

Hillcrest II

1847 Stanton Road
East Point, GA

Affordable Housing Market Study
Prepared By:



DCA 2021 LIHTC Funding Round

Submitted to:
Mr. Cortez Carter
The Benoit Group
6780 Roswell Rd NE
Sandy Springs, GA 30328

June 25, 2021

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ANALYST STATEMENT

The purpose of this report is to provide an analysis of the primary market area to evaluate demand, and market feasibility for a 165-unit housing development project known as Hillcrest II located at 1847 Stanton Road.

This report was prepared after a site visit was conducted on June 24th of 2021. During the visit, Curvin Leatham toured the property without any external representatives. Mr. Leatham made visual observations of the grounds, exterior walls, public corridors, parking, supportive retail, and neighborhood activity.

Additional information was gathered through conversations with property managers in the surrounding area and via third-party data sources. This report is intended to fairly represent our professional opinion.

Sincerely,

C.M. Leatham

Curvin Leatham, CRE
Founder & Chief Executive Officer
Area Probe Inc.

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EXECUTIVE SUMMARY

The Benoit Group has commissioned AreaProbe to conduct a market study to evaluate the viability to develop phase II of the senior housing project known as Hillcrest II. The Subject will be a ground up construction project targeting low-income elderly households (62+) earning less than 60% AMI (area median income) in East Point, Georgia. Hillcrest II is located at 1847 Stanton Road; the neighborhood is primarily residential with a nominal amount of retail in the immediate area. When completed, Hillcrest II will offer a mix of one- and two-bedroom housing units.

1. Project Description

- The Subject property is located at 1847 Stanton Road in East Point, Georgia. The property is bordered by Connally Drive to the South, Delowe Drive to the West, Delowe Stanton Access Road to the North, and Lawrence Street to the East.
- 160 of the 165 units will benefit from Low Income Housing Tax Credits and will be reserved for households earning up to 60 percent AMI. Five units will be designated as market rate apartments. All LIHTC units will contain PBRA through the HUD Section 8 Program. As tenants receiving PBRA are only required to pay a percentage of their income toward rent, PBRA units will not be subject to minimum income limits.
- Below is a detailed breakdown of the unit mix, utility allowance, and proposed rents.

UNIT TYPE	NUMBER OF UNITS	UNIT SF	SET ASIDE	% OF TOTAL UNITS	MAX. GROSS RENTS	UTILITY ALLOWANCE	MAXIMUM NET RENTS	PROPOSED CONTRACT RENTS	SENSITIVITY ANALYSIS	ANNUAL GROSS RENTS
1 BR	112	720	60% AMI	68%	\$ 897	\$ 96	\$ 801	\$ 761	\$ 761	\$ 1,022,784
1 BR	3	720	MKT	2%	\$ 897	\$ 96	\$ 801	\$ 861	\$ 861	\$ 30,996
2 BR	48	900	60% AMI	29%	\$ 1,077	\$ 124	\$ 953	\$ 905	\$ 905	\$ 521,280
2 BR	2	900	MKT	1%	\$ 1,077	\$ 124	\$ 953	\$ 1,005	\$ 1,005	\$ 24,120
TOTAL/AVERAGE	165	810		100%						\$ 1,599,180

EXECUTIVE SUMMARY (continued)

Hillcrest II will offer washer and dryer connections, emergency call systems, central heating and air conditioning, dishwasher, and microwave. The amenities offered are similar to Hillcrest I, Gateway at East Point, and Lillie R Campbell House.

2. Site Description

- Hillcrest II is located in a location that is appropriate for senior rental housing
- The site location allows access to various services, and transportation outlets
- The Subject will be built on vacant land adjacent to Hillcrest I
- The surrounding community consist of single-family detached homes, and multi-family apartments within the PMA
- Public transit is located within 2 miles of the Subject
- Two healthcare facilities are located less than 2 miles from the Subject
- The largest employers in the Atlanta Metro Area are healthcare providers, majorairlines, retail, hospitality and education

3. Market Area Definition

- The PMA selected for this study consists of census tracts in the city of East Pointwhich includes parts of southwest downtown Atlanta and inside Atlanta's perimeter highway (Interstate 285)
- The boundaries of the PMA include Avon Avenue SW (2.5 miles to the north),Interstate 75/85 (2.5 miles to the east), Campcreek Parkway (6.4 miles to the south), and Stone Road SW (4.7 miles to the west).

4. Community Demographic Data

- Household population is expected to grow by 3.8 percent (27,753 to 28,743) from 2020 to 2025, and the general population is slated to increase by 1.9 percent (70,333 to 72,074) over the same time period.
- 51.1 percent of households in the PMA are renters and 31.7 percent are homeowners.
- The median household income based on 2020 estimates is \$34,329. Household income in 2025 is projected to increase to \$40,496.
- 17.2 percent of the housing units in the PMA are vacant. That figure is expected to remain flat through 2025.
- 23.6 percent of individuals over the age of 25 have a bachelor's or advanced degree which is lower than the attainment level for the MSA and the nation.
- According to RealtyTrac bank owned foreclosure properties has increased by 65.6 percent year-over-year and foreclosure auction properties has increased by 36.1 percent since 2018.

5. Economic Data

- The number of multi-family permits filed in the state of Georgia has fluctuated over the past five years (2015-2019). Properties with 5 or more units represent 95 percent of the permits filed from January – October of 2019 according to the latest HUD statistics. In 2018 there were 16,153 permits filed, however, from January – October of 2019, there have only been 9,133 multi-family permits filed.

In 2016, 54.3 percent of the multi-family permits filed in the state occurred in Fulton County, and in 2017 that percentage increased to 56.3 percent. Over the last two years, the concentration of permits filed have dropped to a level that credits only 35 percent of new permits to Fulton County.

- The unemployment rate in Georgia is 150 basis points less than the national average (4.5 percent v 6.0 percent). The current rate of 3.4 percent is the lowest recorded labor statistic since COVID. The unemployment rate in Metro Atlanta is lower than the state and the national average. The latest statistics show the unemployment rate in the Atlanta metro area is 4.1 percent, which is 190 basis points lower than the national average and 40 basis points lower than the last reported figures for the state of Georgia. The unemployment rate in Fulton County was 4.6 percent based on the May 2021 reporting from the Federal Reserve Bank.

EXECUTIVE SUMMARY (continued)

- Fulton County, GA is expected to spend \$120 million in investment around the airport. This includes \$90 million direct contribution over the next 15 years to renovate the airport.
- In February of 2019, Georgia Department of Economic Development announced ZKTeco's plan to create 40 new jobs and invest \$5MM in the county.
- Trade, Transportation, and Utilities account for 22 percent of the area employment, Professional & Business Services represents 18.9 percent, Education 13 percent, Government and Hospitality account for roughly 11-12 percent.
- Occupations that are reflected of the AMI constraints (at 60% AMI) may face some consolidation as manufacturing and retail sectors shrunk during past recessions. However, since the client intends to market to the 62+ community, there will be no significant impact on the target audience.

6. Project-Specific Affordability and Demand Analysis

- The Benoit Group intends to deliver 112-one-bedroom LIHTC units, and 48-two-bedroom LIHTC units when the project is delivered in 2022. The scope of the development project also includes 5-market rate apartment units; 3-one- bedroom units, and 2-two-bedroom units. The LIHTC units will target 62+ households earning up to 60% AMI. This will be a ground-up development.

Proposed Rent & Unit-Mix

- Without PBRA, the proposed units would target renter householders earning between \$24,161 and \$41,400. The 160 proposed LIHTC units would need to capture 7.3 percent of the 2,187 age and income-qualified renter households to stabilize.
- By bedroom type, Hillcrest II will need to capture 10.4 percent of the 1,206 eligible renters and 5.1 percent of the 981-total number of eligible renters for the two-bedroom units based on net demand without PBRA.
- With PBRA the capture rates are much more favorable, net demand for one- bedroom units improve to 3.5 percent and 1.6 percent for two-bedroom units.
- Capture rates without PBRA are above DCA thresholds, while with PBRA the capture rates are below.

EXECUTIVE SUMMARY (continued)

7. Competitive Rental Analysis

AreaProbe surveyed 16 LIHTC properties (8 senior rental communities and eight general occupancy properties) within the PMA for this report. Occupancy rates were 99 percent for both general occupancy and senior LIHTC properties.

Senior LIHTC Properties

Map Order	Property Name	Distance	Address	City	State	Zipcode	Occupancy Rate
1	Hillcrest II	-	1847 Stanton Rd	East Point	GA	30344	-
2	Hillcrest I	-	Stanton Rd	East Point	GA	30344	100%
3	The Park at Greenbriar	3.5	3000 Continental Colony Pkwy	Atlanta	GA	30331	95%
4	The Park at Castelton	2.0	1994 Bent Creek Way SW	Atlanta	GA	20311	-
5	Columbia at Sylvan Hills	2.1	1150 Astor Avenue SW	Atlanta	GA	30311	100%
6	Pavillion Place	4.2	532 Cleveland Avenue SW	Atlanta	GA	30315	100%
7	Crogman School lofts	4.5	1093 West Ave SW	Atlanta	GA	30315	100%
8	Village at College Park	4.4	4060 Herschel Road	Atlanta	GA	30337	-
9	Leyland Pointe Apartment	5.0	2900 Laurel Ridge Way	Atlanta	GA	30344	100%
10	Mallalieu Pointe	1.0	2627 Church Street	East Point	GA	30344	100%
Total/Average							99%

General Occupancy (LIHTC)

Map Order	Property Name	Distance	Address	City	State	Zipcode	Occupancy Rate
1	Hillcrest II	-	1847 Stanton Rd	East Point	GA	30344	-
2	Hillcrest I	-	Stanton Rd	East Point	GA	30344	100%
3	The Park at Greenbriar	3.5	3000 Continental Colony Pkwy	Atlanta	GA	30331	95%
4	The Park at Castelton	2.0	1994 Bent Creek Way SW	Atlanta	GA	20311	-
5	Columbia at Sylvan Hills	2.1	1150 Astor Avenue SW	Atlanta	GA	30311	100%
6	Pavillion Place	4.2	532 Cleveland Avenue SW	Atlanta	GA	30315	100%
7	Crogman School lofts	4.5	1093 West Ave SW	Atlanta	GA	30315	100%
8	Village at College Park	4.4	4060 Herschel Road	Atlanta	GA	30337	-
9	Leyland Pointe Apartment	5.0	2900 Laurel Ridge Way	Atlanta	GA	30344	100%
10	Mallalieu Pointe	1.0	2627 Church Street	East Point	GA	30344	100%
Total/Average							99%

EXECUTIVE SUMMARY (continued)

Map Order	Property Name	1 BD Rents	Square Footage	PSF	2 BD Rents	Square Footage	PSF
1	Hillcrest II	-	720	-	-	900	-
2	Hillcrest I	\$ 817	720	-	\$ 998	793	-
3	Lillie R Campbell house	\$ 940	610	\$1.54	\$ 1,164	1120	\$ 1.04
4	Trinity Towers	-	540	-	-	-	-
5	Columbia Colony senior Residences	\$ 683	772	\$0.88	\$ 747	1123	\$ 0.67
6	Baptist Towers	-	550	-	-	-	-
7	QLS Haven Apartments	\$ 780	540	\$1.44	-	-	-
8	Princeton Court Senior Residences	\$ 905	650	\$1.39	\$ 975	860	\$ 1.13
9	Gateway East Point	\$ 732	732	\$1.00	-	-	-
10	Norman Berry Village Senior	\$ 690	716	\$0.96	\$ 850	1000	\$ 0.85
11	The Park at Greenbriar	\$ 720	700	\$1.03	\$ 885	1060	\$ 0.83
12	The Park at Castelton	\$ 900	718	\$1.25	\$ 900	846	\$ 1.06
13	Columbia at Sylvan Hills	\$ 717	768	\$0.93	\$ 915	1067	\$ 0.86
14	Pavilion Place	\$ 750	724	\$1.04	\$ 850	928	\$ 0.92
15	Crogman School lofts	\$ 780	729	\$1.07	\$ 900	916	\$ 0.98
16	Village at College Park	-	750	-	-	-	-
17	Leyland Pointe Apartment	\$ 883	787	\$1.12	\$ 1,041	1059	\$ 0.98
18	Mallalieu Pointe	\$ 619	700	\$0.88	\$ 714	913	\$ 0.78
	Total/Average	\$ 780	687	\$1.12	\$ 912	990	\$ 0.92

AreaProbe surveyed five market rate rental communities for this report. A summary of four findings can be found below.

