3 | Avalon Apartments | @60% | Family | 2.8 miles |
| 4 | The Cottages At Arbor Pointe | @50% (PBRA), @60% | Senior | 3.7 miles |
| 5 | Waverly Terrace Apartments | @50%, @60% | Senior | 2.3 miles |
| 6 | Azalea Ridge Apartments | Market | Family | 0.3 miles |
| 7 | Greystone At Country Club | Market | Family | 1.4 miles |
| 8 | Johnston Mill Lofts | Market | Family | 3.2 miles |
| 9 | Patriot Pointe | Market, Public Housing, Section 8 | Senior | 3.9 miles |
| 10 | The Lakes Apartments* | Market | Family | 3.0 miles |

*Located outside PMA

BOXWOOD HEIGHTS – COLUMBUS, 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 | Boxwood Heights Midtown Loop Columbus, GA 31906 Muscookee County | - | Midrise 4-stories 2022 / n/a Senior | @50%, @60% | 1BR / 1BA | 5 | 10.4% | 700 | @50% | \$433 | No | N/A | N/A | N/A |
| | | | | | 1BR / 1BA | 19 | 39.6% | 700 | @60% | \$545 | No | N/A | N/A | N/A |
| | | | | | 2BR / 1BA | 5 | 10.4% | 900 | @50% | \$515 | No | N/A | N/A | N/A |
| | | | | | 2BR / 1BA | 19 | 39.6% | 900 | @60% | \$649 | No | N/A | N/A | N/A |
| | | | | | | <u>48</u> | | | | | | | | |
| 1 | Arbor Pointe I And II 1312 Gazebo Wy Columbus, GA 31903 Muscookee County | 3.5 miles | Garden 2-stories 2009 / 2010 Family | @60%, Market | 1BR / 1BA | 84 | 28.4% | 758 | @60% | \$581 | Yes | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 62 | 21.0% | 758 | Market | \$608 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 974 | @60% | \$690 | Yes | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 974 | Market | \$731 | N/A | Yes | N/A | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,206 | @60% | \$770 | Yes | Yes | N/A | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,206 | Market | \$803 | N/A | Yes | N/A | N/A |
| | <u>296</u> | | | | | | | | | | | 6 | 2.0% | |
| 2 | Ashley Station 1040 Ashley Station Blvd Columbus, GA 31904 Muscookee County | 2.4 miles | Garden 3-stories 2007 / n/a Family | @60%, Market, Section 8 | 1BR / 1BA | N/A | N/A | 693 | @60% | \$550 | Yes | Yes | 0 | N/A |
| | | | | | 1BR / 1BA | N/A | N/A | 693 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 930 | @60% | \$654 | Yes | Yes | 0 | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 930 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 2BR / 1.5BA | N/A | N/A | 888 | @60% | \$654 | Yes | Yes | 0 | N/A |
| | | | | | 2BR / 1.5BA | N/A | N/A | 888 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 2BR / 2.5BA | N/A | N/A | 1,232 | @60% | \$640 | Yes | Yes | 0 | N/A |
| | | | | | 2BR / 2.5BA | 73 | 19.9% | 1,232 | Market | \$956 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2.5BA | N/A | N/A | 1,232 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,430 | @60% | \$634 | Yes | Yes | 0 | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,430 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 3BR / 2.5BA | N/A | N/A | 1,512 | @60% | \$728 | Yes | Yes | 0 | N/A |
| | | | | | 3BR / 2.5BA | 74 | 20.2% | 1,512 | Market | \$955 | N/A | No | N/A | N/A |
| | <u>N/A</u> | N/A | 1,512 | Section 8 | - | N/A | Yes | 0 | N/A | | | | | |
| | <u>367</u> | | | | | | | | | | | 12 | 3.3% | |
| 3 | Avalon Apartments 3737 Cusseta Rd Columbus, GA 31903 Muscookee County | 2.8 miles | Garden 4-stories 2009 / n/a Family | @60% | 1BR / 1BA | 54 | 23.3% | 682 | @60% | \$561 | Yes | Yes | 0 | 0.0% |
| | | | | | 2BR / 2BA | 60 | 25.9% | 949 | @60% | \$654 | Yes | Yes | 0 | 0.0% |
| | | | | | 3BR / 2BA | 82 | 35.3% | 1,100 | @60% | \$741 | Yes | No | 18 | 22.0% |
| | | | | | 4BR / 2BA | 36 | 15.5% | 1,280 | @60% | \$789 | Yes | Yes | 0 | 0.0% |
| | <u>232</u> | | | | | | | | | | | 18 | 7.8% | |
| 4 | The Cottages At Arbor Pointe 1454 Cupola Pl Columbus, GA 31903 Muscookee County | 3.7 miles | Duplex 1-stories 2013 / n/a Senior | @50% (PBRA), @60% | 1BR / 1BA | 101 | 84.2% | 870 | @50% (PBRA) | \$483 | Yes | Yes | 0 | 0.0% |
| | | | | | 1BR / 1BA | 19 | 15.8% | 922 | @60% | \$581 | Yes | Yes | 0 | 0.0% |
| | | | | | | <u>120</u> | | | | | | | | |
| 5 | Waverly Terrace Apartments 2879 Peabody Ave Columbus, GA 31904 Muscookee County | 2.3 miles | Midrise 4-stories 2017 / n/a Senior | @50%, @60% | 0BR / 1BA | 3 | 3.8% | 491 | @50% | \$443 | Yes | Yes | N/A | N/A |
| | | | | | 0BR / 1BA | 15 | 18.8% | 491 | @60% | \$552 | Yes | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 8 | 10.0% | 645 | @50% | \$455 | Yes | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 44 | 55.0% | 645 | @60% | \$572 | Yes | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | 2 | 2.5% | 959 | @50% | \$539 | Yes | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | 8 | 10.0% | 959 | @60% | \$679 | Yes | Yes | N/A | N/A |
| | <u>80</u> | | | | | | | | | | | 0 | 0.0% | |
| 6 | Azalea Ridge Apartments 1400 Boxwood Blvd Columbus, GA 31906 Muscookee County | 0.3 miles | Garden 2-stories 2002 / 2018 Family | Market | 2BR / 2BA | 24 | 16.7% | 1,175 | Market | \$1,062 | N/A | No | N/A | N/A |
| | | | | | 3BR / 2BA | 120 | 83.3% | 1,350 | Market | \$1,122 | N/A | No | N/A | N/A |
| | | | | | | <u>144</u> | | | | | | | | |
| 7 | Greystone At Country Club 2001 Country Club Rd Columbus, GA 31906 Muscookee County | 1.4 miles | Various 2-stories 1964 / 2009 Family | Market | 1BR / 1BA | N/A | N/A | 900 | Market | \$599 | N/A | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | N/A | N/A | 900 | Market | \$739 | N/A | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | N/A | N/A | 900 | Market | \$459 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 878 | Market | \$698 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 878 | Market | \$740 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 878 | Market | \$655 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1.5BA | N/A | N/A | 1,525 | Market | \$765 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,250 | Market | \$860 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,250 | Market | \$905 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,250 | Market | \$815 | N/A | Yes | N/A | N/A |
| | <u>N/A</u> | N/A | 1,575 | Market | \$885 | N/A | Yes | N/A | N/A | | | | | |
| | <u>200</u> | | | | | | | | | | | 0 | 0.0% | |
| 8 | Johnston Mill Lofts 3201 First Ave Columbus, GA 31904 Muscookee County | 3.2 miles | Conversion 4-stories 1900/2002 / n/a Family | Market | 1BR / 1BA | 105 | 31.3% | 952 | Market | \$767 | N/A | No | N/A | N/A |
| | | | | | 2BR / 1BA | 71 | 21.2% | 952 | Market | \$957 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 155 | 46.3% | 1,216 | Market | \$1,087 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 2 | 0.6% | 1,216 | Market | \$1,217 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,216 | Market | \$957 | N/A | No | N/A | N/A |
| | | | | | 3BR / 2BA | 2 | 0.6% | 1,200 | Market | \$1,416 | N/A | No | N/A | N/A |
| | <u>335</u> | | | | | | | | | | | 35 | 10.4% | |
| 9 | Patriot Pointe 3725 Chapman Wy Columbus, GA 31903 Muscookee County | 3.9 miles | Lowrise 3-stories 2015 / n/a Senior | Market, Public Housing, Section 8 | 1BR / 1BA | 4 | 4.0% | 752 | Market | \$594 | N/A | No | N/A | N/A |
| | | | | | 1BR / 1BA | 17 | 17.0% | 752 | Public Housing | - | N/A | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 59 | 59.0% | 752 | Section 8 | - | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | 1 | 1.0% | 985 | Market | \$635 | N/A | No | N/A | N/A |
| | | | | | 2BR / 1BA | 7 | 7.0% | 985 | Public Housing | - | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | 12 | 12.0% | 985 | Section 8 | - | N/A | Yes | N/A | N/A |
| | <u>100</u> | | | | | | | | | | | 2 | 2.0% | |
| 10 | The Lakes Apartments 4343 Warm Springs Rd Columbus, GA 31909 Muscookee County | 3.0 miles | Garden 3-stories 1995 / 2000 Family | Market | 1BR / 1BA | 26 | 8.2% | 836 | Market | \$779 | N/A | No | N/A | N/A |
| | | | | | 1BR / 1BA | 24 | 7.6% | 1,181 | Market | \$844 | N/A | No | N/A | N/A |
| | | | | | 1BR / 1BA | 20 | 6.3% | 1,010 | Market | \$714 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 98 | 31.0% | 1,026 | Market | \$840 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 80 | 25.3% | 1,459 | Market | \$845 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 40 | 12.7% | 1,457 | Market | \$835 | N/A | No | N/A | N/A |
| | | | | | 3BR / 2BA | 28 | 8.9% | 1,225 | Market | \$955 | N/A | No | N/A | N/A |
| | <u>316</u> | | | | | | | | | | | 3 | 0.9% | |

BOXWOOD HEIGHTS - COLUMBUS, GEORGIA - MARKET STUDY

| RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market. | | | | |
|---|-------------------------------------|---|---|----------------|
| | Units Surveyed: | 2,190 | Weighted Occupancy: | 95.5% |
| | Market Rate | 995 | Market Rate | 94.0% |
| | Tax Credit | 1,195 | Tax Credit | 96.8% |
| | One Bedroom One Bath | | Two Bedroom One Bath | |
| | Property | Average | Property | Average |
| RENT | The Lakes Apartments (Market) | \$844 | Johnston Mill Lofts (Market)(2BA) | \$1,217 |
| | The Lakes Apartments (Market) | \$779 | Johnston Mill Lofts (Market)(2BA) | \$1,087 |
| | Johnston Mill Lofts (Market) | \$767 | Azalea Ridge Apartments (Market)(2BA) | \$1,062 |
| | Greystone At Country Club (Market) | \$739 | Johnston Mill Lofts (Market)(2BA) | \$957 |
| | The Lakes Apartments (Market) | \$714 | Johnston Mill Lofts (Market) | \$957 |
| | Arbor Pointe I And II (Market) | \$608 | Ashley Station (Market)(2.5BA) | \$956 |
| | Greystone At Country Club (Market) | \$599 | Greystone At Country Club (Market)(2BA) | \$905 |
| | Patriot Pointe (Market) | \$594 | Greystone At Country Club (Market)(2BA) | \$860 |
| | The Cottages At Arbor Pointe (@60%) | \$581 | The Lakes Apartments (Market)(2BA) | \$845 |
| | Arbor Pointe I And II (@60%) | \$581 | The Lakes Apartments (Market)(2BA) | \$840 |
| | Waverly Terrace Apartments (@60%) | \$572 | The Lakes Apartments (Market)(2BA) | \$835 |
| | Avalon Apartments (@60%) | \$561 | Greystone At Country Club (Market)(2BA) | \$815 |
| | Ashley Station (@60%) | \$550 | Greystone At Country Club (Market)(1.5BA) | \$765 |
| | Boxwood Heights (@60%) | \$545 | Greystone At Country Club (Market) | \$740 |
| | The Cottages At Arbor Pointe (@50%) | \$483 | Arbor Pointe I And II (Market)(2BA) | \$731 |
| | Greystone At Country Club (Market) | \$459 | Greystone At Country Club (Market) | \$698 |
| | Waverly Terrace Apartments (@50%) | \$455 | Arbor Pointe I And II (@60%)(2BA) | \$690 |
| | Boxwood Heights (@50%) | \$433 | Waverly Terrace Apartments (@60%) | \$679 |
| | | | Greystone At Country Club (Market) | \$655 |
| | | | Ashley Station (@60%) | \$654 |
| | | | Avalon Apartments (@60%)(2BA) | \$654 |
| | | | Ashley Station (@60%)(1.5BA) | \$654 |
| | | | Boxwood Heights (@60%) | \$649 |
| | | | Ashley Station (@60%)(2.5BA) | \$640 |
| | | | Patriot Pointe (Market) | \$635 |
| | | Waverly Terrace Apartments (@50%) | \$539 | |
| | | Boxwood Heights (@50%) | \$515 | |
| SQUARE FOOTAGE | The Lakes Apartments (Market) | 1,181 | Greystone At Country Club (Market)(1.5BA) | 1,525 |
| | The Lakes Apartments (Market) | 1,010 | The Lakes Apartments (Market)(2BA) | 1,459 |
| | Johnston Mill Lofts (Market) | 952 | The Lakes Apartments (Market)(2BA) | 1,457 |
| | The Cottages At Arbor Pointe (@60%) | 922 | Greystone At Country Club (Market)(2BA) | 1,250 |
| | Greystone At Country Club (Market) | 900 | Greystone At Country Club (Market)(2BA) | 1,250 |
| | Greystone At Country Club (Market) | 900 | Greystone At Country Club (Market)(2BA) | 1,250 |
| | Greystone At Country Club (Market) | 900 | Ashley Station (Section B)(2.5BA) | 1,232 |
| | The Cottages At Arbor Pointe (@50%) | 870 | Ashley Station (@60%)(2.5BA) | 1,232 |
| | The Lakes Apartments (Market) | 836 | Ashley Station (Market)(2.5BA) | 1,232 |
| | Arbor Pointe I And II (@60%) | 758 | Johnston Mill Lofts (Market)(2BA) | 1,216 |
| | Arbor Pointe I And II (Market) | 758 | Johnston Mill Lofts (Market)(2BA) | 1,216 |
| | Patriot Pointe (Section B) | 752 | Johnston Mill Lofts (Market)(2BA) | 1,216 |
| | Patriot Pointe (Market) | 752 | Azalea Ridge Apartments (Market)(2BA) | 1,175 |
| | Patriot Pointe (Public Housing) | 752 | The Lakes Apartments (Market)(2BA) | 1,026 |
| | Boxwood Heights (@50%) | 700 | Patriot Pointe (Market) | 985 |
| | Boxwood Heights (@60%) | 700 | Patriot Pointe (Section B) | 985 |
| | Ashley Station (Section B) | 693 | Patriot Pointe (Public Housing) | 985 |
| | Ashley Station (@60%) | 693 | Arbor Pointe I And II (Market)(2BA) | 974 |
| | Avalon Apartments (@60%) | 682 | Arbor Pointe I And II (@60%)(2BA) | 974 |
| | Waverly Terrace Apartments (@50%) | 645 | Waverly Terrace Apartments (@60%) | 959 |
| | Waverly Terrace Apartments (@60%) | 645 | Waverly Terrace Apartments (@50%) | 959 |
| | | | Johnston Mill Lofts (Market) | 952 |
| | | | Avalon Apartments (@60%)(2BA) | 949 |
| | | | Ashley Station (Section B) | 930 |
| | | | Ashley Station (@60%) | 930 |
| | | Boxwood Heights (@50%) | 900 | |
| | | Boxwood Heights (@60%) | 900 | |
| | | Ashley Station (Section B)(1.5BA) | 888 | |
| | | Ashley Station (@60%)(1.5BA) | 888 | |
| | | Greystone At Country Club (Market) | 878 | |
| | | Greystone At Country Club (Market) | 878 | |
| | | Greystone At Country Club (Market) | 878 | |
| RENT PER SQUARE FOOT | The Lakes Apartments (Market) | \$0.93 | Johnston Mill Lofts (Market) | \$1.01 |
| | Waverly Terrace Apartments (@60%) | \$0.89 | Johnston Mill Lofts (Market)(2BA) | \$1.00 |
| | Avalon Apartments (@60%) | \$0.82 | Azalea Ridge Apartments (Market)(2BA) | \$0.90 |
| | Greystone At Country Club (Market) | \$0.82 | Johnston Mill Lofts (Market)(2BA) | \$0.89 |
| | Johnston Mill Lofts (Market) | \$0.81 | Greystone At Country Club (Market) | \$0.84 |
| | Arbor Pointe I And II (Market) | \$0.80 | The Lakes Apartments (Market)(2BA) | \$0.82 |
| | Ashley Station (@60%) | \$0.79 | Greystone At Country Club (Market) | \$0.79 |
| | Patriot Pointe (Market) | \$0.79 | Johnston Mill Lofts (Market)(2BA) | \$0.79 |
| | Boxwood Heights (@60%) | \$0.78 | Ashley Station (Market)(2.5BA) | \$0.78 |
| | Arbor Pointe I And II (@60%) | \$0.77 | Arbor Pointe I And II (Market)(2BA) | \$0.75 |
| | The Lakes Apartments (Market) | \$0.71 | Greystone At Country Club (Market) | \$0.75 |
| | The Lakes Apartments (Market) | \$0.71 | Ashley Station (@60%)(1.5BA) | \$0.74 |
| | Waverly Terrace Apartments (@50%) | \$0.71 | Greystone At Country Club (Market)(2BA) | \$0.72 |
| | Greystone At Country Club (Market) | \$0.67 | Boxwood Heights (@60%) | \$0.72 |
| | The Cottages At Arbor Pointe (@60%) | \$0.63 | Arbor Pointe I And II (@60%)(2BA) | \$0.71 |
| | Boxwood Heights (@50%) | \$0.62 | Waverly Terrace Apartments (@60%) | \$0.71 |
| | The Cottages At Arbor Pointe (@50%) | \$0.56 | Ashley Station (@60%) | \$0.70 |
| | Greystone At Country Club (Market) | \$0.51 | Avalon Apartments (@60%)(2BA) | \$0.69 |
| | | | Greystone At Country Club (Market)(2BA) | \$0.69 |
| | | | Greystone At Country Club (Market)(2BA) | \$0.65 |
| | | | Patriot Pointe (Market) | \$0.64 |
| | | | The Lakes Apartments (Market)(2BA) | \$0.58 |
| | | | The Lakes Apartments (Market)(2BA) | \$0.57 |
| | | | Boxwood Heights (@50%) | \$0.57 |
| | | | Waverly Terrace Apartments (@50%) | \$0.56 |
| | | Ashley Station (@60%)(2.5BA) | \$0.52 | |
| | | Greystone At Country Club (Market)(1.5BA) | \$0.50 | |

INSERT PROFILES HERE

2. Housing Choice Vouchers

We were able to speak with John Casteel, Chief Assistant Housing Officer of the Housing Authority of Columbus. Mr. Casteel reported that there are 3,183 tenant-based and project-based vouchers allocated in the Columbus area. Of that total, 2,516 are tenant-based vouchers being utilized by tenants across Muscogee County. The following table illustrates voucher usage at the comparables.

| TENANTS WITH VOUCHERS | | | |
|------------------------------|--------------------------|---------|--------------------------------|
| Property Name | Rent Structure | Tenancy | Housing Choice Voucher Tenants |
| Arbor Pointe I And II | LIHTC/ Market | Family | N/A |
| Ashley Station | LIHTC/ Section 8/ Market | Family | 10% |
| Avalon Apartments | LIHTC | Family | 65% |
| The Cottages At Arbor Pointe | LIHTC/ PBRA | Senior | 100% |
| Waverly Terrace Apartments | LIHTC | Senior | 9% |
| Azalea Ridge Apartments | Market | Family | 21% |
| Greystone At Country Club | Market | Family | 0% |
| Johnston Mill Lofts | Market | Family | 4% |
| Patriot Pointe | Section 8/Market | Senior | N/A |
| The Lakes Apartments* | Market | Family | 0% |

*Located outside of the PMA

The comparable properties reported voucher usage ranging from zero to 100 percent. Four of the LIHTC properties reported voucher usage, with an average utilization of 46 percent. The highest voucher usage was reported by The Cottages at Arbor Pointe, a 120-unit LIHTC/PBRA property and 100 percent of tenants in the unsubsidized units are utilizing vouchers at this time. We do not believe the elevated voucher usage at this property to indicate a lack of unsubsidized senior demand in the market. Rather, we attribute the high voucher usage at this property to its coordination with the local housing authority, as the majority of the units at this property operate with project-based subsidies operated by the housing authority. We consider this property to be an outlier. After excluding The Cottages at Arbor Pointe, the average LIHTC voucher utilization is 28 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 30 percent.