Market Rate Apartments

Map Order	Property Name	Address	City	State	Zip	Total Unit	Yr Built/ Renovated	Distance
1	Village on the Green	2975 Continental Colony Pky SW	Atlanta	GA	30331	216	2004	3.6
2	Village Highland	1932 Stanton Rd	East Point	GA	30344	258	2005	0.5
3	Redwine Creek	3507 Redwine Rd	East Point	GA	30344	175	2005	6.3
4	Hidden Oaks	2950 Springdale Rd SW	Atlanta	GA	30315	100	1978/2012	3.2
5	The Park at Greenbriar	3000 Continental Colony Pky	Atlanta	GA	30331	209	1969	3.3
	Total/Average					958	1992	

Map Order	Property Name	Occ. Rate	1 BD Rent	1 BD SF	1 BD PSF	2 BD Rent	2 BD SF	2 BD PSF
1	Village on the Green	99%	\$ 1,307	884	\$ 1.48	\$ 1,479	1161	\$ 1.27
2	Village Highland	99%	\$ 880	789	\$ 1.12	\$ 1,050	1146	\$ 0.92
3	Redwine Creek	98%	\$ 1,290	768	\$ 1.68	\$ 1,315	1146	\$ 1.15
4	Hidden Oaks	100%	\$ 790	750	\$ 1.05	\$ 990	900	\$ 1.10
5	The Park at Greenbriar	93%	\$ 720	700	\$ 1.03	\$ 885	900	\$ 0.98
	Total/Average	98%	\$ 997	778	\$ 1.27	\$ 1,144	1051	\$ 1.08

- The average one-bedroom apartment in the PMA was \$997 per month with an average square footage of 778 square feet, resulting in a net rent per square foot of \$1.27.
- The average two-bedroom unit was \$1,144 per month with an average squarefootage of 1051 square feet, resulting in a net rent per square foot of \$1.08.

8. Absorption/Stabilization Estimates

Absorption estimates are based on the following factors: senior household growth, qualified renter households, demand estimates, existing rental market conditions, and the amenities at the proposed site.

The market area is projected to add 1,512 households with households age 62+ from 2020 to 2025. This equates to 302 new households per year.

- Approximately 2,848 renter households (62+) will be income-qualified for one or more units when accounting for PBRA on all units. This equates to a capture rate of 2.8 percent with PBRA.
- We expect Hillcrest II to lease 18-20 units per month based on the trends we recognized in this market. At this rate, the subject property will reach a stabilized occupancy (93 percent occupancy) within eight to nine months.

9. Overall Conclusion/ Recommendation

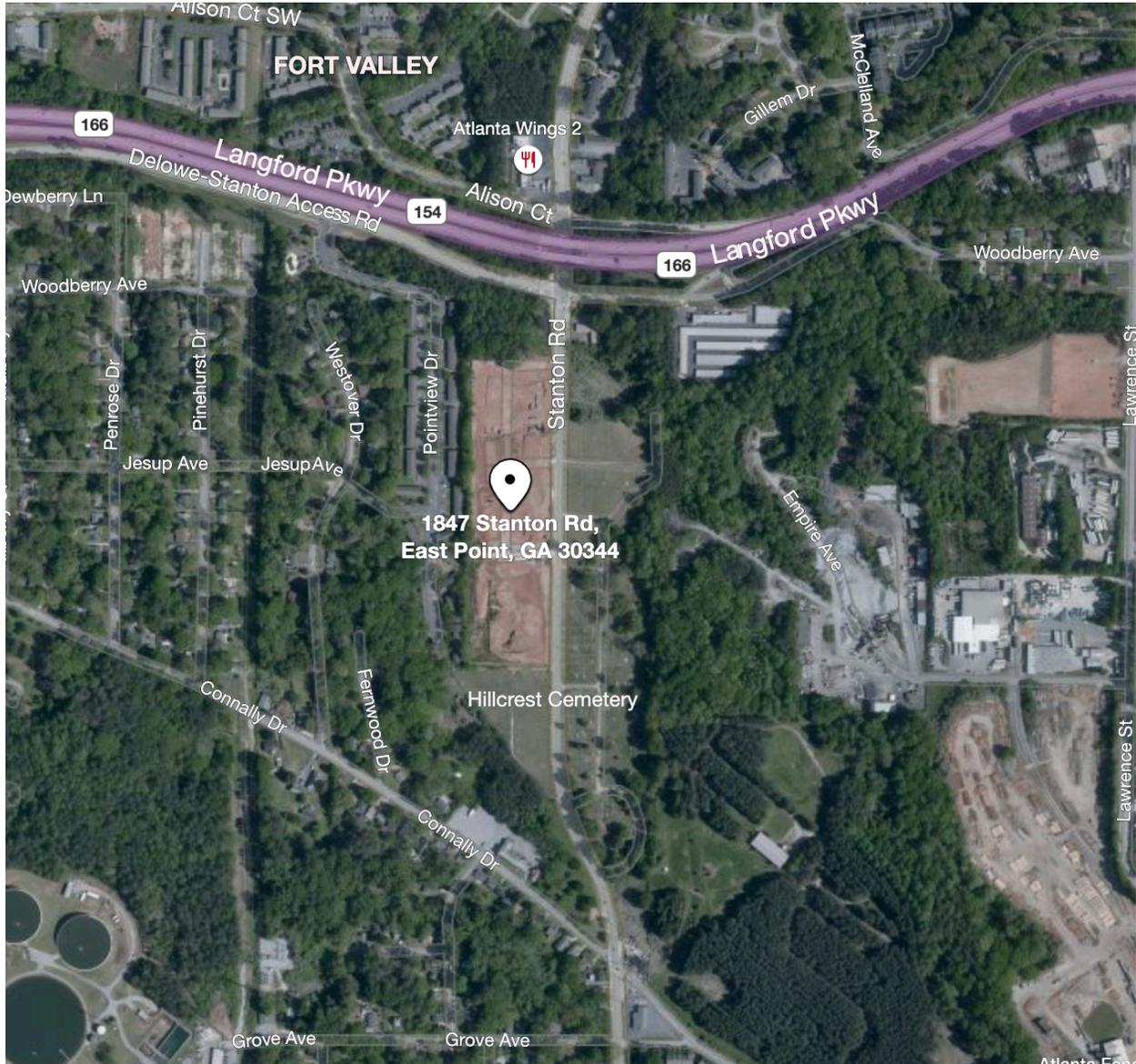
Without PBRA the project presents some challenges for the one-bedroom units at Max LIHTC rents. However, based on the sensitivity analysis presented by the client, Hillcrest II intends to lease at reduced price from max LIHTC rents which positions the units closer to the 50 percent AMI band after applying the utility allowance. \$761 for the one-bedroom units, and \$905 for the two-bedroom. We believe the amenity package is superior to the comparables in the market and expect the project to reach stabilization in 8 to 9 months.

Capture Rate by Floor Plan

Income/Unit Size	Income Limits	Units Proposed	Renter Inc. Qual	Total Demand	Supply	Net Demand	Capture Rate	Capture Rate w/PBRA
60% Units	\$36,240 - \$41,400							
One Bedroom Units	\$24,161 - \$30,200	112	0.11	1206	134	1072	10.4%	3.5%
Two Bedroom Units	\$34,501 - \$41,400	48	0.13	981	46	935	5.1%	1.6%
Project Total	\$24,161 - \$41,400							
Total Units	\$24,161 - \$41,400	160	0.24	2187	180	2007	8.0%	2.5%

SITE LOCATION

Aerial View – Subject Property



Source: BingMaps

SITE IMAGES



Phase I – Hillcrest Senior Apartment – AreaProbe LLC



Phase I – Hillcrest Senior Apartment – AreaProbe LLC

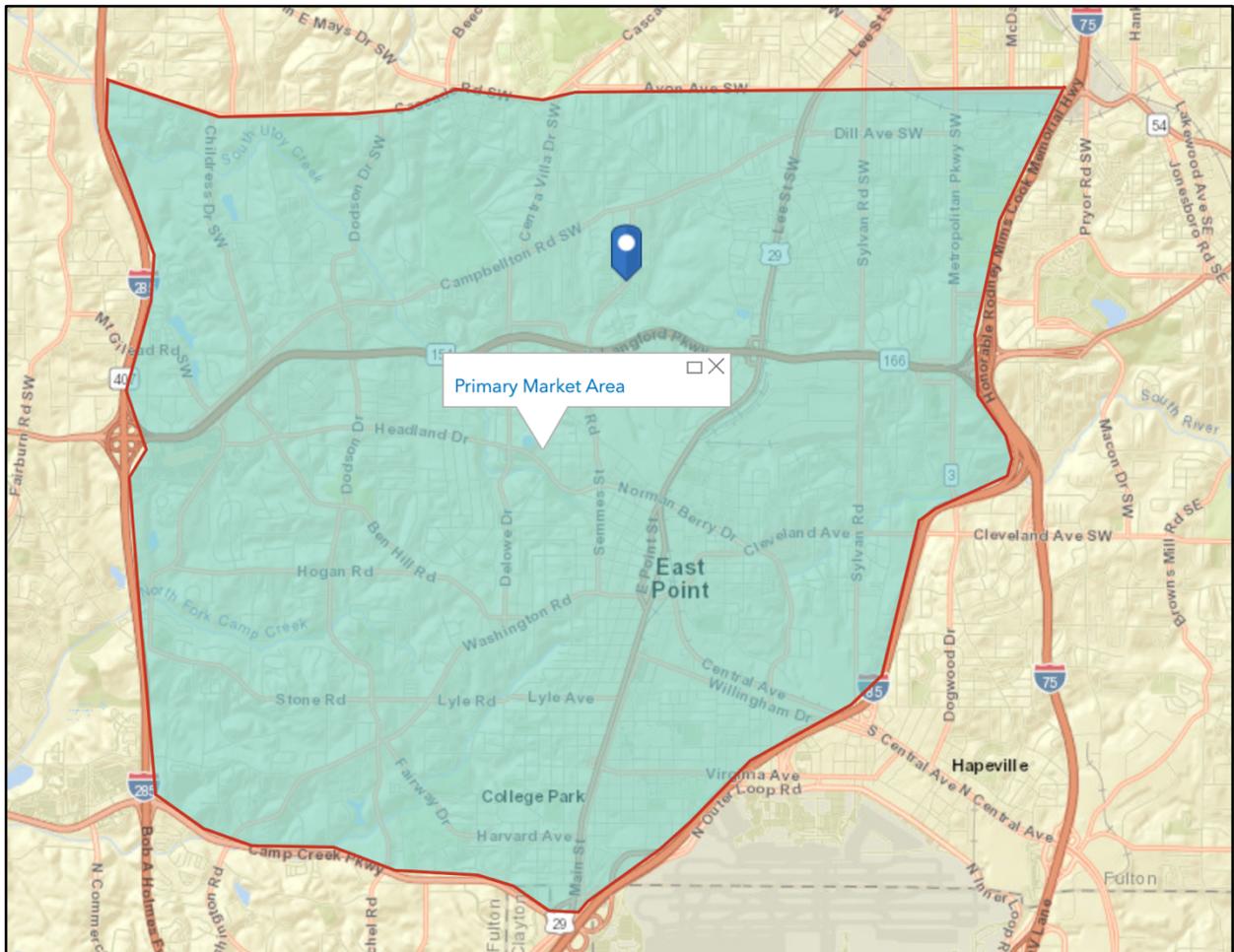


Phase I – Hillcrest Senior Apartment – AreaProbe LLC



Phase I – Hillcrest Senior Apartment – AreaProbe LLC

PRIMARY MARKET AREA



Source: ESRI

The Primary Market Area (PMA) consists of the shaded area highlighted in the map above. The majority of the prospective tenants are expected to derive from this area and beyond. The PMA was selected based on conversations with local property managers. The boundaries of the Primary Market Area and their approximate distance from the Subject site are listed below:

North: Avon Avenue SW

East: Interstate 75/85

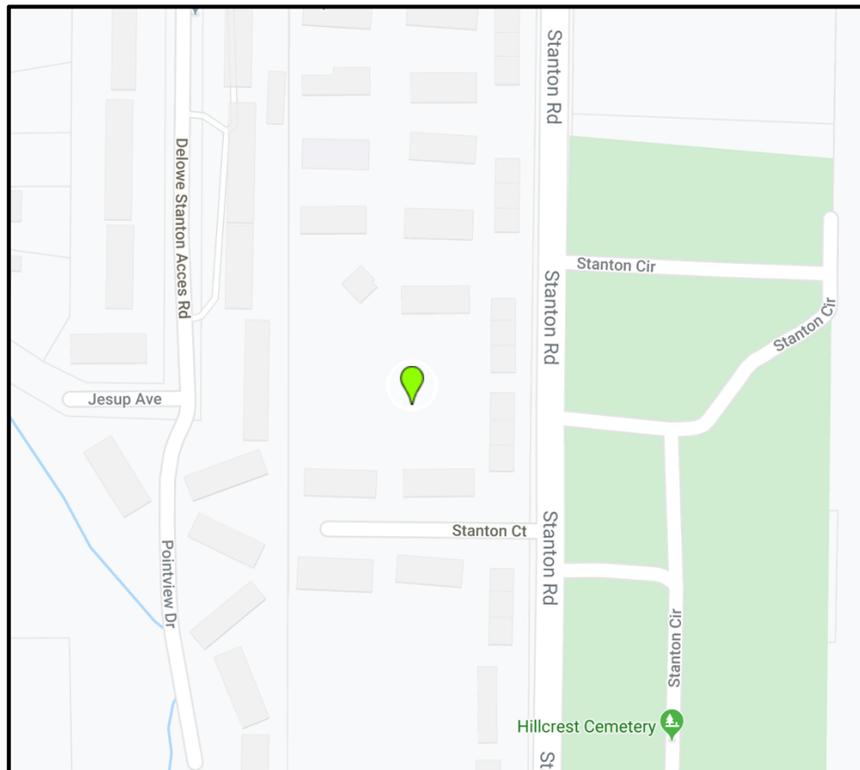
South: Campcreek Parkway

West: Stone Road SW

Total Square Miles: 24.27

Subject Property: 1847 Stanton Road

PROPERTY DESCRIPTION



- Frontage:** The Subject property is located along Stanton Road. Residents and visitors of the community will enter the site from the main road.
- Accessibility:** Hillcrest II is a detached 165-unit property with great visibility from Stanton Road. Roughly 3,290 vehicles travel along Connally Drive daily and 23,600 vehicles use Langford Parkway to travel east-to-west.
- Walk Score:** Walkscore classifies the area as a car-dependent community where most errands require a car. The area received a score of (32/100).
- Transit Score:** The immediate area received a transit score of 38/100 according to walkscore.com. This score indicates that there are “a few nearby public transportation options.”

PROPERTY DESCRIPTION (continued)

Environmental: AreaProbe is not an expert in this field; thus, we cannot comment on the adequacy of the environmental conditions.

PROJECT OVERVIEW

The Benoit Group has commissioned AreaProbe to conduct a market study to evaluate the viability to develop phase II of the senior housing project known as Hillcrest II. The Subject will be a ground up construction project targeting low income senior households (62+) earning less than 60% AMI (area median income) in East Point, Georgia. Hillcrest II is located at 1847 Stanton Road; the neighborhood is primarily residential with a nominal amount of retail in the immediate area. When completed, Hillcrest II will offer a mix of one- and two-bedroom housing units.

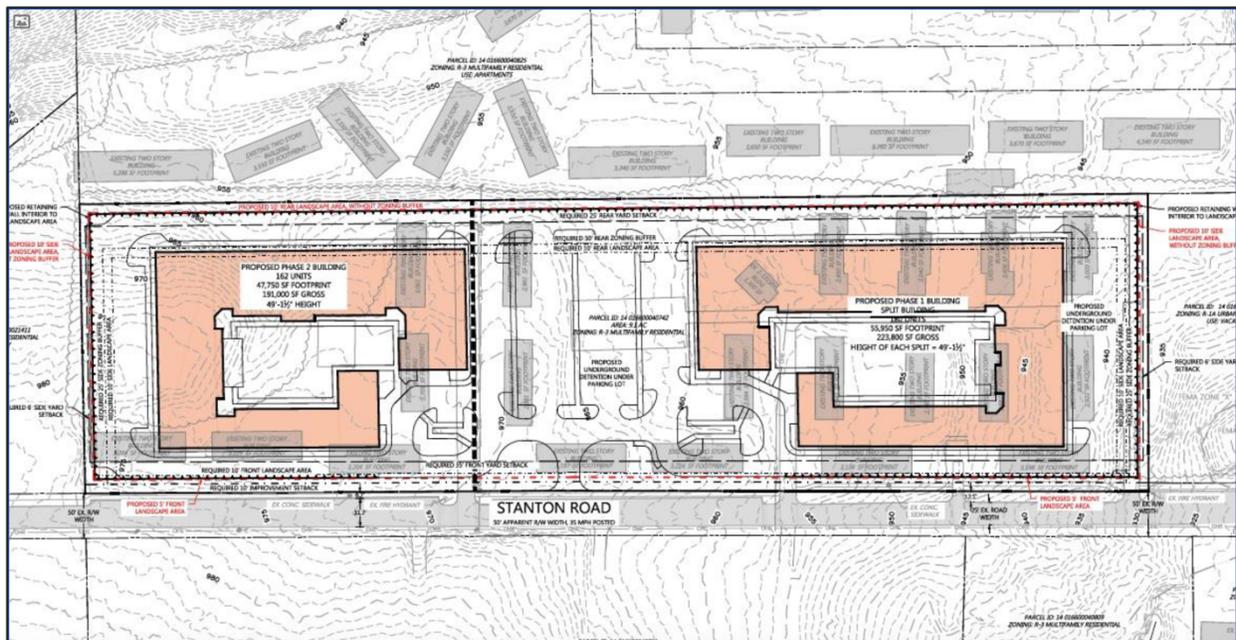
PURPOSE

The purpose of this report is to provide The Benoit Group with an assessment of the existing properties within the primary market area, in addition to providing a demand analysis for senior households earning up to 60% AMI. The client will pursue 9 percent bond financing for this project.

TARGET AUDIENCE & UTILITY ALLOWANCE

The client will market the completed units to low income senior households earning up to 60% AMI. The property owner will include utilities as part of the monthly rent.

Site Plan



PROJECT OVERVIEW (continued)

AMI DISTRIBUTION

The proposed project will primarily target households earning up to 60%. There are five units reserved as market rate apartments; the client intends to charge \$100 more for these units in contrast to the units reserved for low income residents.

UNIT TYPE	NUMBER OF UNITS	UNIT SF	SET ASIDE	% OF TOTAL UNITS	MAX. GROSS RENTS	UTILITY ALLOWANCE	MAXIMUM NET RENTS	PROPOSED CONTRACT RENTS	SENSITIVITY ANALYSIS	ANNUAL GROSS RENTS
1 BR	112	720	60% AMI	68%	\$ 897	\$ 96	\$ 801	\$ 761	\$ 761	\$ 1,022,784
1 BR	3	720	MKT	2%	\$ 897	\$ 96	\$ 801	\$ 861	\$ 861	\$ 30,996
2 BR	48	900	60% AMI	29%	\$ 1,077	\$ 124	\$ 953	\$ 905	\$ 905	\$ 521,280
2 BR	2	900	MKT	1%	\$ 1,077	\$ 124	\$ 953	\$ 1,005	\$ 1,005	\$ 24,120
TOTAL/AVERAGE	165	810		100%						\$ 1,599,180

The Subject will offer a mix of one- and two-bedroom units. The development plan reviewed does not show any indication of studios or three-bedroom units.

UNIT MIX DISTRIBUTION		
BEDROOM TYPE	UNIT NUMBER	%
1 Bedroom	115	70%
2 Bedroom	50	30%
3 Bedroom	0	0%
TOTAL	165	100%

MAXIMUM INCOME RESTRICTION

HH SIZE	LIHTC MAXIMUM RENT LIMITS							
	30%	40%	50%	60%	70%	80%	140%	
1 Person	\$ 18,120	\$ 24,160	\$ 30,200	\$ 36,240	\$ 42,280	\$ 48,320	\$ 50,736	
2 Person	\$ 20,700	\$ 27,600	\$ 34,500	\$ 41,400	\$ 48,300	\$ 55,200	\$ 57,960	
3 Person	\$ 23,280	\$ 31,040	\$ 38,800	\$ 46,560	\$ 54,320	\$ 62,080	\$ 65,184	

Source: Based on HUD classifications

PROJECT OVERVIEW (continued)

MAXIMUM MONTHLY RENTS

2021 LITHC MAXIMUM RENTS							
Bedrooms	30%	40%	50%	60%	70%	80%	FMR
Efficiency (1.0)	\$ 453	\$ 604	\$ 755	\$ 906	\$ 1,057	\$ 1,208	1,016
1 Bedroom (1.5)	\$ 485	\$ 647	\$ 808	\$ 970	\$ 1,132	\$ 1,294	1,040
2 Bedrooms (3.0)	\$ 582	\$ 776	\$ 970	\$ 1,164	\$ 1,358	\$ 1,552	1,185
3 Bedrooms (4.5)	\$ 672	\$ 896	\$ 1,120	\$ 1,344	\$ 1,568	\$ 1,793	1,491

PARKING

The property will offer surface level parking spaces for residents and visitors of the property. The subject will have an entrance on Stanton Road with a parking lot south of the building. An access road will connect to the north side of the building and additional parking.

CONSTRUCTION TIMELINE

The client expects to complete the construction 18 months after closing. Earliest delivery would be early 2023.

REQUIREMENTS

The market study will be structured to meet the standard of NCHMA’s model content standard and DCA Market Study Checklist

IN-UNIT AMENITIES & BUILDING FEATURES

In-Unit Features
Oven
Range
Refrigerator
Dishwasher
Window Coverings
Central Air
Energy Star Appliances

METHODOLOGY

AreaProbe conducted a visit on June 24, 2021, to examine the neighborhood. Curvin Leatham was responsible for collecting primary information and communicating with the local stakeholders. Mr. Leatham also reviewed the project plans provided by the client.

DEMOGRAPHIC ANALYSIS

In 2020 the estimated population within the primary market area was recorded as 123,170 per ESRI. This is a 6.0 percent increase in population growth from 2010. The PMA is expected to expand by 3.8 percent in 2025. This growth trajectory is modest compared to the projections outlined for Fulton County, the state, and the nation. The household population estimates for the PMA in 2025 are positive, but still lag behind the county and the state.

Household size will increase by 3.8 percent through 2025, and the median age is estimated to grow by 2.2 percent.