3. Phased Developments

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

Lease Up History

Information regarding the absorption periods of properties throughout Columbus is illustrated in the following table.

| ABSORPTION | | | | | |
|----------------------------|--------|---------|------|-------------|--------------------------|
| Property Name | Rent | Tenancy | Year | Total Units | Units Absorbed Per Month |
| Waverly Terrace Apartments | LIHTC | Senior | 2017 | 80 | 7 |
| Highland Ridge | Market | Family | 2011 | 297 | 17 |
| Greystone Summit | Market | Family | 2008 | 220 | 30 |
| Greystone Falls | Market | Family | 2007 | 214 | 22 |

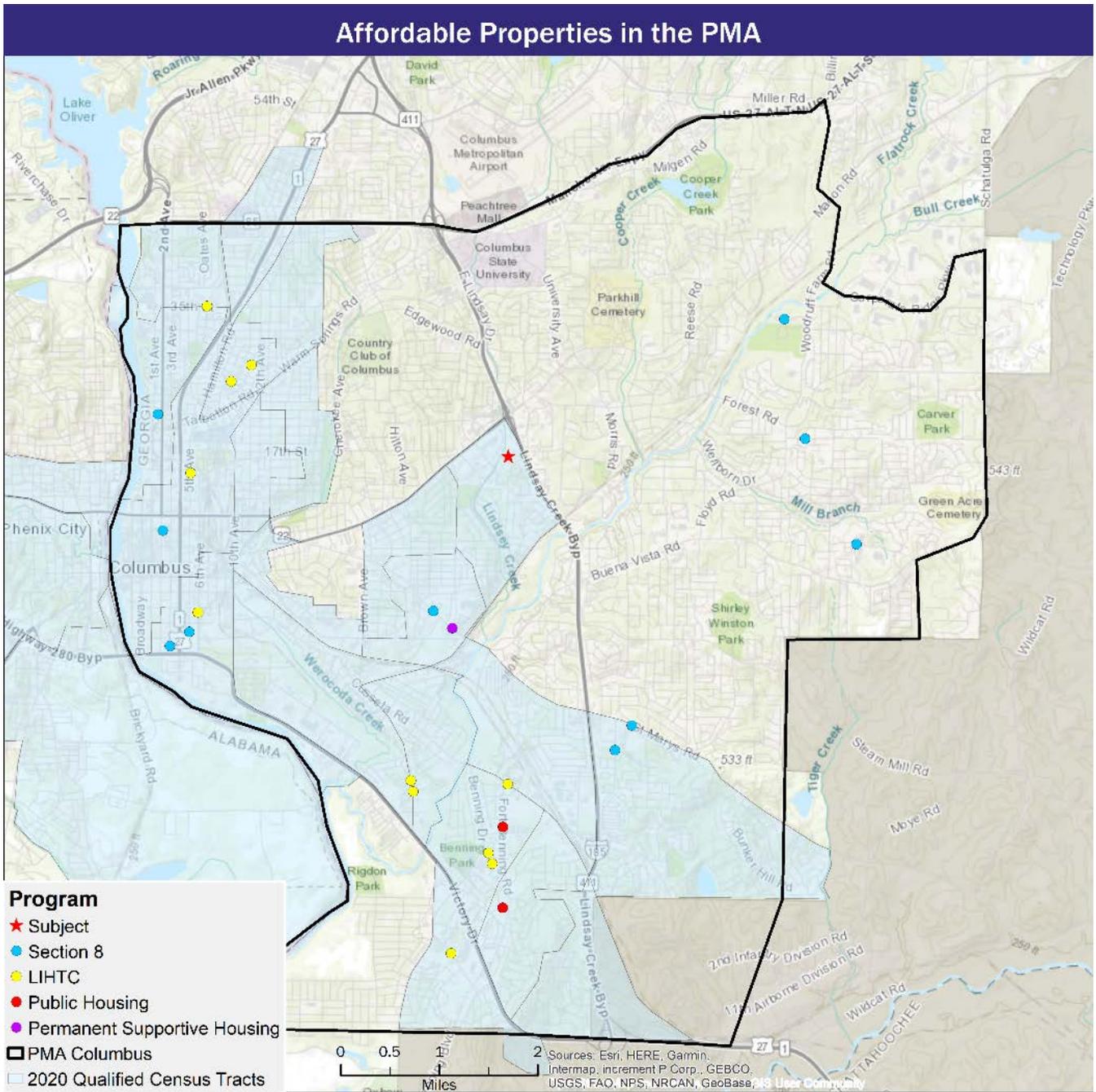
Per DCA guidelines, we calculate the absorption to 93 percent occupancy. The Subject will be a new construction, senior LIHTC property with 48 units. The most recently opened LIHTC property is Waverly Terrace, a senior LIHTC development that reported an absorption pace of seven units per month. We believe the Subject as a senior property would experience a similar absorption pace to this development. As such, we

believe the Subject would experience an absorption pace of seven units per month, indicating an absorption period of six months. The Subject will enter the market in July 2022, during the recovery from the COVID-19 pandemic.

4. Competitive Project Map

COMPETITIVE PROJECTS

| Property Name | Program | Location | Tenancy | # of Units | Occupancy | Map Color | |
|------------------------------|-------------------------|----------|---------|------------|-----------|-----------|------|
| Boxwood Heights | LIHTC | Columbus | Senior | 48 | - | Red Star | |
| Arbor Pointe I And II | LIHTC/ Market | Columbus | Family | 296 | 98.0% | Yellow | |
| Ashley Station | LIHTC/Section 8/ Market | Columbus | Family | 367 | 96.7% | | |
| Avalon Apartments | LIHTC | Columbus | Family | 232 | 92.2% | | |
| The Cottages At Arbor Pointe | LIHTC/PBRA | Columbus | Senior | 120 | 100.0% | | |
| Waverly Terrace Apartments | LIHTC | Columbus | Senior | 80 | 100.0% | | |
| Eagle Trace | LIHTC | Columbus | Family | 381 | 92.7% | | |
| Liberty Commons | LIHTC | Columbus | Family | 172 | 97.1% | | |
| Liberty Gardens Townhomes | LIHTC | Columbus | Family | 88 | 96.6% | | |
| Lumpkin Park Apartments | LIHTC | Columbus | Family | 192 | 99.5% | | |
| Springfield Crossing | LIHTC/ Market | Columbus | Family | 120 | 98.3% | | |
| Clafin School Apartments | LIHTC | Columbus | Family | 44 | N/A | | |
| Highland Terrace | LIHTC | Columbus | Senior | 102 | N/A | | |
| Mill Village | LIHTC/Section 8/ Market | Columbus | Family | 102 | N/A | | |
| EJ Knight Apartments | Public Housing | Columbus | Senior | 92 | 90.2% | | Red |
| Columbus Commons | LIHTC/Section 8/ Market | Columbus | Family | 106 | 96.2% | | Blue |
| Bull Creek Apartments | Section 8 | Columbus | Family | 128 | 95.3% | | |
| Columbus Villas | Section 8 | Columbus | Family | 88 | N/A | | |
| Columbus Gardens I And II | Section 8 | Columbus | Family | 116 | 99.1% | | |
| Farrfield Manor | Section 8 | Columbus | Senior | 74 | N/A | | |
| Hunter Haven Apartments | Section 8 | Columbus | Family | 104 | 95.2% | | |
| Ralston Towers | Section 8 | Columbus | Family | 269 | 99.6% | | |
| Renaissance Villa Apartments | Section 8 | Columbus | Family | 72 | 95.8% | | |
| Saint Mary's Woods Estates | Section 8 | Columbus | Senior | 48 | 91.7% | | |
| Patriot Pointe | Section 8/Market | Columbus | Senior | 100 | 98.0% | | |
| Willow Glen | Supportive Housing | Columbus | Family | 28 | N/A | Purple | |



5. Amenities

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

BOXWOOD HEIGHTS – COLUMBUS, GEORGIA – MARKET STUDY

AMENITY MATRIX

| | Subject | Arbor Pointe I | Ashley Station | Avalon Apartments | The Cottages | Waverly Terrace | Azalea Ridge | Greystone At Country | Johnston Mill Lofts | Patriot Pointe 8/Market | The Lakes Apartments |
|---------------------------|-----------|-------------------|-------------------|----------------------|-----------------|--------------------|-----------------|-------------------------|------------------------|-------------------------------|-------------------------|
| Rent Structure | LIHTC | LIHTC/ Market | LIHTC/ Section | LIHTC | LIHTC/ PBRA | LIHTC | Market | Market | Market | Section Senior | Market |
| Tenancy | Senior | Family | Family | Family | Senior | Senior | Family | Family | Family | Senior | Family |
| Building | | | | | | | | | | | |
| Property Type | Midrise | Garden | Garden | Garden | Duplex | Midrise | Garden | Various | Conversion | Lowrise | Garden |
| # of Stories | 4-stories | 2-stories | 3-stories | 4-stories | 1-stories | 4-stories | 2-stories | 2-stories | 4-stories | 3-stories | 3-stories |
| Year Built | 2022 | 2009 | 2007 | 2009 | 2013 | 2017 | 2002 | 1964 | 1900/2002 | 2015 | 1995 |
| Year Renovated | n/a | 2010 | n/a | n/a | n/a | n/a | 2018 | 2009 | n/a | n/a | 2000 |
| Elevators | yes | no | no | no | no | yes | no | no | no | yes | no |
| Utility Structure | | | | | | | | | | | |
| Cooking | no | no | no | no | no | yes | no | no | no | no | no |
| Water Heat | no | no | no | no | no | yes | no | no | no | no | no |
| Heat | no | no | no | no | no | yes | no | no | no | no | no |
| Other Electric | no | no | no | no | no | yes | no | no | no | no | no |
| Water | no | yes | yes | yes | yes | yes | no | yes | no | yes | yes |
| Sewer | no | yes | yes | yes | yes | yes | no | yes | no | yes | yes |
| Trash | yes | yes | yes | yes | yes | yes | no | yes | no | yes | yes |
| Accessibility | | | | | | | | | | | |
| Hand Rails | yes | no | no | no | yes | no | no | no | no | no | no |
| Pull Cords | yes | no | no | no | yes | no | no | no | no | no | no |
| Unit Amenities | | | | | | | | | | | |
| Balcony/Patio | no | yes | yes | yes | yes | no | yes | yes | no | no | yes |
| Blinds | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes |
| Carpeting | yes | yes | yes | yes | yes | yes | yes | yes | no | yes | no |
| Hardwood | no | no | no | no | no | yes | no | no | no | no | no |
| Central A/C | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Ceiling Fan | yes | yes | yes | yes | yes | yes | no | yes | yes | yes | yes |
| Coat Closet | no | yes | no | yes | yes | yes | no | yes | yes | yes | yes |
| Exterior Storage | no | yes | no | no | no | no | no | no | no | no | no |
| Walk-In Closet | no | no | yes | yes | no | yes | no | no | yes | no | yes |
| Washer/Dryer | yes | no | no | no | no | no | no | no | no | no | no |
| W/D Hookup | no | yes | yes | yes | yes | no | yes | yes | yes | yes | yes |
| Kitchen | | | | | | | | | | | |
| Dishwasher | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes |
| Disposal | yes | yes | yes | yes | yes | yes | yes | yes | yes | no | yes |
| Microwave | yes | yes | no | yes | yes | yes | no | yes | yes | no | no |
| Oven | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Refrigerator | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Community | | | | | | | | | | | |
| Business Center | yes | yes | yes | yes | no | no | no | yes | no | no | no |
| Community Room | yes | yes | no | yes | yes | yes | yes | yes | no | yes | yes |
| Central Laundry | no | no | yes | yes | yes | yes | no | yes | yes | no | yes |
| On-Site Mgmt | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Recreation | | | | | | | | | | | |
| Basketball Court | no | no | no | no | no | no | no | no | yes | no | no |
| Exercise Facility | yes | yes | yes | yes | no | yes | yes | no | yes | yes | yes |
| Playground | no | yes | yes | yes | no | no | yes | no | yes | no | yes |
| Swimming Pool | no | yes | yes | yes | no | no | yes | yes | yes | no | yes |
| Picnic Area | yes | no | yes | yes | no | no | no | no | no | no | yes |
| Tennis Court | no | no | no | no | no | no | yes | no | yes | no | yes |
| Theatre | no | no | no | no | yes | yes | no | no | no | no | no |
| Security | | | | | | | | | | | |
| In-Unit Alarm | no | no | yes | no | no | no | yes | yes | no | no | no |
| Intercom (Buzzer) | yes | no | no | no | no | yes | no | no | no | yes | no |
| Limited Access | yes | no | yes | yes | no | yes | no | no | yes | yes | no |
| Patrol | no | no | no | yes | no | no | no | no | no | no | no |
| Perimeter Fencing | no | no | no | yes | no | no | yes | no | no | no | yes |
| Video Surveillance | no | no | no | yes | no | no | yes | no | yes | no | no |
| Parking | | | | | | | | | | | |
| Garage | no | no | no | no | no | no | no | no | no | no | yes |
| Garage Fee | n/a | n/a | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$75 |
| Off-Street Parking | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Off-Street Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly inferior property amenities. The Subject will offer in-unit washers and dryers, a business center, community room and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool that is offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

6. Comparable Tenancy

The Subject will target seniors. Two of the surveyed LIHTC properties are entirely age-restricted and one property, Ashley Station, is a mixed-tenancy property that has 63 units set-aside for senior tenants. Of the market rate properties, four properties target families and one property targets seniors.

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

| Property Name | Rent Structure | Tenancy | Total Units | Vacant Units | Vacancy Rate |
|------------------------------|--------------------------|---------|--------------|--------------|--------------|
| Arbor Pointe I And II | LIHTC/ Market | Family | 296 | 6 | 2.0% |
| Ashley Station | LIHTC/ Section 8/ Market | Family | 367 | 12 | 3.3% |
| Avalon Apartments | LIHTC | Family | 232 | 18 | 7.8% |
| The Cottages At Arbor Pointe | LIHTC/ PBRA | Senior | 120 | 0 | 0.0% |
| Waverly Terrace Apartments | LIHTC | Senior | 80 | 0 | 0.0% |
| Azalea Ridge Apartments | Market | Family | 144 | 22 | 15.3% |
| Greystone At Country Club | Market | Family | 200 | 0 | 0.0% |
| Johnston Mill Lofts | Market | Family | 335 | 35 | 10.4% |
| Patriot Pointe | Section 8/Market | Senior | 100 | 2 | 2.0% |
| The Lakes Apartments* | Market | Family | 316 | 3 | 0.9% |
| Total LIHTC | | | 1,195 | 38 | 3.2% |
| Total Market Rate | | | 995 | 60 | 6.0% |
| Overall Total | | | 2,190 | 98 | 4.5% |

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 15.3 percent, with an overall weighted average of 4.5 percent. The average vacancy rate reported by the affordable comparables was 3.2 percent, below the 6.0 percent average reported by the market rate properties. Arbor Pointe I and II and Ashley Station both reported some vacancies at this time; however, these vacancies are expected to be leased for the properties' respective waiting lists. Arbor Pointe I and II maintains a waiting list of over 1,000 households and Ashley Station maintains a waiting list of 900 households. The two age-restricted LIHTC properties reported no vacancies at this time. Additionally, both of these properties maintain waiting lists, which are reported to consist of 200 to 386 households. Property managers at both of these developments reported strong demand for additional age-restricted housing in the market.

Avalon Apartments reported the highest vacancy rate of the comparable properties. This development says it has 18 vacancies at this time, all of which are in the property's three-bedroom units. The contact reported the remaining unit types maintain waiting lists. The elevated vacancy was attributed to the COVID-19 pandemic as tenants are reluctant to relocate at this time. The remaining comparable properties offer three-bedroom units reported stable demand for affordable housing, which indicates there is not a lack of demand for three-bedroom units in the market. We believe property-specific issues may be attributed to the elevated vacancy rate in the three-bedroom units at Avalon Apartments. However, the Subject will not offer any three-bedroom

units. Overall, there appears to be strong demand for affordable housing in the market and we believe the Subject would be a welcome addition to the market.

The market rate properties reported higher vacancy rates. Two of the comparable properties reported vacancy rates above 10 percent. However, of the 22 vacancies at Azalea Ridge Apartments, 10 of these units are pre-leased. Johnston Mill Lofts reported an elevated vacancy rate as the property converted from LIHTC to market rate in 2019. The leasing of these units at market rate has been slowed as a result of the COVID-19 pandemic and the reluctance of tenants to move at this time. Greystone at Country Club, The Lakes Apartments and Patriot Pointe reported low vacancy rates. Patriot Pointe also maintains a waiting list of 400 households for its age-restricted subsidized units. Overall, there appears to be strong demand for affordable housing in the market as well as good condition properties and the Subject will represent new construction. Based on the performance of the comparable properties, we expect the Subject will operate with a vacancy rate of approximately five percent. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

7. Properties Under Construction and Proposed

The following section details properties currently planned, proposed or under construction.

Mill Village

- a. Location: 120 20th Street, Columbus, GA 31901
- b. Owner: Columbia Residential (developer)
- c. Total number of units: 102 units
- d. Unit configuration: One, two and three-bedroom units
- e. Rent structure: 30, 60, 80 percent AMI and market rate
- f. Estimated market entry: 2021
- g. Relevant information: Family tenancy

Clafin School Apartments

- a. Location: 5th Avenue, Columbus, GA
- b. Owner: Historic Friends of Clafin
- c. Total number of units: 44 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: 50 and 60 percent AMI
- f. Estimated market entry: Summer 2020
- g. Relevant information: Family tenancy, currently pre-leasing

Highland Terrace

- a. Location: River Road, Columbus, GA
- b. Owner: Van Dyke and Company
- c. Total number of units: 102 units
- d. Unit configuration: One and two bedroom units
- e. Rent structure: 50 and 60 percent AMI
- f. Estimated market entry: Summer 2020
- g. Relevant information: Senior tenancy, aged 62 and over

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 | Arbor Pointe I And II | LIHTC/ Market | Family | Slightly Superior | Slightly Inferior | Slightly Inferior | Slightly Inferior | Superior | 0 |
| 2 | Ashley Station | LIHTC/ Section 8/ Market | Family | Slightly Superior | Slightly Inferior | Similar | Slightly Inferior | Similar | -5 |
| 3 | Avalon Apartments | LIHTC | Family | Slightly Superior | Slightly Inferior | Slightly Inferior | Slightly Inferior | Similar | -10 |
| 4 | The Cottages At Arbor Pointe | LIHTC/ PBRA | Senior | Slightly Inferior | Slightly Inferior | Slightly Inferior | Slightly Inferior | Superior | -10 |
| 5 | Waverly Terrace Apartments | LIHTC | Senior | Slightly Inferior | Inferior | Similar | Similar | Similar | -15 |
| 6 | Azalea Ridge Apartments | Market | Family | Slightly Superior | Inferior | Similar | Slightly Inferior | Superior | 0 |
| 7 | Greystone At Country Club | Market | Family | Similar | Slightly Inferior | Similar | Slightly Inferior | Superior | 0 |
| 8 | Johnston Mill Lofts | Market | Family | Slightly Superior | Slightly Inferior | Similar | Slightly Inferior | Slightly Superior | 0 |
| 9 | Patriot Pointe | Section 8/Market | Senior | Slightly Inferior | Inferior | Slightly Inferior | Similar | Slightly Superior | -15 |
| 10 | The Lakes Apartments | Market | Family | Superior | Slightly Inferior | Similar | Inferior | Superior | 5 |

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON @50%

| Property Name | Tenancy | 1BR | 2BR | Rents at Max? |
|---------------------------------|---------|--------------|--------------|---------------|
| Boxwood Heights | Senior | \$433 | \$515 | No |
| LIHTC Maximum Rent (Net) | | \$438 | \$520 | |
| The Cottages At Arbor Pointe | Senior | \$483 | - | Yes |
| Waverly Terrace Apartments | Senior | \$455 | \$539 | Yes |
| Average | | \$469 | \$539 | |

LIHTC RENT COMPARISON @60%

| Property Name | Tenancy | 1BR | 2BR | Rents at Max? |
|---------------------------------|---------|--------------|--------------|---------------|
| Boxwood Heights | Senior | \$545 | \$649 | No |
| LIHTC Maximum Rent (Net) | | \$550 | \$654 | |
| Arbor Pointe I And II | Family | \$581 | \$690 | Yes |
| Ashley Station | Family | \$550 | \$640 | Yes |
| Avalon Apartments | Family | \$561 | \$654 | Yes |
| The Cottages At Arbor Pointe | Senior | \$581 | - | Yes |
| Waverly Terrace Apartments | Senior | \$572 | \$679 | Yes |
| Average | | \$569 | \$666 | |

The Subject’s proposed rents are below the maximum allowable levels. Per the Georgia DCA 2020 guidelines, the market study analyst must use the maximum rent and income limits effective as of January 1, 2020. Therefore, we utilize the 2019 maximum income and rent limits. All of the comparable properties reported

achieving rents at the maximum allowable rent level. The rents at these properties may appear to be above or below the maximum allowable levels. This is most likely due to differences in this property's utility structure and allowance from the Subject's proposed utility structure.