Year	Household Population							
	PMA		Fulton County		Georgia		United States	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2010	46,491	-	376,377	-	227,539	-	4,088,801	-
2020	49,508	6.5%	446,787	18.7%	266,928	17.3%	4,503,250	10.1%
2023	50,478	2.0%	462,778	3.6%	278,604	4.4%	4,630,235	2.8%
2025	51,448	3.9%	478,768	7.2%	290,280	8.7%	4,757,220	5.6%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

Year	General Population							
	PMA		Fulton County		Georgia		United States	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2010	116,222	-	920,581	-	428,144	-	9,687,653	-
2020	123,170	6.0%	1,089,583	18.4%	503,991	17.7%	10,746,984	10.9%
2023	125,520	1.9%	1,127,478	3.5%	526,195	4.4%	11,042,031	2.7%
2025	127,870	3.8%	1,165,373	7.0%	548,399	8.8%	11,337,078	5.5%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

Year	Median Age							
	PMA		Fulton County		Georgia		United States	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2010	34.7	-	34.2	-	32.8	-	35.3	-
2020	36.7	5.8%	36.2	5.8%	34.5	5.2%	36.9	4.5%
2023	37.1	1.1%	36.4	0.6%	34.7	0.4%	37.3	0.9%
2025	37.5	2.2%	36.6	1.1%	34.8	0.9%	37.6	1.9%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

Year	Household Size							
	PMA		Fulton County		Georgia		United States	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2010	2.47	-	2.36	-	2.63	-	2.58	-
2020	2.46	-0.4%	2.36	0.0%	2.63	0.0%	2.58	0.0%
2023	2.46	0.0%	2.36	0.0%	2.63	0.0%	2.58	0.0%
2025	2.46	0.0%	2.36	0.0%	2.63	0.0%	2.58	0.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

Year	Housing Unit Summary							
	PMA		Fulton County		Georgia		United States	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2010	58,294	-	437,105	-	227,539	-	4,088,801	-
2020	61,582	5.6%	504,554	15.4%	266,928	17.3%	4,503,250	10.1%
2023	62,758	1.9%	521,685	3.4%	278,604	4.4%	4,630,235	2.8%
2025	63,933	3.8%	538,816	6.8%	290,280	8.7%	4,757,220	5.6%

DEMOGRAPHIC ANALYSIS (continued)

Vacant Housing Units								
Year	PMA		Fulton County		Georgia		United States	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change
2010	20.2%	-	13.9%	-	17.50%	-	12.3%	-
2020	19.6%	-3.0%	11.4%	-18.0%	14.90%	-14.9%	11.5%	-6.5%
2023	19.6%	0.0%	11.3%	-1.3%	14.50%	-2.7%	11.5%	0.0%
2025	19.5%	-0.5%	11.1%	-2.6%	14.10%	-5.4%	11.5%	0.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

PRIMARY MARKET AREA								
Households by Income	2020		2023		2025		Percent Change	
	Number	Percent	Number	Percent	Number	Percent	Difference	Percent
<\$15,000	10,843	21.9%	10,276	20.28%	9,898	19.2%	-378	-3.7%
\$15,000 - \$24,999	7,141	14.4%	7,103	14.02%	7,077	13.8%	-26	-0.4%
\$25,000 - \$34,999	5,647	11.4%	5,658	11.17%	5,665	11.0%	7	0.1%
\$35,000 - \$49,999	6,747	13.6%	6,980	13.77%	7,135	13.9%	155	2.2%
\$50,000 - \$74,999	9,344	18.9%	9,879	19.50%	10,235	19.9%	356	3.6%
\$75,000 - \$99,999	3,952	8.0%	4,260	8.41%	4,466	8.7%	206	4.8%
\$100,000 - \$149,999	3,440	6.9%	3,901	7.70%	4,208	8.2%	307	7.9%
\$150,000 - \$199,999	1,198	2.4%	1,348	2.66%	1,448	2.8%	100	7.4%
\$200,000+	1,196	2.4%	1,268	2.50%	1,316	2.6%	48	3.8%
Total	49,508	100.0%	50,672	100.00%	51,448	100%	776	1.5%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

Education Attainment - 2020 Population, Age 25+				
Category	PMA	County	State	Country
Attainment Level	Percentage	Percentage	Percentage	Percentage
Less than 9th Grade	3.7%	2.3%	2.1%	4.3%
9th - 12th Grade, No Diploma	10.3%	4.3%	6.1%	7.7%
High School Graduate	27.8%	14.6%	15.5%	23.0%
GED/Alternative Credential	5.2	2.2%	2.5%	4.7%
Some College, No Degree	20.5%	15.2%	14.7%	19.5%
Associate Degree	8.1%	6.1%	5.1%	8.2%
Bachelor's Degree	15.4%	32.4%	29.5%	19.8%
Graduate/Professional Degree	9.0%	22.8%	24.5%	12.7%
Total w/Bachelor or Adv Degree	24.4%	55.2%	54.0%	32.5%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

DEMOGRAPHIC ANALYSIS (continued)

Age Distribution - Primary Market Area				
Age Range	2020	2023	2025	Difference
0-4	8,665	8,918	9,086	168
5-9	8,530	8,474	8,437	-37
10-14	8,406	8,378	8,359	-19
15-19	7,528	7,984	8,288	304
20-24	8,341	8,462	8,542	80
25-29	8,670	8,610	8,571	-40
30-34	8,670	8,610	8,571	-40
35-39	7,707	7,938	8,093	154
40-44	7,707	7,938	8,093	154
45-49	7,311	7,435	7,518	83
50-54	7,311	7,435	7,518	83
55-59	7,634	7,509	7,426	-83
60-64	7,634	7,509	7,426	-83
65-69	5,885	6,276	6,537	261
70-74	5,885	6,276	6,537	261
75-79	2,718	3,128	3,402	274
80-84	2,718	3,128	3,402	274
85+	1,854	1,984	2,070	86
Total	123,170	125,991	127,872	1881

Source: ESRI, AreaProbe Inc. Retrieved June 2021

2020 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
< \$15,000	2,262	24.1%	1,921	23.7%	1,651	31.3%
\$15,000 - \$24,999	1,158	12.3%	1,322	16.3%	1,678	31.8%
\$25,000 - \$34,999	951	10.1%	1,068	13.2%	582	11.0%
\$35,000 - \$49,999	1,286	13.7%	1,615	19.9%	475	9.0%
\$50,000 - \$74,999	1,883	20.0%	1,217	15.0%	401	7.6%
\$75,000 - \$99,999	681	7.2%	442	5.4%	250	4.7%
\$100,000 - \$149,999	675	7.2%	323	4.0%	136	2.6%
\$150,000 - \$199,999	235	2.5%	94	1.2%	69	1.3%
\$200,000+	266	2.8%	118	1.5%	38	0.7%
Total	9,397	100%	8,120	100%	5,280	100.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

DEMOGRAPHIC ANALYSIS (continued)

2023 EST. HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	2,017	21.9%	1,857	21.6%	1,769	29.9%
\$15,000 - \$24,999	1,075	11.7%	1,350	15.7%	1,830	31.0%
\$25,000 - \$34,999	911	9.9%	1,103	12.8%	656	11.1%
\$35,000 - \$49,999	1,256	13.7%	1,745	20.3%	543	9.2%
\$50,000 - \$74,999	1,914	20.8%	1,390	16.2%	487	8.2%
\$75,000 - \$99,999	707	7.7%	508	5.9%	299	5.1%
\$100,000 - \$149,999	757	8.2%	401	4.7%	189	3.2%
\$150,000 - \$199,999	276	3.0%	108	1.3%	89	1.5%
\$200,000+	279	3.0%	142	1.7%	45	0.8%
Total	9,192	100%	8,604	100%	5,908	100.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

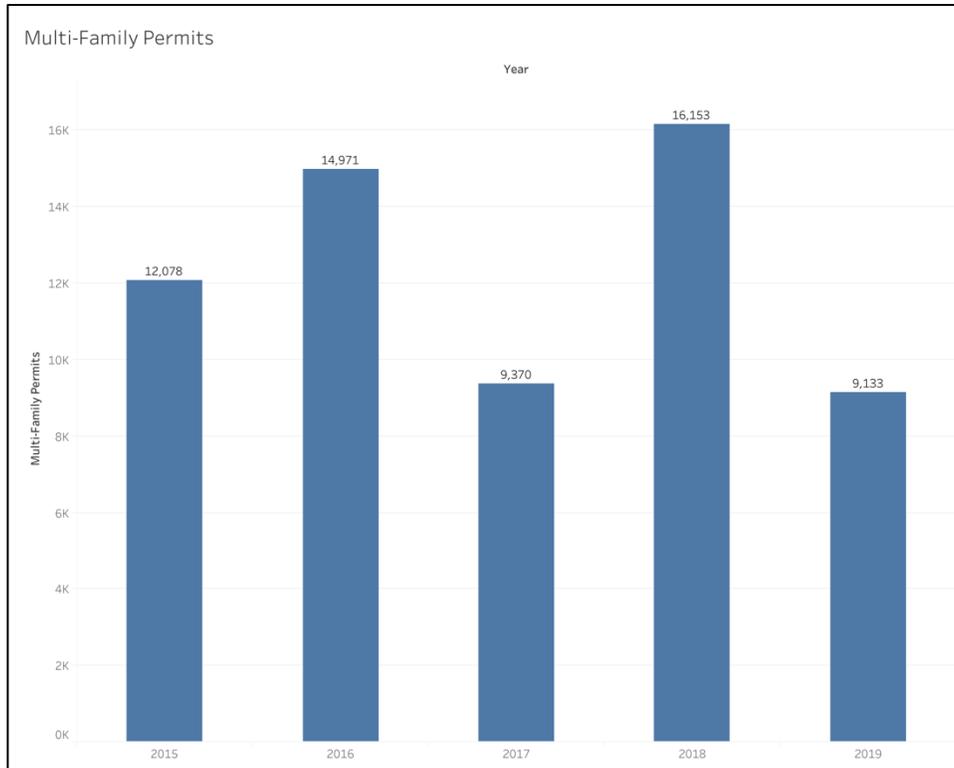
2025 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	1,854	20.5%	1,814	20.3%	1,848	29.2%
\$15,000 - \$24,999	1,020	11.3%	1,368	15.3%	1,932	30.5%
\$25,000 - \$34,999	884	9.8%	1,127	12.6%	705	11.1%
\$35,000 - \$49,999	1,236	13.6%	1,832	20.5%	588	9.3%
\$50,000 - \$74,999	1,935	21.4%	1,506	16.9%	545	8.6%
\$75,000 - \$99,999	725	8.0%	552	6.2%	332	5.2%
\$100,000 - \$149,999	811	9.0%	453	5.1%	224	3.5%
\$150,000 - \$199,999	303	3.3%	117	1.3%	103	1.6%
\$200,000+	287	3.2%	158	1.8%	50	0.8%
Total	9,055	100%	8,927	100%	6,327	100.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

DIFFERENCES 2020 vs.2025 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	-408	-18.0%	-107	-5.6%	197	11.9%
\$15,000 - \$24,999	-138	-11.9%	46	3.5%	254	15.1%
\$25,000 - \$34,999	-67	-7.0%	59	5.5%	123	21.1%
\$35,000 - \$49,999	-50	-3.9%	217	13.4%	113	23.8%
\$50,000 - \$74,999	52	2.8%	289	23.7%	144	35.9%
\$75,000 - \$99,999	44	6.5%	110	24.9%	82	32.8%
\$100,000 - \$149,999	136	20.1%	130	40.2%	88	64.7%
\$150,000 - \$199,999	68	28.9%	23	24.5%	34	49.3%
\$200,000+	21	7.9%	40	33.9%	12	31.6%
Total	-342	-3.6%	807	9.9%	1,047	19.8%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

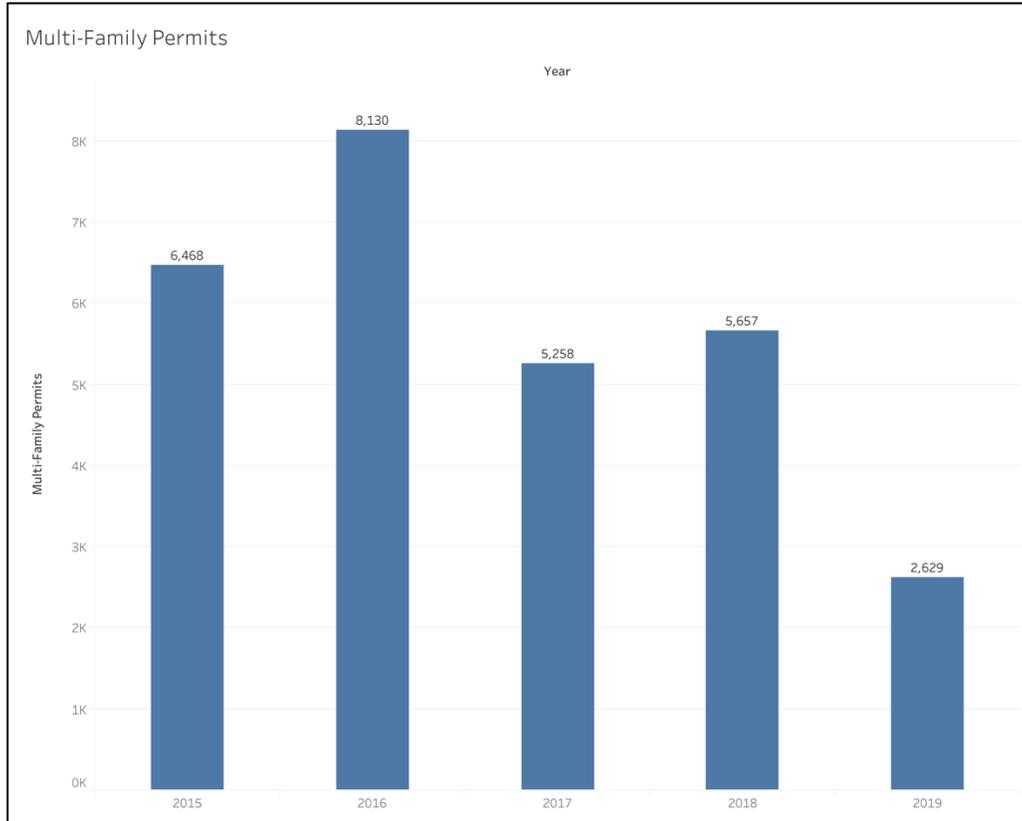
MULTI-FAMILY BUILDING PERMITS (state of Georgia)



source: socds.huduser.gov

The number of multi-family permits filed in the state of Georgia has fluctuated over the past five years (2015-2019). The figures shown above reflects multi-family permits filed for properties with 2 units or greater. Properties with 5 or more units represented 95 percent of the permits filed from January – October of 2019.