Ashley Station and Arbor Pointe I and II are considered the most comparable LIHTC properties to the Subject. Ashley Station, which is located 2.4 miles from the Subject, is considered slightly inferior to the proposed Subject. The unit sizes at Ashley Station are similar to the proposed unit sizes at the Subject, which demonstrates the competitiveness of the Subject's proposed unit sizes. The Subject will offer slightly inferior property amenities since Ashley Station lacks a community room, but offers a swimming pool, which the Subject will lack. The Subject will offer slightly superior in-unit amenities to this property as it will offer in-unit washers and dryers. Ashley Station was built in 2007 and exhibits good condition. The Subject will be completed in 2022 and will exhibit excellent condition, slightly superior to this property. The Subject will offer an elevator-serviced, midrise design, slightly superior to the garden-style design that Ashley Station offers. This comparable property reported a vacancy rate of 3.3 percent and a waiting list of 900 households. Ashley Station's performance indicates that the maximum allowable LIHTC rents are achievable in the market. Based on the Subject's anticipated similarity to Ashley Station, it should be able to achieve similar rents.

Arbor Pointe I and II is a 296-unit, garden-style development located 3.5 miles south of the Subject site, in a neighborhood considered slightly inferior relative to the Subject's location. This property was constructed in 2009 and renovated in 2010. We consider the condition of this property slightly inferior relative to the Subject, which will be built in 2022. The manager at Arbor Pointe I and II reported a low vacancy rate of 2.0 percent, indicating the current rents are well accepted in the market. Additionally, the property maintains a waiting list of over 1,000 households. This property offers balconies/patios, exterior storage, a playground, and a swimming pool, all of which the proposed Subject will lack. However, the proposed Subject will offer washer/dryers, which are offered by Arbor Pointe I and II. On balance, we believe the in-unit and property amenity packages offered by Arbor Pointe I and II to be slightly inferior and slightly superior relative to the Subject, respectively. In overall terms, we believe the Subject will be a similar product relative to the Arbor Pointe I and II.

Waverly Terrace is the most similar age-restricted property to the proposed Subject. This development, which is located 2.3 miles from the Subject, is considered slightly inferior to the proposed Subject. The unit sizes at Waverly Terrace are similar to the proposed unit sizes at the Subject, which demonstrates the competitiveness of the Subject's proposed unit sizes. The Subject will offer slightly superior property amenities since Waverly Terrace lacks a business center and picnic area. The Subject will offer superior in-unit amenities to this property as it will offer in-unit washers and dryers. Waverly Terrace was built in 2017 and exhibits excellent condition, similar to the Subject's anticipated condition upon completion. The Subject will offer an elevator-serviced, midrise design, similar to Waverly Terrace. This comparable property reported no vacancies at this time and maintains a waiting list of 200 households. Waverly Terrace's performance indicates that the maximum allowable LIHTC rents are achievable in the market. Based on the Subject's anticipated similarity to Waverly Terrace, it should be able to achieve similar rents.

The Cottages at Arbor Pointe and Avalon Apartments, which are both slightly inferior to the proposed Subject, reported achieving the maximum allowable rents. All of the comparable LIHTC properties reported low vacancy rates or strong demand for affordable housing. The LIHTC comparable properties currently exhibit a low average weighted vacancy rate and waiting lists as well as moderate rent growth, which is indicative of demand for affordable housing in the marketplace. As such, we believe the Subject is feasible as proposed.

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 | Rent Level | Subject Pro Forma Rent | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
|-----------|------------|------------------------|--------------|--------------|------------------|------------------------|
| 1BR / 1BA | @50% | \$433 | \$455 | \$844 | \$632 | 46% |
| 1BR / 1BA | @60% | \$545 | \$561 | \$844 | \$650 | 19% |
| 2BR / 1BA | @50% | \$515 | \$539 | \$1,217 | \$771 | 50% |
| 2BR / 1BA | @60% | \$649 | \$635 | \$1,217 | \$792 | 22% |

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject will offer a rent advantage of 22 to 50 percent for its LIHTC units. The Subject will be the newest development in the market with competitive amenities.

The Lakes Apartments reported the highest one-bedroom unit rents in the market. This property is a 316-unit, garden-style development located 3.0 miles north of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1995 and renovated in 2000. We consider the condition of this property inferior relative to the Subject, which will be built in 2022. The manager at The Lakes Apartments reported a low vacancy rate of 0.9 percent, indicating the current rents are well accepted in the market. This property offers balconies/patios, walk-in closets, a playground, a swimming pool, tennis courts, and garages, all of which the proposed Subject will lack. However, the Subject will offer washer/dryers, microwaves and a business center, none of which are provided by The Lakes Apartments. On balance, we believe the in-unit and property amenity packages offered by The Lakes Apartments to be slightly inferior and superior relative to the Subject, respectively. However, The Lakes Apartments offers superior unit sizes to the proposed Subject. The Subject’s LIHTC rents have an advantage of 29 to 80 percent over the rents at this property. Therefore, we believe the Subject’s proposed rents are reasonable compared to this development. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low for all bedroom types and AMI levels. If allocated, the Subject will be slightly superior to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is low at 3.2 percent. All five of the LIHTC properties maintain waiting lists, from which their existing vacancies are expected to be leased. The comparable properties reported a moderate effect of slowed leasing as a result of

the COVID-19 pandemic. However, demand appears to be strong regardless of the slower leasing process in the market at this time.

Three properties were recently allocated tax credits and are currently under construction. Highland Terrace Apartments is an under construction senior development that is expected to be completed in mid-2020. The property will target 102 age-restricted units for seniors earning 50 and 60 percent of the AMI or less. All of the units at this property will be directly competitive with the proposed Subject. This development is expected to reach a stabilized occupancy rate prior to the Subject’s completion. Clafin School Apartments will offer 44 units for family households and is expected to open in summer 2020. Mill Village was most recently awarded tax credits in 2019 for the new construction of 102 mixed-income units for family households. As both of these properties will target families, they are not expected to be directly competitive with the proposed Subject. Given the low vacancy rates and waiting lists found at the existing LIHTC properties, we do not believe that the addition of the Subject to the market will impact the three new LIHTC properties or the existing LIHTC properties that are in overall good condition and currently performing well. However, it is possible that the Subject will draw senior tenants from the older family LIHTC properties that offer inferior amenity packages.

10. Rental Trends in the PMA

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

| TENURE PATTERNS PMA | | | | |
|-------------------------------|----------------------|---------------------------|-----------------------|----------------------------|
| Year | Owner-Occupied Units | Percentage Owner-Occupied | Renter-Occupied Units | Percentage Renter-Occupied |
| 2000 | 23,183 | 51.0% | 22,313 | 49.0% |
| 2019 | 17,648 | 40.7% | 25,705 | 59.3% |
| Projected Mkt Entry July 2022 | 17,882 | 41.2% | 25,531 | 58.8% |
| 2024 | 18,038 | 41.5% | 25,415 | 58.5% |

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

| PMA TENURE PATTERNS OF SENIORS 55+ | | | | |
|------------------------------------|----------------|---------------------------|-----------------------|----------------------------|
| Year | Owner-Occupied | Percentage Owner-Occupied | Renter-Occupied Units | Percentage Renter-Occupied |
| 2000 | 11,086 | 71.1% | 4,503 | 28.9% |
| 2019 | 10,367 | 61.5% | 6,496 | 38.5% |
| Projected Mkt Entry July 2022 | 10,669 | 61.6% | 6,659 | 38.4% |
| 2024 | 10,870 | 61.6% | 6,767 | 38.4% |

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of senior renter households in the PMA increased between 2000 and 2019, and is estimated to be 38.5 percent as of 2019. This is more than the estimated 15 percent of senior renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2024.

Historical Vacancy

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

HISTORICAL VACANCY

| Property Name | Program | Total Units | 2013 Q2 | 2016 Q4 | 2017 Q1 | 2019 Q2 | 2019 Q3 | 2020 Q2 |
|------------------------------|--------------------------|-------------|---------|---------|---------|---------|---------|---------|
| Arbor Pointe I And II | LIHTC/ Market | 296 | N/A | N/A | N/A | N/A | N/A | 2.0% |
| Ashley Station | LIHTC/ Section 8/ Market | 367 | N/A | N/A | N/A | 0.0% | 2.7% | 3.3% |
| Avalon Apartments | LIHTC | 232 | 30.2% | 0.9% | 1.7% | 0.0% | 3.0% | 7.8% |
| The Cottages At Arbor Pointe | LIHTC/ PBRA | 120 | 0.0% | N/A | N/A | N/A | N/A | 0.0% |
| Waverly Terrace Apartments | LIHTC | 80 | N/A | N/A | 56.2% | N/A | N/A | 0.0% |
| Azalea Ridge Apartments | Market | 144 | 0.0% | 4.9% | 1.4% | 20.1% | N/A | 15.3% |
| Greystone At Country Club | Market | 200 | N/A | N/A | 2.5% | 0.0% | N/A | 0.0% |
| Johnston Mill Lofts | Market | 335 | 8.1% | N/A | 6.3% | 1.2% | 5.7% | 10.4% |
| Patriot Pointe | Section 8/Market | 100 | N/A | N/A | 0.0% | N/A | N/A | 2.0% |
| The Lakes Apartments | Market | 316 | N/A | N/A | N/A | N/A | N/A | 0.9% |

The historical vacancy rates at all of the comparable properties for several quarters in the past eight years are illustrated in the previous table. In general, the comparable properties experienced decreasing vacancy rates from 2013 through the second quarter of 2019. Vacancy rates at some of the comparable properties increased in 2020, but a number of these vacancies are pre-leased. Among the market rate comparable properties, Greystone at Country Club and Patriot Pointe maintained low vacancy rates. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH

| Property Name | Rent Structure | Tenancy | Rent Growth |
|------------------------------|--------------------------|---------|---|
| Arbor Pointe I And II | LIHTC/ Market | Family | N/A |
| Ashley Station | LIHTC/ Section 8/ Market | Family | Increased two to decreased 10 percent |
| Avalon Apartments | LIHTC | Family | Decrease of one percent |
| The Cottages At Arbor Pointe | LIHTC/ PBRA | Senior | N/A |
| Waverly Terrace Apartments | LIHTC | Senior | Increase of seven percent |
| Azalea Ridge Apartments | Market | Family | Increase of one to nine percent |
| Greystone At Country Club | Market | Family | Decrease of 15 to increase of one percent |
| Johnston Mill Lofts | Market | Family | Increased up to 43 percent |
| Patriot Pointe | Section 8/Market | Senior | None |
| The Lakes Apartments* | Market | Family | Increase of one percent |

*Located outside of the PMA

The LIHTC properties report growth of up to 10 percent in the past year. The market rate properties reported in some instances rent growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 2,893 housing units nationwide was in some stage of foreclosure as of May 2020. The city of Columbus is experiencing a foreclosure rate of one in every 2,358 homes, while Muscogee County is experiencing foreclosure rate of one in every 2,408 homes and Georgia experienced one foreclosure in every 2,210 housing units. Overall, Columbus is experiencing a higher foreclosure rate to the nation, and slightly lower than Muscogee County as a whole, indicating a stable housing market. The Subject’s neighborhood does not have a significant amount of abandoned or vacant structures

that would impact the marketability of the Subject. Due to the CARES Act passed in April 2020 in response to the COVID-19 pandemic, lenders are prohibited from foreclosing on homes with federally backed mortgages.

12. Effect of Subject on Other Affordable Units in Market

There are three under construction properties in the PMA, only one of which will target seniors. All of the comparable properties report waiting lists. We believe there is adequate demand for the addition of the Subject within the market. The vacancy rate among the existing LIHTC comparables is low at 3.2 percent. The waiting lists at the newest LIHTC properties are nearly 1,000 households in length and the newest senior LIHTC property maintains a waiting list of 200 households. Additionally, the majority of the Subject's units are two-bedroom units, of which there are very few in the existing senior LIHTC market. These units are reported to perform well and therefore, we believe the Subject will fill a void in the market for age-restricted two-bedroom units. In summary, the performance of the comparable LIHTC properties, the existence of waiting lists for affordable units in the market all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 3.2 percent, which is considered low. All five of the LIHTC properties maintain waiting lists, from which their existing vacancies are expected to be leased. The comparable properties reported a moderate effect of slowed leasing as a result of the COVID-19 pandemic. However, demand appears to be strong regardless of the slower leasing process in the market at this time. None of the senior LIHTC properties reported a slowing of leasing. The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly inferior property amenities. The Subject will offer microwaves, in-unit washers and dryers, balconies/patios, dishwashers, garbage disposals, a business center, community room and exercise facility that several of the comparable properties lack. However, the Subject will lack a swimming pool, which several properties offer. The developments that lack a swimming pool reported low vacancy rates, indicating the absence of this amenity will not negatively affect the proposed Subject. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at several LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

Information regarding the absorption periods of properties throughout Columbus is illustrated in the following table.

| ABSORPTION | | | | | |
|----------------------------|-------------|----------------|-------------|--------------------|---------------------------------|
| Property Name | Rent | Tenancy | Year | Total Units | Units Absorbed Per Month |
| Waverly Terrace Apartments | LIHTC | Senior | 2017 | 80 | 7 |
| Highland Ridge | Market | Family | 2011 | 297 | 17 |
| Greystone Summit | Market | Family | 2008 | 220 | 30 |
| Greystone Falls | Market | Family | 2007 | 214 | 22 |

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. The Subject will be a new construction, senior LIHTC property with 48 units. The most recently opened LIHTC property is Waverly Terrace, a senior LIHTC development that reported an absorption pace of seven units per month. We believe the Subject as a senior property would experience a similar absorption pace to this development. As such, we believe the Subject would experience an absorption pace of seven units per month, indicating an absorption period of six months. The Subject will enter the market in July 2022, during the recovery from the COVID-19 pandemic.

K. INTERVIEWS

Housing Authority of Columbus, Georgia

We were able to speak with John Casteel, Chief Assistant Housing Officer of the Housing Authority of Columbus. Mr. Casteel reported that there are 3,183 tenant-based and project-based vouchers allocated in the Columbus area. Of that total, 2,516 are tenant-based vouchers being utilized by tenants across Muscogee County. Mr. Casteel stated that there is a dire need for affordable housing in the area and provided the payment standards below.

PAYMENT STANDARDS

| Unit Type | Standard |
|---------------|----------|
| One-Bedroom | \$606 |
| Two-Bedroom | \$711 |
| Three-Bedroom | \$961 |
| Four-Bedroom | \$1,255 |
| Five-Bedroom | \$1,443 |

Source: Housing Authority of Columbus, Effective January 2020

The Subject’s one and two-bedroom units at the 50 and 60 percent of AMI level are above the payment standards, indicating tenants in these units utilizing vouchers would have to pay additional rent out of pocket to reside at the Subject.

Columbus Planning Department

We attempted to contact the Columbus Planning Department, regarding new development in the market. However, as of the date of this report our calls have not been returned. We additionally consulted a May 2020 Costar Report of under construction properties in the PMA as well as the Georgia DCA Program Awards Database. The Following table illustrated the properties we identified that are under construction or proposed in the PMA.

PLANNED DEVELOPMENT

| Property Name | Rent Structure | Tenancy | Total Units | Competitive Units | LIHTC Allocation Year | Construction Status |
|--------------------------|-------------------------|---------|-------------|-------------------|-----------------------|---------------------|
| Mill Village | LIHTC/Section 8/ Market | Family | 102 | 0 | 2019 | Proposed |
| Clafin School Apartments | LIHTC | Family | 44 | 0 | 2017 | Under construction |
| Highland Terrace | LIHTC | Senior | 102 | 102 | 2017 | Under construction |
| Totals | | | 248 | 102 | | |

Source: CoStar, Georgia Department of Community Affairs, May 2020

- Mill Village was awarded tax credits in 2019 for the new construction of 102 mixed-income units targeted towards family households. The property will offer one, two and three-bedroom units restricted to the 30, 60 and 80 percent of AMI levels as well as market rate units. However, all 60 units at the 30 and 60 percent of AMI levels will operate with a subsidy. None of the units at this property will be directly competitive with the Subject as this property will target families. Therefore, none of the units at this property will be deducted from our demand analysis.
- Clafin School Apartments was awarded tax credits in 2017. This development is an adaptive re-use of an old school building that will offer 44 one, two, and three-bedroom units at 50 and 60 percent of the AMI. Construction began in fall 2018 and is anticipated to be completed in summer 2020. As this property will target families, none of these units will be deducted from our demand analysis.
- Highland Terrace was awarded tax credits in 2017. This development will offer 102 one and two-bedroom units to senior households aged 62 and over earning 50 and 60 percent of the AMI. Construction began in fall 2018 and is anticipated to be completed in summer 2020. As this property will target senior

households, the Subject is expected to be directly competitive with this development and we will deduct all 102 units at this property from our analysis.

A number of market rate properties were also identified but they will not be directly competitive with the Subject’s affordable units. A total of 102 LIHTC units are deducted from our demand analysis.

Columbus Economic Development Department

Employment growth in the area has continued in recent years. We attempted to contact a representative with the Columbus Economic Development Department. Despite numerous attempts, our calls have not been returned. We conducted internet research regarding employment expansions in the area. Details of these expansions are included in the following table.

EXPANSIONS/NEW ADDITIONS - MUSCOGEE COUNTY, GA - 2017-2020 YTD

| Company | Industry | Jobs |
|-----------------------------|------------------|------|
| First Credit Services | Customer Service | 155 |
| Califormulations | Retail | 30 |
| Daechang Seat Co | Manufacturing | 100 |
| Global Callcenter Solutions | Customer Service | 600 |
| InComm | Technology | 55 |
| Elwood Staffing | Human Resources | 100 |
| Gildan Yarns | Manufacturing | 80 |
| Pratt & Whitney | Manufacturing | 500 |
| Heckler & Koch | Manufacturing | 84 |

Source: Georgia Department of Economic Development, May 2020

- First Credit Services, which manages call center operations for other businesses, announced in December 2019 it will be expanding its Columbus location by adding 155 jobs and investing \$2 million by purchasing and renovating a new building.
- Califormulations, a business that helps food and beverage companies create innovative products, announced in November 2019 is coming to Columbus with the promise to create 30 jobs and invest more than \$5 million.
- Daechang Seat Co accounted in June 2019, to locate a manufacturing facility in Phenix City, AL at 903 Fontaine Road. This new manufacturing operation is expected to create 100 jobs and have an initial capital investment of more than \$9,000,000.
- In September 2018, Global Callcenter Solutions, a call center consulting company, announced plans to invest \$4.9 million in Muscogee County and create 600 new jobs.
- InComm, a technology company, announced plans in April 2018 to add 55 jobs at its Columbus location.
- Elwood Staffing, a staffing company, expanded its offices in Columbus and added approximately 100 new jobs in 2018.
- In 2018, Gildan Yarns, a yarn manufacturer, expanded its manufacturing facility in Columbus and created 80 new jobs.
- Pratt & Whitney, a manufacturer of aircraft engines and power units, announced in February 2017 that they plan to create more than 500 jobs and invest \$386 million to expand their Columbus facility over the next five years.
- Heckler & Koch, a manufacturer of firearms, announced in January 2017 that they plan to invest \$28.5 million to expand their Columbus facility. The expansion created 84 new jobs by January 2019.

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

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA decreased by 2.5 percent between 2010 and 2019, compared to the 3.6 percent increase in the regional MSA and 7.1 percent increase across the overall nation. The current population of the PMA is 108,896 and is expected to be 108,891 in 2022. The current senior population of the PMA is 29,554 and is expected to be 30,106 in 2022. The percentage of senior renter households in the PMA increased between 2000 and 2019, and is estimated to be 59.3 percent as of 2019. This is more than the estimated 38.5 percent of renter households across the overall nation. Renter households are concentrated in the lowest income cohorts, with 58.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$16,620 and \$28,620 for its LIHTC units; therefore, the Subject should be well positioned to service this market. Overall, while the PMA has lost population since 2010, 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 accommodation/food services industries, which collectively comprise 39.4 percent of local employment. The largest industry, healthcare/social assistance, is resilient during periods of economic downturn. The PMA and the Columbus, GA-AL MSA are economically reliant on healthcare and Fort Benning, a major military base. Employment is concentrated in industries relating to or supporting the base, which is the largest employer in the region. Industries related to hospitality also represent major employment sectors in the PMA. In February 2020, Fort Benning announcing that it is reactivating the 197th Infantry Brigade to meet the demand for infantry soldiers. More than 500 soldiers will be coming to Fort Benning when the brigade is activated.