MULTI-FAMILY BUILDING PERMITS (state of Fulton County)

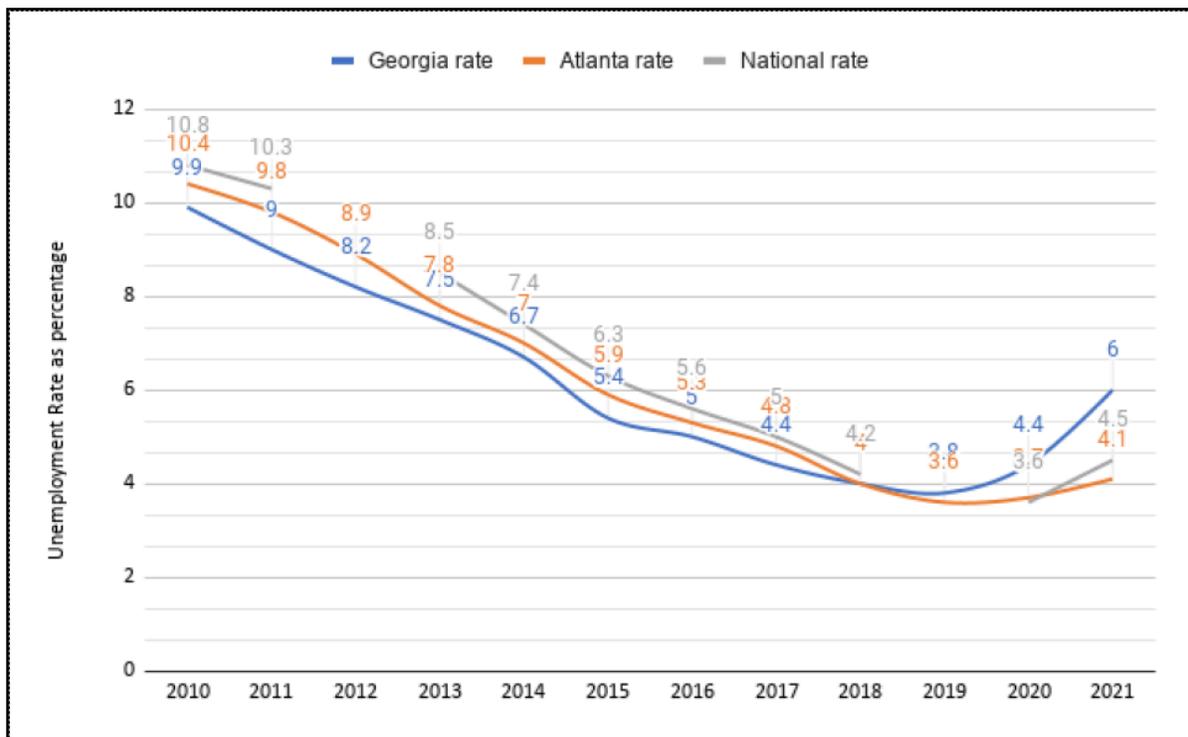


source: socds.huduser.gov

In 2016 54.3 percent of the multi-family permits filed occurred in Fulton County, and in 2017 that percentage increased to 56.3 percent. Over the last two years, the concentration of permits filed have dropped below 35 percent.

UNEMPLOYMENT STATISTICS

The City of Atlanta has performed better than the national average over the past ten years. The unemployment rate reached 3.6 percent prior to the COVID pandemic. Since the pandemic, the City has stabilized; Georgia operated under circumstances that allowed businesses to stay open in some cases. Given the density of the City of Atlanta, this may have helped to sustain the employment base.



Source: Federal Reserve

UNEMPLOYMENT STATISTICS (continued)

Workforce Composition

Largest Employers - Atlanta MSA		
Rank	Employer (Full-Time Equivalent Headcount)	Primary Facility Type
1	Delta Air Lines (34,500)	Corporate HQ/Airport (FORTUNE #75)
2	Emory University & Emory Healthcare (32,091)	Educational Institution/Healthcare
3	The Home Depot (16,510)	Corporate HQ (FORTUNE #23)
4	Northside Hospital (16,000+)	Healthcare
5	Piedmont Healthcare (15,900)	Healthcare
6	Publix Super Markets (15,591)	Division HQ
7	WellStar Health System (15,353)	Healthcare
8	The Kroger Co. (15,000+)	Division HQ
9	AT&T (15,000)	Division HQ/Regional HQ
10	UPS (14,594)	Corporate HQ (FORTUNE #44)
11	Marriott International (12,000+)	Hotels
12	Children's Healthcare of Atlanta (9,000)	Healthcare
13	Cox Enterprises (8,894)	Corporate HQ
14	Centers for Disease Control and Prevention (CDC) (8,403)	Federal Government Agency HQ
15	The Coca-Cola Company (8,000)	Corporate HQ (FORTUNE #87)
16	Southern Company (includes Georgia Power) (7,753)	Corporate HQ (FORTUNE #126)
17	Grady Health System (7,600)	Healthcare
18	SunTrust Bank (7,478)	Corporate HQ (FORTUNE #303)
19	Georgia Institute of Technology (Georgia Tech) (7,139)	Educational Institution
20 T	State Farm (6,000)	Hub
20 T	Turner (6,000)	Corporate HQ
22	Kennesaw State University (5,488)	Educational Institution
23	Bank of America (5,130)	Regional HQ
24	Metropolitan Atlanta Rapid Transit Authority (MARTA) (4,700)	Corporate HQ
25	Allied Universal Security Services (4,570)	Regional HQ

Approximately 25 percent of the largest employers are healthcare organizations. The (5) establishments listed in the table below support roughly 90,000 jobs in the Atlanta Metro area.

UNEMPLOYMENT STATISTICS (continued)

The highest paying occupations are primarily careers in healthcare services.

Top Occupations - Atlanta MSA				
Rank	Occupational Title	Employment	Avg. Hourly Wage	Avg. Annual Wage
1	Surgeons	390	132.11	274,789
2	Physicians and Surgeons, All Other	5,060	120.67	250,994
3	Anesthesiologists	460	119.67	248,914
4	Obstetricians and Gynecologists	720	117.68	244,774
5	Chief Executives	4,640	110.88	230,630
6	Family and General Practitioners	1,330	108.51	225,701
7	Psychiatrists	240	106.45	221,416
8	Pediatricians, General	500	104.74	217,859
9	Dentists, General	1,700	84.71	176,197
10	Dentists, All Other Specialists	30	83.51	173,701

source: bls.gov

There are 174 occupations with a salary that fall within the income parameters for households earning up to 60 percent AMI. Based on the details of the proposed project we examined salary restrictions for households with up to 3 persons (max salary of \$43,080, minimum salary of \$33,480).

Top Occupations Within HUD Income Restriction @ 60% AMI - Atlanta MSA				
Rank	Occupational Title	Employment	Avg. Hourly Wage	Avg. Annual Wage
1	Customer Service Representatives	68,910	18.13	37,710
2	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	32,700	18.23	37,918
3	Bookkeeping, Accounting, and Auditing Clerks	22,880	20.57	42,786
4	Maintenance and Repair Workers, General	20,010	18.87	39,250
5	Construction Laborers	16,330	17.66	36,733
6	Industrial Truck and Tractor Operators	13,970	17.35	36,088
7	Light Truck or Delivery Services Drivers	13,930	19.31	40,165
8	Shipping, Receiving, and Traffic Clerks	12,280	16.17	33,634
9	Medical Assistants	10,430	16.84	35,027
10	Automotive Service Technicians and Mechanics	10,180	20.20	42,016

source: bls.gov

Conclusion

The City of Atlanta has performed better than the national average over the past ten years. The unemployment rate reached 3.6 percent prior to the COVID pandemic. Since, the pandemic, the City has stabilized; Georgia operated under circumstances that allowed businesses to stay open in some cases. Given the density of the City of Atlanta, this may have helped to sustain the employment base.

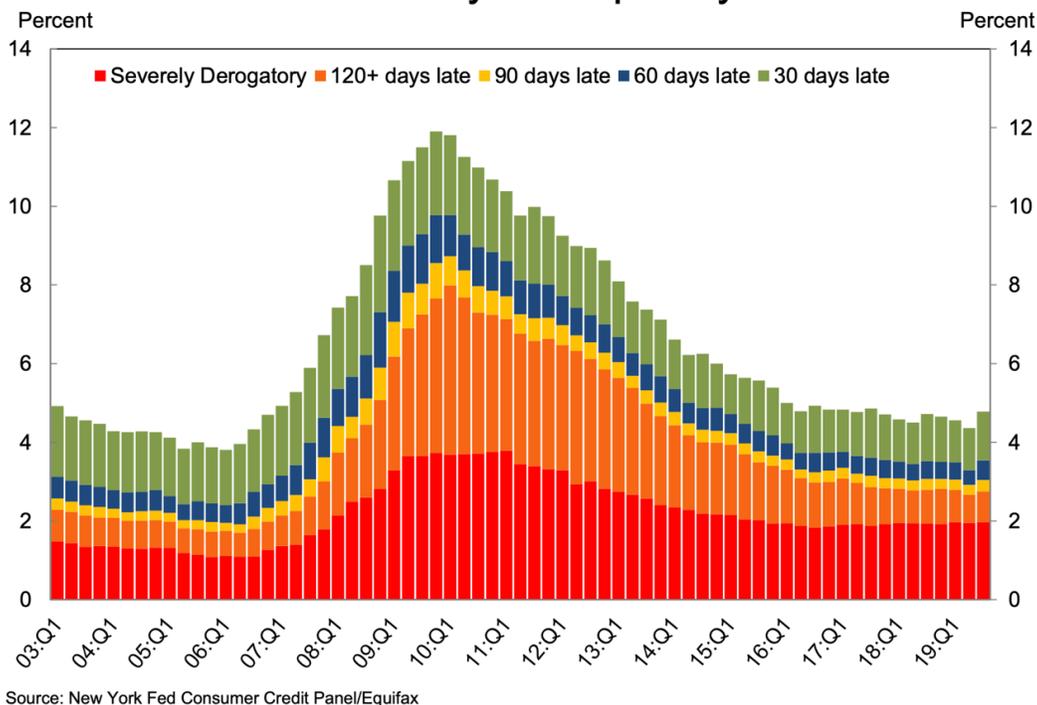
UNEMPLOYMENT STATISTICS (continued)

We believe the City of Atlanta has performed well during the COVID-19 pandemic; this has helped to support the residential and multi-family housing environment based on our primary research.