The effects of the recession were more pronounced in the MSA, which suffered a 5.6 percent employment contraction, compared to only 4.8 percent across the nation. As of December 2019, MSA employment is below record levels, and is declining at an annualized rate of 0.9 percent, compared to a 1.1 percent increase across the nation. Overall, the MSA was heavily impacted by the recession, and has yet to recover its recessionary job losses. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. While unemployment data for 2020 is not yet available in the MSA, we anticipate a significant increase in unemployment figures. It is unclear how severely the regional economy has been affected and how temporary in nature any increase in unemployment will be for the MSA. We expect the local economy will suffer as a result of the COVID-19 pandemic given the outsized reliance on volatile industries. However, the presence of Fort Benning will provide additional stability to the local economy.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

| Unit Type | Minimum Income | Maximum Income | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Proposed Rents |
|--------------|----------------|----------------|----------------|--------------|--------|------------|--------------|----------------|
| 1BR @50% | \$16,620 | \$23,850 | 5 | 143 | 10 | 133 | 3.8% | \$433 |
| 1BR @60% | \$19,980 | \$25,080 | 19 | 107 | 37 | 70 | 27.1% | \$545 |
| 1BR Overall | \$16,620 | \$25,080 | 24 | 202 | 47 | 155 | 15.5% | - |
| 2BR @50% | \$19,980 | \$23,850 | 5 | 220 | 11 | 209 | 2.4% | \$515 |
| 2BR @60% | \$24,000 | \$28,620 | 19 | 165 | 44 | 121 | 15.6% | \$649 |
| 2BR Overall | \$19,980 | \$28,620 | 24 | 311 | 55 | 256 | 9.4% | - |
| @50% Overall | \$16,620 | \$23,850 | 10 | 363 | 21 | 342 | 2.9% | - |
| @60% Overall | \$19,980 | \$28,620 | 38 | 273 | 81 | 192 | 19.8% | - |
| Overall | \$16,620 | \$28,620 | 48 | 513 | 102 | 411 | 11.7% | - |

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. All capture rates are within DCA thresholds.

Absorption

Information regarding the absorption periods of properties throughout Columbus is illustrated in the following table.

ABSORPTION

| Property Name | Rent | Tenancy | Year | Total Units | Units Absorbed Per Month |
|----------------------------|--------|---------|------|-------------|--------------------------|
| Waverly Terrace Apartments | LIHTC | Senior | 2017 | 80 | 7 |
| Highland Ridge | Market | Family | 2011 | 297 | 17 |
| Greystone Summit | Market | Family | 2008 | 220 | 30 |
| Greystone Falls | Market | Family | 2007 | 214 | 22 |

Per DCA guidelines, we calculate the absorption to 93 percent occupancy. The Subject will be a new construction, senior LIHTC property with 48 units. The most recently opened LIHTC property is Waverly Terrace, a senior LIHTC development that reported an absorption pace of seven units per month. We believe the Subject as a senior property would experience a similar absorption pace to this development. As such, we believe the Subject would experience an absorption pace of seven units per month, indicating an absorption period of six months. The Subject will enter the market in July 2022, during the recovery from the COVID-19 pandemic.

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 |
|------------------------------|--------------------------|---------|--------------|--------------|--------------|
| Arbor Pointe I And II | LIHTC/ Market | Family | 296 | 6 | 2.0% |
| Ashley Station | LIHTC/ Section 8/ Market | Family | 367 | 12 | 3.3% |
| Avalon Apartments | LIHTC | Family | 232 | 18 | 7.8% |
| The Cottages At Arbor Pointe | LIHTC/ PBRA | Senior | 120 | 0 | 0.0% |
| Waverly Terrace Apartments | LIHTC | Senior | 80 | 0 | 0.0% |
| Azalea Ridge Apartments | Market | Family | 144 | 22 | 15.3% |
| Greystone At Country Club | Market | Family | 200 | 0 | 0.0% |
| Johnston Mill Lofts | Market | Family | 335 | 35 | 10.4% |
| Patriot Pointe | Section 8/Market | Senior | 100 | 2 | 2.0% |
| The Lakes Apartments* | Market | Family | 316 | 3 | 0.9% |
| Total LIHTC | | | 1,195 | 38 | 3.2% |
| Total Market Rate | | | 995 | 60 | 6.0% |
| Overall Total | | | 2,190 | 98 | 4.5% |

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 15.3 percent, with an overall weighted average of 4.5 percent. The average vacancy rate reported by the affordable comparables was 3.2 percent, below the 6.0 percent average reported by the market rate properties. Arbor Pointe I and II and Ashley Station both reported some vacancies at this time; however, these vacancies are expected to be leased for the properties’ respective waiting lists. Arbor Pointe I and II maintains a waiting list of over 1,000 households and Ashley Station maintains a waiting list of 900 households. The two age-restricted LIHTC properties reported no vacancies at this time. Additionally, both of these properties maintain waiting lists, which are reported to consist of 200 to 386 households. Property managers at both of these developments reported strong demand for additional age-restricted housing in the market.

Avalon Apartments reported the highest vacancy rate of the comparable properties. This development says it has 18 vacancies at this time, all of which are in the property’s three-bedroom units. The contact reported the remaining unit types maintain waiting lists. The elevated vacancy was attributed to the COVID-19 pandemic as tenants are reluctant to relocate at this time. The remaining comparable properties offer three-bedroom units reported stable demand for affordable housing, which indicates there is not a lack of demand for three-bedroom units in the market. We believe property-specific issues may be attributed to the elevated vacancy rate in the three-bedroom units at Avalon Apartments. However, the Subject will not offer any three-bedroom units. Overall, there appears to be strong demand for affordable housing in the market and we believe the Subject would be a welcome addition to the market.

The market rate properties reported higher vacancy rates. Two of the comparable properties reported vacancy rates above 10 percent. However, of the 22 vacancies at Azalea Ridge Apartments, 10 of these units are pre-leased. Johnston Mill Lofts reported an elevated vacancy rate as the property converted from LIHTC to market rate in 2019. The leasing of these units at market rate has been slowed as a result of the COVID-19 pandemic and the reluctance of tenants to move at this time. Greystone at Country Club, The Lakes Apartments and Patriot Pointe reported low vacancy rates. Patriot Pointe also maintains a waiting list of 400 households for its age-restricted subsidized units. Overall, there appears to be strong demand for affordable housing in the market as well as good condition properties and the Subject will represent new construction. Based on the performance of the comparable properties, we expect the Subject will operate with a vacancy rate of approximately five percent. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

Strengths of the Subject

The Subject will offer slightly superior to superior in-unit amenities when compared to other tax credit and market rate properties in the local market. Additionally, as a new construction property, the Subject will offer a superior condition to most of the comparable developments, both LIHTC and market rate.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 3.2 percent, which is considered low. All five of the LIHTC properties maintain waiting lists, from which their existing vacancies are expected to be leased. The comparable properties reported a moderate effect of slowed leasing as a result of the COVID-19 pandemic. However, demand appears to be strong regardless of the slower leasing process in the market at this time. None of the senior LIHTC properties reported a slowing of leasing. The Subject will offer generally superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and slightly inferior property amenities. The Subject will offer microwaves, in-unit washers and dryers, balconies/patios, dishwashers, garbage disposals, a business center, community room and exercise facility that several of the comparable properties lack. However, the Subject will lack a swimming pool, which several properties offer. The developments that lack a swimming pool reported low vacancy rates, indicating the absence of this amenity will not negatively affect the proposed Subject. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at several LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Recommendations

We recommend the Subject as proposed.

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.

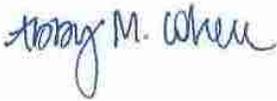
To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with 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.



H. Blair Kincer, MAI
Partner
Novogradac Consulting LLP

May 22, 2020



Abby Cohen
Partner
Novogradac Consulting LLP

May 22, 2020



Brian Neukam
Manager
Novogradac Consulting LLP

May 22, 2020



Lauren Smith
Manager
Novogradac Consulting LLP

May 22, 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



Subject site



Subject site



Subject site



Subject site



View south on Boxwood Place



View north on Boxwood Place



Restaurant northwest of the Subject site



Creek northwest of the Subject site



Hotel directly east of the Subject site



Music shop south of the Subject site



Commercial uses south of the Subject site on Boxwood Place



Commercial uses south of the Subject site on Boxwood Place



Commercial uses south of the Subject site on Boxwood Place



Commercial uses south of the Subject site on Boxwood Place



Library southwest of the Subject



Commercial uses south of the Subject site on Boxwood Place



Single-family home south of Subject site



Single-family home south of Subject site



Single-family home south of Subject site



Single-family home south of Subject site



Retail center northwest of Subject site



Commercial use northwest of Subject site



Retail center northwest of Subject site



Retail center northwest of Subject site



Retail center northwest of Subject site



Retail center northwest of Subject site

ADDENDUM C

Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. NHCG-939 – State of New Hampshire
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

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

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

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

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

IV. Professional Training

7-Hour National USPAP Update for 2020-2021, February 2020
Appraisal of Fast Food Facilities, February 2020
Appraisal of Self-Storage Facilities, February 2020
The Odd Side of Appraisal, February 2020
Basic Hotel Appraising – Limited Service Hotels, October 2019
Advanced Hotel Appraising – Full Service Hotels, October 2019
Appraisal of REO and Foreclosure Properties, October 2019
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored “Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions,” Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

State of Illinois Certified General Appraiser No. 553.002704

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

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

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAUREN E. SMITH

I. Education

Trinity College, Hartford, CT
Bachelor of Arts in American Studies and Art History, *cum laude*

II. Professional Experience

Manager, *Novogradac & Company LLP*, December 2019 – Present
Senior Analyst, *Novogradac & Company LLP*, December 2017 – December 2019
Analyst, *Novogradac & Company LLP*, December 2015 – December 2017
Junior Analyst, *Novogradac & Company LLP*, August 2013 – December 2015
Communications Directorate Intern, *U.S. Census Bureau*, June 2011 – August 2011