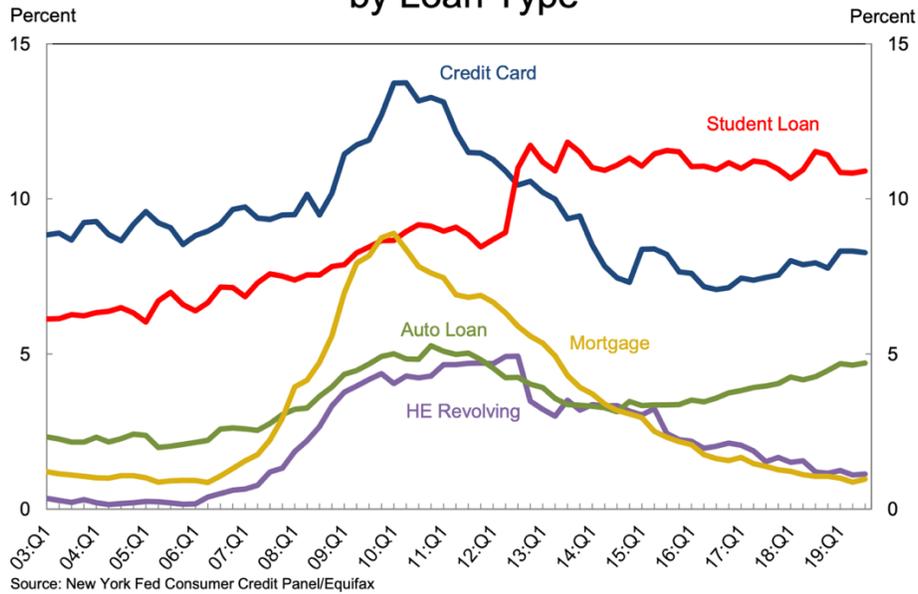
Consumer Financial Strength (National Statistics)

Since the great recession the economy has performed well. Delinquency rates have fallen for most of the loan products except for auto and student loans. The charts below display the latest trends which support this standpoint.

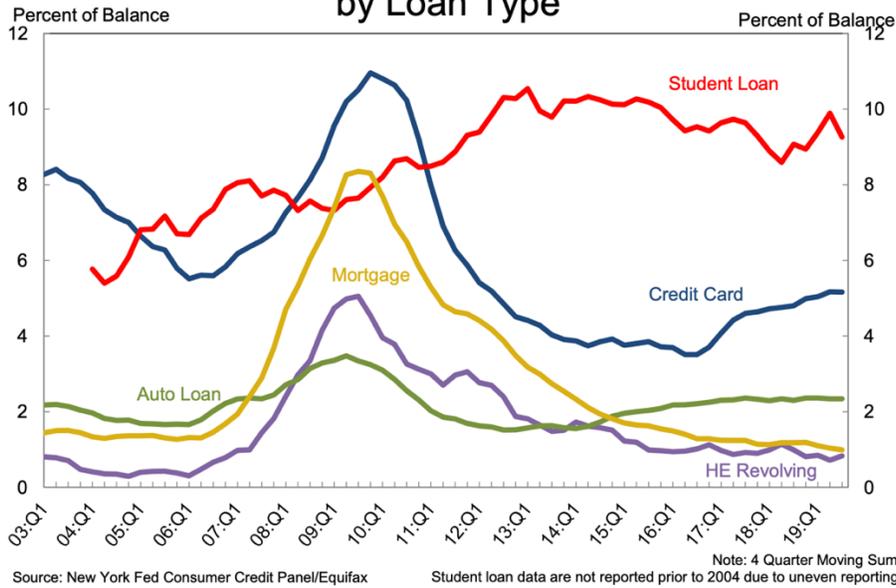
Total Balance by Delinquency Status



Percent of Balance 90+ Days Delinquent by Loan Type

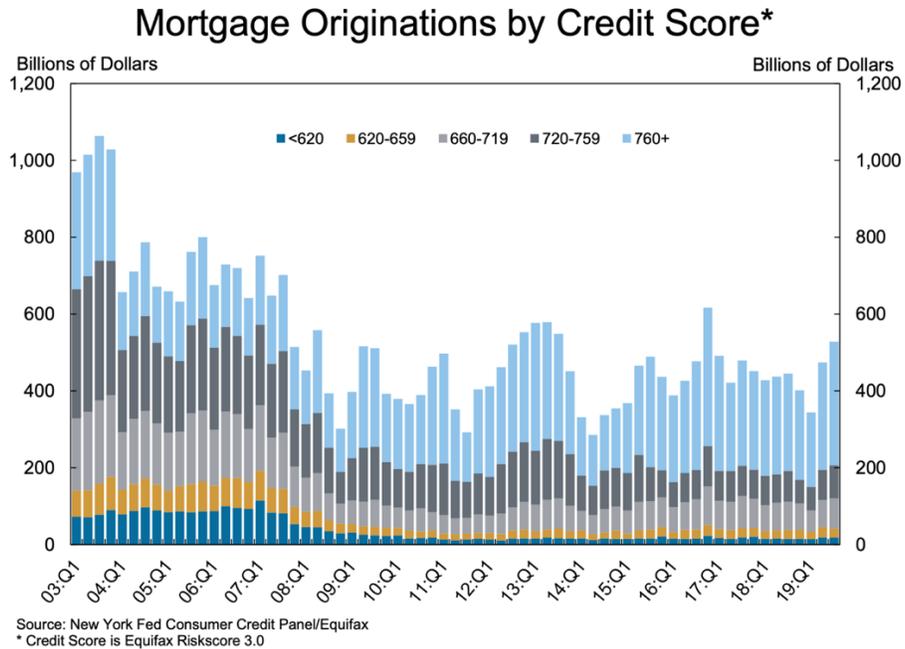


Transition into Serious Delinquency (90+) by Loan Type



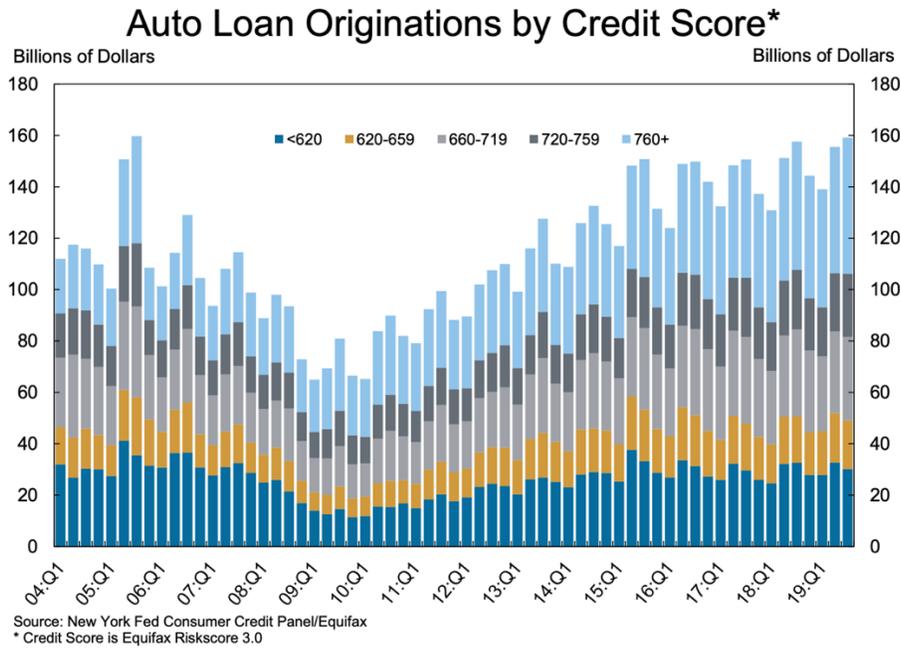
UNEMPLOYMENT STATISTICS (continued)

Since the great recession, loans to individuals with credit scores below 659 have decreased dramatically as mortgage lenders have narrowed their credit lens to serve stanch borrowers.

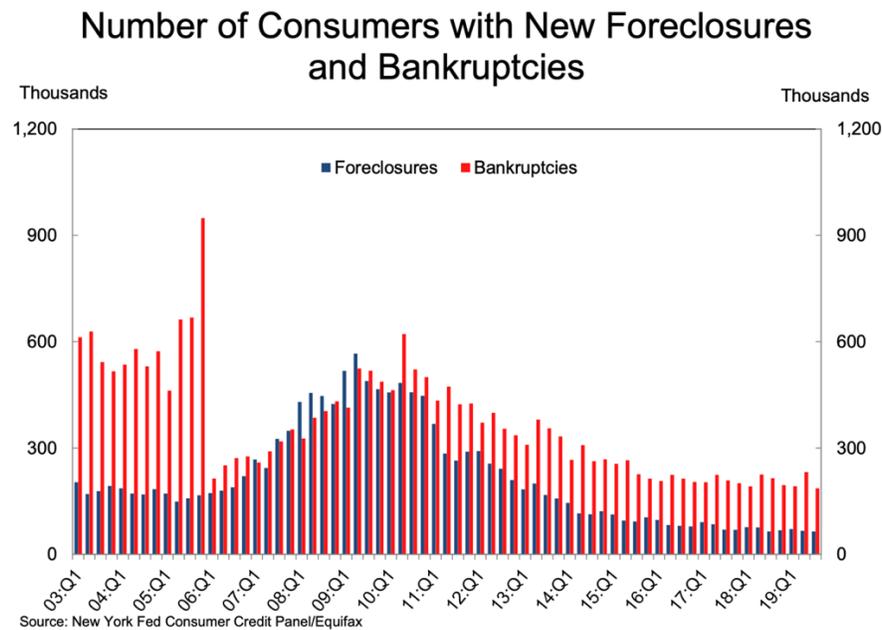


Auto loan originations for individuals with scores below a 659 have increased which is contrary to the apparent trend for mortgage originations. This trend could explain why the increase in delinquency rates have increased for auto loans.

UNEMPLOYMENT STATISTICS (continued)

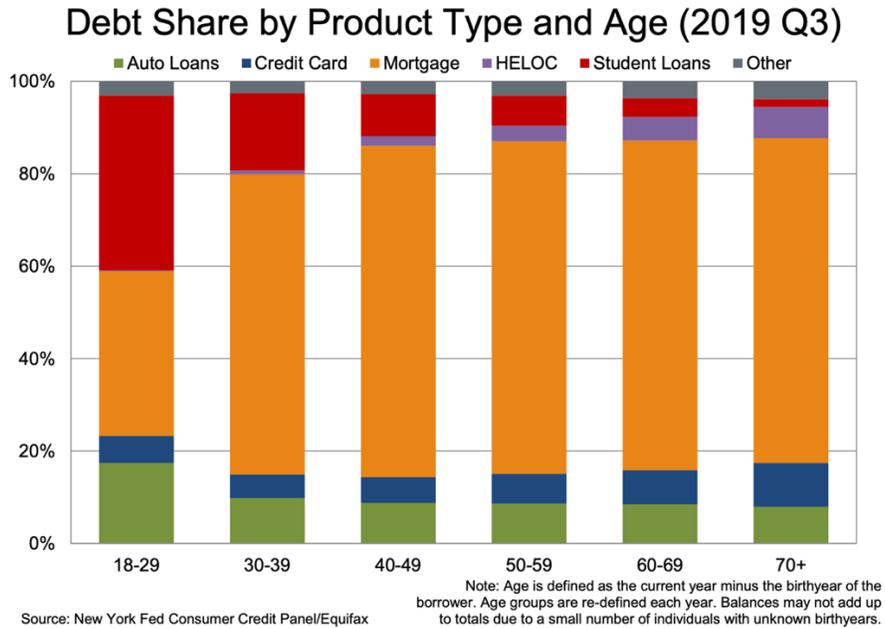


According to the latest report from the New York Fed Consumer Credit Panel, foreclosures and bankruptcies in the United States have reached its lowest levels since 2003.

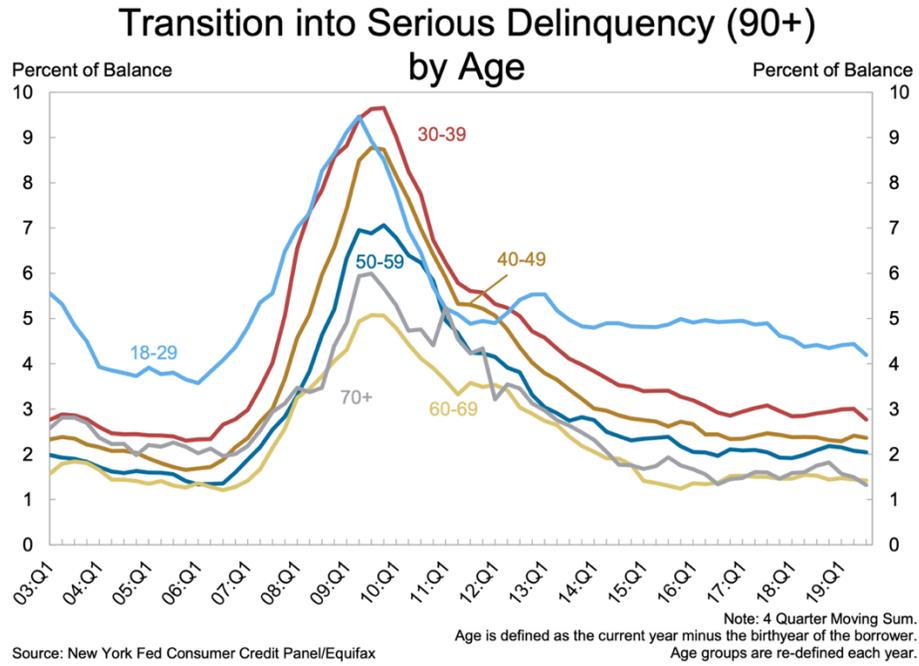


UNEMPLOYMENT STATISTICS (continued)

The client intends to market the Subject property to households over the age of 55. These households tend to have mortgages with HELOCs (home equity line of credit), and credit card debt.