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

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 | Boxwood Heights Midtown Loop Columbus, GA 31906 Muscogee County | - | Midrise 4-stories 2022 / n/a Senior | @50%, @60% | 1BR / 1BA | 5 | 10.4% | 700 | @50% | \$433 | No | N/A | N/A | N/A |
| | | | | | 1BR / 1BA | 19 | 39.6% | 700 | @60% | \$545 | No | N/A | N/A | N/A |
| | | | | | 2BR / 1BA | 5 | 10.4% | 900 | @50% | \$515 | No | N/A | N/A | N/A |
| | | | | | 2BR / 1BA | 19 | 39.6% | 900 | @60% | \$649 | No | N/A | N/A | N/A |
| | | | | | | 48 | | | | | | | | |
| 1 | Arbor Pointe I And II 1312 Gazebo Wy Columbus, GA 31903 Muscogee County | 3.5 miles | Garden 2-stories 2009 / 2010 Family | @60%, Market | 1BR / 1BA | 84 | 28.4% | 758 | @60% | \$581 | Yes | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 62 | 21.0% | 758 | Market | \$608 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 974 | @60% | \$690 | Yes | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 974 | Market | \$731 | N/A | Yes | N/A | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,206 | @60% | \$770 | Yes | Yes | N/A | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,206 | Market | \$803 | N/A | Yes | N/A | N/A |
| | 296 | | | | | | | | | | 6 | 2.0% | | |
| 2 | Ashley Station 1040 Ashley Station Blvd Columbus, GA 31904 Muscogee County | 2.4 miles | Garden 3-stories 2007 / n/a Family | @60%, Market, Section 8 | 1BR / 1BA | N/A | N/A | 693 | @60% | \$550 | Yes | Yes | 0 | N/A |
| | | | | | 1BR / 1BA | N/A | N/A | 693 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 930 | @60% | \$654 | Yes | Yes | 0 | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 930 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 2BR / 1.5BA | N/A | N/A | 888 | @60% | \$654 | Yes | Yes | 0 | N/A |
| | | | | | 2BR / 1.5BA | N/A | N/A | 888 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 2BR / 2.5BA | N/A | N/A | 1,232 | @60% | \$640 | Yes | Yes | 0 | N/A |
| | | | | | 2BR / 2.5BA | 73 | 19.9% | 1,232 | Market | \$956 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2.5BA | N/A | N/A | 1,232 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,430 | @60% | \$634 | Yes | Yes | 0 | N/A |
| | | | | | 3BR / 2BA | N/A | N/A | 1,430 | Section 8 | - | N/A | Yes | 0 | N/A |
| | | | | | 3BR / 2.5BA | N/A | N/A | 1,512 | @60% | \$728 | Yes | Yes | 0 | N/A |
| | | | | | 3BR / 2.5BA | 74 | 20.2% | 1,512 | Market | \$955 | N/A | No | N/A | N/A |
| 3BR / 2.5BA | N/A | N/A | 1,512 | Section 8 | - | N/A | Yes | 0 | N/A | | | | | |
| | 367 | | | | | | | | | | 12 | 3.3% | | |
| 3 | Avalon Apartments 3737 Cusseta Rd Columbus, GA 31903 Muscogee County | 2.8 miles | Garden 4-stories 2009 / n/a Family | @60% | 1BR / 1BA | 54 | 23.3% | 682 | @60% | \$561 | Yes | Yes | 0 | 0.0% |
| | | | | | 2BR / 2BA | 60 | 25.9% | 949 | @60% | \$654 | Yes | Yes | 0 | 0.0% |
| | | | | | 3BR / 2BA | 82 | 35.3% | 1,100 | @60% | \$741 | Yes | No | 18 | 22.0% |
| | | | | | 4BR / 2BA | 36 | 15.5% | 1,280 | @60% | \$789 | Yes | Yes | 0 | 0.0% |
| | | | | | | 232 | | | | | | | | |
| 4 | The Cottages At Arbor Pointe 1454 Cupola Pl Columbus, GA 31903 Muscogee County | 3.7 miles | Duplex 1-stories 2013 / n/a Senior | @50% (PBRA), @60% | 1BR / 1BA | 101 | 84.2% | 870 | @50% (PBRA) | \$483 | Yes | Yes | 0 | 0.0% |
| | | | | | 1BR / 1BA | 19 | 15.8% | 922 | @60% | \$581 | Yes | Yes | 0 | 0.0% |
| | | | | | | 120 | | | | | | | | |
| 5 | Waverly Terrace Apartments 2879 Peabody Ave Columbus, GA 31904 Muscogee County | 2.3 miles | Midrise 4-stories 2017 / n/a Senior | @50%, @60% | 0BR / 1BA | 3 | 3.8% | 491 | @50% | \$443 | Yes | Yes | N/A | N/A |
| | | | | | 0BR / 1BA | 15 | 18.8% | 491 | @60% | \$552 | Yes | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 8 | 10.0% | 645 | @50% | \$455 | Yes | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 44 | 55.0% | 645 | @60% | \$572 | Yes | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | 2 | 2.5% | 959 | @50% | \$539 | Yes | Yes | N/A | N/A |
| 2BR / 1BA | 8 | 10.0% | 959 | @60% | \$679 | Yes | Yes | N/A | N/A | | | | | |
| | 80 | | | | | | | | | | | 0 | 0.0% | |
| 6 | Azalea Ridge Apartments 1400 Boxwood Blvd Columbus, GA 31906 Muscogee County | 0.3 miles | Garden 2-stories 2002 / 2018 Family | Market | 2BR / 2BA | 24 | 16.7% | 1,175 | Market | \$1,062 | N/A | No | N/A | N/A |
| | | | | | 3BR / 2BA | 120 | 83.3% | 1,350 | Market | \$1,122 | N/A | No | N/A | N/A |
| | | | | | | 144 | | | | | | | | |
| 7 | Greystone At Country Club 2001 Country Club Rd Columbus, GA 31906 Muscogee County | 1.4 miles | Various 2-stories 1964 / 2009 Family | Market | 1BR / 1BA | N/A | N/A | 900 | Market | \$599 | N/A | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | N/A | N/A | 900 | Market | \$739 | N/A | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | N/A | N/A | 900 | Market | \$459 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 878 | Market | \$698 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 878 | Market | \$740 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | N/A | N/A | 878 | Market | \$655 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1.5BA | N/A | N/A | 1,525 | Market | \$765 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,250 | Market | \$860 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,250 | Market | \$905 | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,250 | Market | \$815 | N/A | Yes | N/A | N/A |
| 3BR / 2BA | N/A | N/A | 1,575 | Market | \$885 | N/A | Yes | N/A | N/A | | | | | |
| | 200 | | | | | | | | | | | 0 | 0.0% | |
| 8 | Johnston Mill Lofts 3201 First Ave Columbus, GA 31904 Muscogee County | 3.2 miles | Conversion 4-stories 1900/2002 / n/e Family | Market | 1BR / 1BA | 105 | 31.3% | 952 | Market | \$767 | N/A | No | N/A | N/A |
| | | | | | 2BR / 1BA | 71 | 21.2% | 952 | Market | \$957 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 155 | 46.3% | 1,216 | Market | \$1,087 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 2 | 0.6% | 1,216 | Market | \$1,217 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | N/A | N/A | 1,216 | Market | \$957 | N/A | No | N/A | N/A |
| 3BR / 2BA | 2 | 0.6% | 1,200 | Market | \$1,416 | N/A | No | N/A | N/A | | | | | |
| | 335 | | | | | | | | | | | 35 | 10.4% | |
| 9 | Patriot Pointe 3725 Chapman Wy Columbus, GA 31903 Muscogee County | 3.9 miles | Lowrise 3-stories 2015 / n/a Senior | Market, Public Housing, Section 8 | 1BR / 1BA | 4 | 4.0% | 752 | Market | \$594 | N/A | No | N/A | N/A |
| | | | | | 1BR / 1BA | 17 | 17.0% | 752 | Public Housing | - | N/A | Yes | N/A | N/A |
| | | | | | 1BR / 1BA | 59 | 59.0% | 752 | Section 8 | - | N/A | Yes | N/A | N/A |
| | | | | | 2BR / 1BA | 1 | 1.0% | 985 | Market | \$635 | N/A | No | N/A | N/A |
| | | | | | 2BR / 1BA | 7 | 7.0% | 985 | Public Housing | - | N/A | Yes | N/A | N/A |
| 2BR / 1BA | 12 | 12.0% | 985 | Section 8 | - | N/A | Yes | N/A | N/A | | | | | |
| | 100 | | | | | | | | | | | 2 | 2.0% | |
| 10 | The Lakes Apartments 4343 Warm Springs Rd Columbus, GA 31909 Muscogee County | 3.0 miles | Garden 3-stories 1995 / 2000 Family | Market | 1BR / 1BA | 26 | 8.2% | 836 | Market | \$779 | N/A | No | N/A | N/A |
| | | | | | 1BR / 1BA | 24 | 7.6% | 1,181 | Market | \$844 | N/A | No | N/A | N/A |
| | | | | | 1BR / 1BA | 20 | 6.3% | 1,010 | Market | \$714 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 98 | 31.0% | 1,026 | Market | \$840 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 80 | 25.3% | 1,459 | Market | \$845 | N/A | No | N/A | N/A |
| | | | | | 2BR / 2BA | 40 | 12.7% | 1,457 | Market | \$835 | N/A | No | N/A | N/A |
| 3BR / 2BA | 28 | 8.9% | 1,225 | Market | \$955 | N/A | No | N/A | N/A | | | | | |
| | 316 | | | | | | | | | | | 3 | 0.9% | |

ADDENDUM E

Subject Site

LEGEND:

- 1 COMMUNITY ROOM
- 2 EXTERIOR GATHERING AREA
- 3 UNIT WASHER DRYER HOOKUPS
- 4 WASHER/DRYERS INSTALLED IN EVERY UNIT
- 5 FENCED COMMUNITY GARDEN
- 6 WELLNESS CENTER
- 7 FURNISHED EXERCISE/FITNESS CENTER
- 8 EQUIPPED COMPUTER CENTER
- 9 MONUMENT SIGNAGE
- 10 COVERED PAVILION WITH PICNIC/BBQ FACILITIES

NOTES:

1. NO KNOWN EXISTING EASEMENTS ON SITE.
2. NO EXISTING STRUCTURES, TANKS, SLABS, UTILITIES AND OTHER EXISTING IMPROVEMENTS.
3. NO WETLANDS ON SITE.

PROJECT MATRIX:

| Unit Type: | COUNT |
|----------------------------|------------------------|
| 1-BED TYPE A UNIT | 1 |
| 1-BED TYPE B UNIT | 23 |
| 2-BED TYPE A UNIT | 2 |
| 2-BED TYPE B UNIT | 22 |
| TOTAL UNITS: | 48 |
| SITE ACREAGE: | 4.25 |
| ZONING REQUIREMENTS | REQ'D ACTUAL |
| ZONING: | RO |
| SETBACKS: | |
| FRONT | 25' >25' |
| SIDE | 12' 12' |
| REAR | 40' >40' |
| <small>*See plan</small> | |
| PARKING SPACES: | 87 87 |