The graph below illustrates the senior population has a lower delinquency rate profile than younger individuals.



COMMUTE PATTERNS

56.2 percent of households over the age of 16 in zip code 30344 (East Point, GA) arrive at their place of work within 29 minutes. 76 percent of households drive to work.

Subject	ZCTA5 30344	
	Total	
	Estimate	Margin of Error
Workers 16 years and over	15,294	+/-735
MEANS OF TRANSPORTATION TO WORK		
Car, truck, or van	75.7%	+/-2.8
Drove alone	65.5%	+/-3.2
Carpooled	10.2%	+/-1.9
In 2-person carpool	8.9%	+/-1.7
In 3-person carpool	0.2%	+/-0.2
In 4-or-more person carpool	1.1%	+/-0.8
Workers per car, truck, or van	1.08	+/-0.02
Public transportation (excluding taxicab)	17.6%	+/-2.6
Walked	2.0%	+/-0.9
Bicycle	0.3%	+/-0.3
Taxicab, motorcycle, or other means	1.1%	+/-0.6
Worked at home	3.2%	+/-1.0
PLACE OF WORK		
Worked in state of residence	98.9%	+/-0.7
Worked in county of residence	78.4%	+/-2.4
Worked outside county of residence	20.5%	+/-2.5
Worked outside state of residence	1.1%	+/-0.7
LIVING IN A PLACE		
Living in a place	100.0%	+/-0.2
Worked in place of residence	12.3%	+/-2.6
Worked outside place of residence	87.7%	+/-2.6
Not living in a place	0.0%	+/-0.2
Workers 16 years and over who did not work at home	14,800	+/-728
TIME LEAVING HOME TO GO TO WORK		
12:00 a.m. to 4:59 a.m.	6.2%	+/-1.6
5:00 a.m. to 5:29 a.m.	4.4%	+/-1.3
5:30 a.m. to 5:59 a.m.	3.3%	+/-1.0
6:00 a.m. to 6:29 a.m.	11.0%	+/-2.4
6:30 a.m. to 6:59 a.m.	8.3%	+/-2.2
7:00 a.m. to 7:29 a.m.	14.1%	+/-2.4
7:30 a.m. to 7:59 a.m.	9.2%	+/-1.9
8:00 a.m. to 8:29 a.m.	10.8%	+/-2.1
8:30 a.m. to 8:59 a.m.	3.3%	+/-1.0
9:00 a.m. to 11:59 p.m.	29.4%	+/-2.7
TRAVEL TIME TO WORK		
Less than 10 minutes	8.4%	+/-1.9
10 to 14 minutes	9.3%	+/-1.8
15 to 19 minutes	15.1%	+/-2.4
20 to 24 minutes	17.8%	+/-2.6
25 to 29 minutes	5.6%	+/-1.4
30 to 34 minutes	17.6%	+/-2.4
35 to 44 minutes	7.3%	+/-1.7
45 to 59 minutes	9.1%	+/-1.6
60 or more minutes	9.7%	+/-1.6
Mean travel time to work (minutes)	28.9	+/-1.5

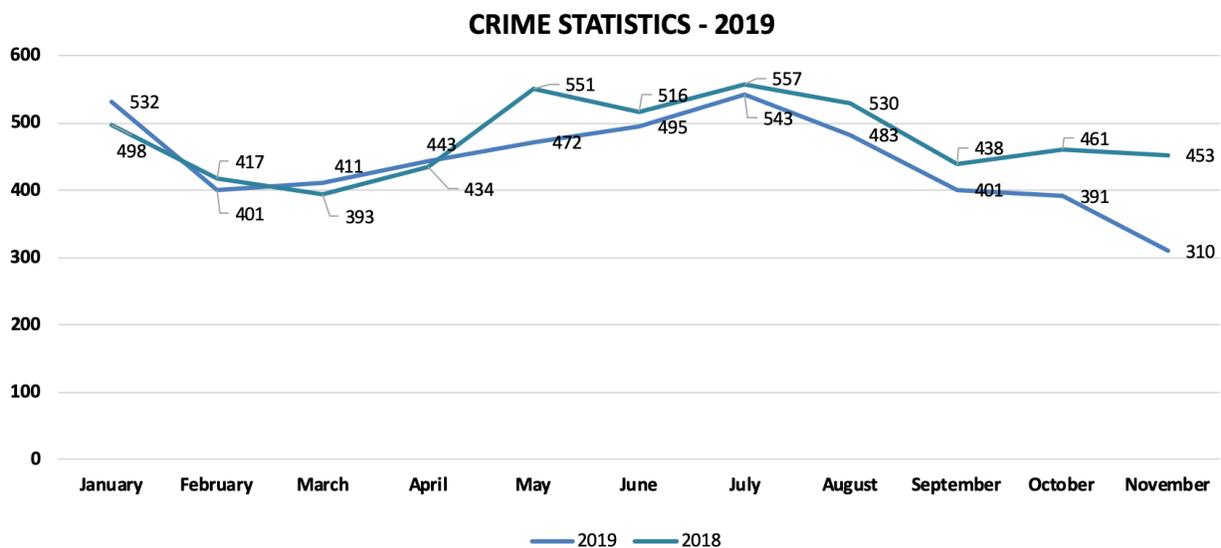
Source: Census Factfinder

CRIME STATISTICS

Crime in East Point has decreased by 7 percent from 2018 to 2019 (Y-O-Y). 70 percent of the recorded crimes in 2019 were property related incidents. The most significant crime in this subset are larceny thefts which account for 50% of total crime in the city.

East Point Police Department Crime Stats 2019													
Person Crimes	January	February	March	April	May	June	July	August	September	October	November	YTD	% of Crime
Homicide	0	0	2	1	0	1	0	1	3	2	0	10	0%
Aggravated Assault	19	18	30	18	25	23	23	23	22	17	13	231	5%
Simple Assault	120	116	127	97	93	102	99	89	83	55	40	1021	21%
Rape	0	0	4	3	1	0	2	2	5	5	1	23	0%
Robbery	17	18	21	9	17	24	18	16	16	11	13	180	4%
TOTAL												4882	30%
Property Crimes	January	February	March	April	May	June	July	August	September	October	November	YTD	% of Crime
Burglary	48	30	28	43	53	47	39	68	41	27	43	467	10%
Motor Vehicle Theft	88	47	40	46	31	44	49	47	28	38	28	486	10%
Larceny thefts	240	172	159	226	252	254	313	237	203	236	172	2464	50%
TOTAL CRIMES												532	70%

source: www.eastpointcity.org, AreaProbe LLC



source: www.eastpointcity.org, AreaProbe LLC

Methodology

The Affordability Analysis tests the percentage of seniors age (62+) and income-qualified households (62+) in the PMA that the subject community must capture to achieve full occupancy.

The first component of the Affordability Analysis includes the total household income distribution and renter household income distribution in the PMA for the target audience in 2020. AreaProbe calculated the income distribution for both total households and renter households (62+) from the 2020 projected by Esri. A housing unit is typically said to be "affordable" to households that are likely to spend a certain percentage of their annual income or less on the expenses related housing. In the case of rental units, these expenses are generally rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum is referred to as a household's 'gross rent burden'.

For the Affordability Analysis of this age restricted community, AreaProbe applies a 40 percent gross rent burden. This rent burden relates to households who do not receive PBRA. As all proposed units at the subject property will have PBRA and minimum income limits will not apply, the affordability analysis has been conducted without this additional subsidy.

The proposed contract rent which is equal to the maximum allowable LIHTC rent was utilized for this analysis. HUD has computed a 2020 median household income of \$86,200 for the Atlanta-Sandy Springs Roswell, GA MSA for 4-person households. Based on that median income, adjusted for household size, the maximum income limit and minimum income requirements are computed for each floor plan. The minimum income limits are calculated assuming up to 40 percent of income is spent on total housing cost (rent plus utilities).

The maximum allowable incomes are based on an average household size of 1.5 persons for one-bedroom units and a maximum of two people for two-bedroom units. Maximum gross rents, however, are based on the federal regulation of 1.5 persons per bedroom. We have included an Affordability Analysis in which all proposed units with PBRA are considered traditional LIHTC units; however, minimum income limits will not apply as all units proposed at the subject property will have PBRA. We have also included capture rates accounting for PBRA on all units.

AFFORDABILITY ANALYSIS (continued)

The table below assumes 44.5 percent of households over the age of 55 are renters. This assumption is based on estimates from the U.S. Census for the Subject area. 73 percent of renter households over the age of 65 earn less than \$50,000 per year, and 83.1 percent of households over the age of 75 earn less than \$50,000. These income figures favor the proposed project as the age restricted property will target those earning 0-60% AMI.

LIHTC MAXIMUM RENT LIMITS							
HH SIZE	30%	40%	50%	60%	70%	80%	140%
1 Person	\$ 18,120	\$ 24,160	\$ 30,200	\$ 36,240	\$ 42,280	\$ 48,320	\$ 50,736
2 Person	\$ 20,700	\$ 27,600	\$ 34,500	\$ 41,400	\$ 48,300	\$ 55,200	\$ 57,960
3 Person	\$ 23,280	\$ 31,040	\$ 38,800	\$ 46,560	\$ 54,320	\$ 62,080	\$ 65,184

Source: Based on HUD 2021 Classifications, AreaProbe Inc

2020 RENTER HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	1,007	24.1%	855	23.7%	735	31.3%
\$15,000 - \$24,999	515	12.3%	588	16.3%	747	31.8%
\$25,000 - \$34,999	423	10.1%	475	13.2%	259	11.0%
\$35,000 - \$49,999	572	13.7%	719	19.9%	211	9.0%
\$50,000 - \$74,999	838	20.0%	542	15.0%	178	7.6%
\$75,000 - \$99,999	303	7.2%	197	5.4%	111	4.7%
\$100,000 - \$149,999	300	7.2%	144	4.0%	61	2.6%
\$150,000 - \$199,999	105	2.5%	42	1.2%	31	1.3%
\$200,000+	118	2.8%	53	1.5%	17	0.7%
Total	4,182	100%	3,613	100%	2,350	100.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

2025 RENTER HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	825	20.5%	807	20.3%	822	29.2%
\$15,000 - \$24,999	454	11.3%	609	15.3%	860	30.5%
\$25,000 - \$34,999	393	9.8%	502	12.6%	314	11.1%
\$35,000 - \$49,999	550	13.6%	815	20.5%	262	9.3%
\$50,000 - \$74,999	861	21.4%	670	16.9%	243	8.6%
\$75,000 - \$99,999	323	8.0%	246	6.2%	148	5.2%
\$100,000 - \$149,999	361	9.0%	202	5.1%	100	3.5%
\$150,000 - \$199,999	135	3.3%	52	1.3%	46	1.6%
\$200,000+	128	3.2%	70	1.8%	22	0.8%
Total	4,029	100%	3,973	100%	2,816	100.0%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

AFFORDABILITY ANALYSIS (continued)

DIFFERENCES 2020 vs.2025 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	-182	-18.0%	-48	-5.6%	88	11.9%
\$15,000 - \$24,999	-61	-11.9%	20	3.5%	113	15.1%
\$25,000 - \$34,999	-30	-7.0%	26	5.5%	55	21.1%
\$35,000 - \$49,999	-22	-3.9%	97	13.4%	50	23.8%
\$50,000 - \$74,999	23	2.8%	129	23.7%	64	35.9%
\$75,000 - \$99,999	20	6.5%	49	24.9%	36	32.8%
\$100,000 - \$149,999	61	20.1%	58	40.2%	39	64.7%
\$150,000 - \$199,999	30	28.9%	10	24.5%	15	49.3%
\$200,000+	9	7.9%	18	33.9%	5	31.6%
Total	-152	-3.6%	359	9.9%	466	19.8%

Source: ESRI, AreaProbe Inc. Retrieved June 2021

LIHTC Income Limitations				
HUD 2021 Median Household Income				
Atlanta MSA	\$ 86,200			
Very Low Income for 4-Person	\$ 43,100			
2021 Computed Area Median Gross Income	\$ 86,200			
Utility Allowance				
1-Bedroom	\$ 96			
2-Bedroom	\$ 124			
Household Income Limits by Household Size				
Household Size	30%	40%	50%	60%
1 Person	\$ 18,120	\$ 24,160	\$ 30,200	\$ 36,240
2 Persons	\$ 20,700	\$ 27,600	\$ 34,500	\$ 41,400

Source: Based on HUD 2021 Classifications, AreaProbe Inc

LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom)								
# Persons	30%		40%		50%		60%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom	\$ 485	\$ 389	\$ 647	\$ 551	\$ 808	\$ 712	\$ 970	\$ 874
2 Bedroom	\$ 582	\$ 458	\$ 776	\$ 652	\$ 970	\$ 846	\$ 1,164	\$ 1,040

Source: Based on HUD 2021 Classifications, AreaProbe Inc

Affordability Analysis

This analysis looks at the affordability of the proposed units at the subject property without accounting for PBRA.

- One-bedroom units, the overall shelter cost at the proposed rent would be \$874 (\$970 net rent subtracted by the utility allowance of \$96).
- At 60 percent AMI, one-bedroom unit would be affordable to households earning up to \$36,240 per year. There are 1,206 households (62+) in the PMA will earn at between the 60% income constraints in 2023 for 1.5 persons.
- The maximum income limit for a two-bedroom unit at 60 percent AMI is \$41,400 based on a maximum household size of 2 people. An estimated 981 senior renter households (62+) will have incomes between the AMI constraints 2023.
- The capture rate for the 112 one-bedroom units is 9.3 percent for all senior households (62+) with income at 60% without project-based assistance.
- The capture rate for the (48) two-bedroom units reserved for (62+) households is 4.9 percent without project-based assistance and the project has an overall renter affordability capture rate of 7.3 percent.

AFFORDABILITY ANALYSIS (continued)

Affordability Analysis With PBRA, Hillcrest Phase II

60% Units	One Bedroom Units		Two Bedroom Units	
	Min	Max	Min.	Max
Number of Units	112		48	
Net Rents	\$ 874		\$ 1,040	
Gross Rent	\$ 970		\$ 1,164	
% of Income	40%		40%	
Income Range	no min	\$ 36,240	no min	\$ 41,400
Renter Households				
Range of Qualified HHs	14850		12114	
# of Qualified HHSs	3218		2951	
Renter HH Capture Rate	3.5%		1.6%	

Source: Based on HUD 2021 Classifications, AreaProbe Inc

Affordability Analysis Without PBRA, Hillcrest Phase II

60% Units	One Bedroom Units		Two Bedroom Units	
	Min	Max	Min.	Max
Number of Units	112		48	
Net Rents	\$ 874		\$ 1,040	
Gross Rent	\$ 970		\$ 1,164	
% of Income	40%		40%	
Income Range	\$ 30,200	\$ 36,240	\$ 34,500	\$ 41,400
Renter Households				
Range of Qualified HHs	5912		4850	
# of Qualified HHSs	1206		981	
Renter HH Capture Rate	9.3%		4.9%	

Source: Based on HUD 2021 Classifications, AreaProbe Inc

Conclusion of Affordability

Without PBRA, the capture rates are slightly higher at max net rents. The client intends to lease each unit at a 5 percent reduction to net rents which we believe will help with absorption and

AFFORDABILITY ANALYSIS (continued)

aid to maintain stabilized occupancy. We do not foresee any issues with leasing the proposed property due to the growing elderly population.

The affordability analysis above is conservative as it does not account for other senior homeowner conversion or senior renter household relocation from outside the PMA. It is typical for senior LIHTC rental communities to attract tenants from beyond market area boundaries. Due to limited affordable senior housing options, and the 30,000+ households on the local housing authority's waiting list we demand for the proposed units may be more appealing than the conservative estimates above.

DCA's demand methodology for an elderly community (62+) consists of four components:

Household Growth

The number of income qualified senior renter households (62+) anticipated to move into the market area between the base year of 2020 and 2023 based on DCA's 2021 market study guidelines projected forward one year.

Income-qualified Renter Households Living in Substandard Housing "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to U.S. Census ACS data, 3.5 percent of the renter occupied units in the PMA are considered "substandard".

Cost Burdened Renters

Renter households paying more than 40 percent of household income for housing costs. According to 2012-2016 American Community Survey (ACS) data, 39.8 percent of PMA senior renter households (65+) are categorized as cost burdened. This cost burdened percentage is applied to the current senior household base (62+).

Homeowners Converting to Rental Housing

There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 2017, 3.0 percent of elderly households move each year in the Atlanta MSA. Of those moving within the past twelve months and reporting tenure, 32 percent moved from owned to rental housing. This equates to 2.0 percent of all senior households converting from owners to renters.

According to DCA's demand methodology, all comparable units built or approved since the base year (2019) are to be subtracted from the demand estimates to arrive at net demand.

Hillcrest I was allocated Low Income Housing Tax Credits in the market area in 2018 and will include 180 LIHTC units with PBRA targeting senior households (62+) earning up to 60 percent of Area Median Income (AMI). These 180 units are subtracted from demand estimates when accounting for the proposed PBRA.

DEMAND ANALYSIS

We have calculated demand without PBRA to test market conditions. The project's overall capture rate is 7.3 percent and the capture rates by floor plan are 9.3 percent for one-bedroom units and 4.9 percent for two-bedroom units. Capture rates are lowered to 3.5 percent for one-bedroom units, 1.6 percent for two-bedroom units, and 2.6 percent for the project overall when accounting for PBRA on all units which eliminates the minimum income limit.

As all units at the Subject property will have PBRA and DCA market study guidelines indicate that units with PBRA should not be included in demand capture rate calculations, the effective capture rate for the project is zero percent.

Homeownership to Rental Housing Conversion	
Tenure of Previous Residence - Renter Occupied Units	Atlanta MSA
Total Households Moved - All Ages	720,900
Senior Households 65+	67,700
Total Moved from Home, Apt., Mfg./ Mobile Home	48,500
Moved from Owner Occupied Housing	37,700
Moved from Renter Occupied Housing	27,600
% of Senior Households Moving Within the Year	3%
% of Senior Movers Converting from Homeowners to Rente	32%
% of Seniors Movers Converting From Owners to Renters	2%

Source: American Housing Survey, Census 2017

DEMAND ANALYSIS (continued)

	Total Units
	\$30,200
	\$41,400
Renter Income Qualification Percentage	14%
Demand from New Renter Households	671
PLUS	
Demand from Existing Renter HHs (Substandard)	205
PLUS	
Demand from Existing Renter HHs (Overburdened)	555
PLUS	
Secondary Market Demand Adjustment (10%)	173
SUBTOTAL	1604
PLUS	
Demand Elderly Homeowner Conversion (max 2%)	111
TOTAL DEMAND	1715
LESS	
Comparable Units Built or Planned Since 2010	0
NET DEMAND	1715
Proposed Units	160
CAPTURE RATE	9.3%
Demand with PBRA	2187
Comparable Units Built or Planned Since 2010	180
Net Demand with PBRA	10762
Proposed Units	160
Capture Rate with PBRA	1.5%

Demand Calculation Inputs		
A	Renter Inc Qualifications	14%
B	2020 62+	13566
C	2023 62+	15630
D	Substandard Housing (% of Rental Stock)	4%
E	Rent Overburdened (% of Senior HHs)	40%
F	Renter % Senior HHs	51%
G	Elderly Homeowner Turnover	2%

DEMAND ANALYSIS (continued)

Demand Estimates by Floor Plan, Hillcrest Phase II

Income/Unit Size	Income Limits	Units Proposed	Renter Inc. Qual	Total Demand	Supply	Net Demand	Capture Rate	Capture Rate w/PBRA
60% Units	\$36,240 \$41,400							
One Bedroom Units	\$24,161- \$30,200	112	0.11	1206	134	1072	10.4%	3.5%
Two Bedroom Units	\$34,501- \$41,400	48	0.13	981	46	935	5.1%	1.6%
Project Total	\$24,161 - \$41,400							
Total Units	\$24,161 - \$41,400	160	0.24	2187	180	2007	8.0%	2.5%

PENETRATION RATE

NCHMA (National Council of Housing Market Analyst) defines the penetration rate analysis as the percentage of age and income qualified renter households in the primary market area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the stabilized level of occupancy.

To calculate the penetration rate, the following calculation was used:

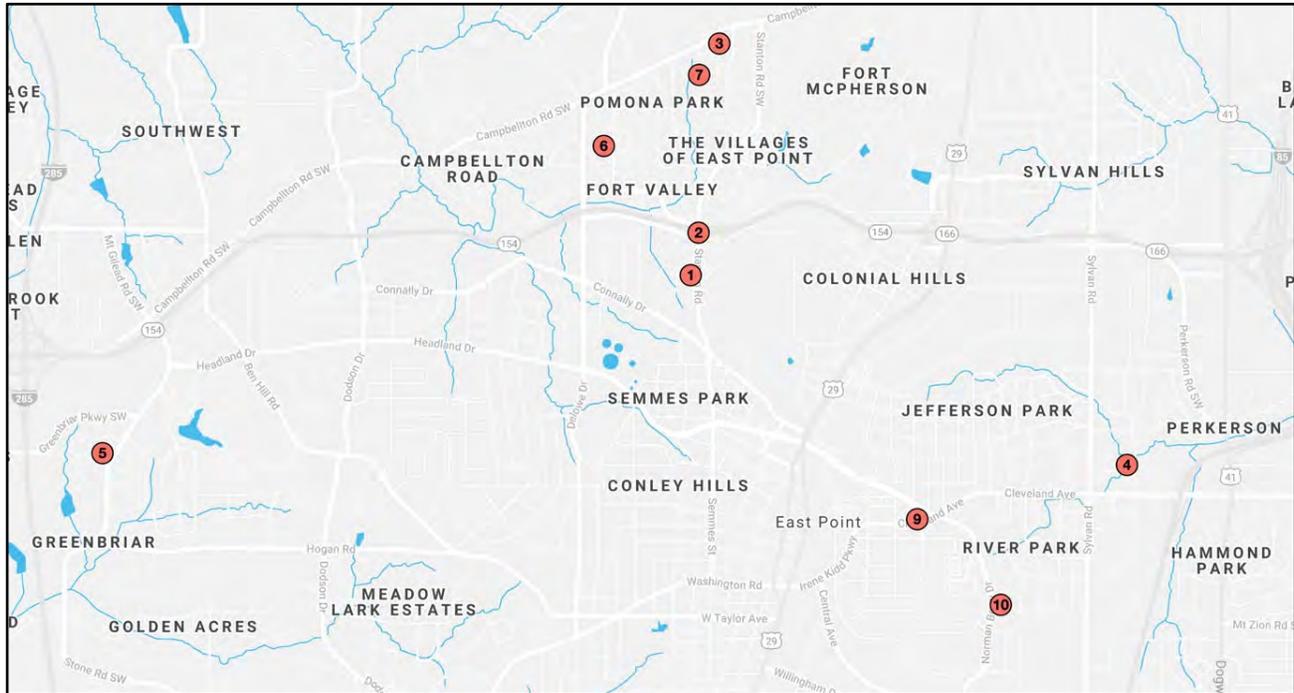
Penetration rate = total existing + in-progress unit + subject property units / total number of eligible households.

There are 1,677 existing age-restricted Tax Credit units (both surveyed and unsurveyed). The following table summarizes the market penetration rate for the Subject project.

Type	Number of Units
Existing + Planned	1677
Eligible Households	2668
Penetration Rate	63%

LIHTC COMPETITIVE ANALYSIS

Age Restricted Properties Occupancy Rates



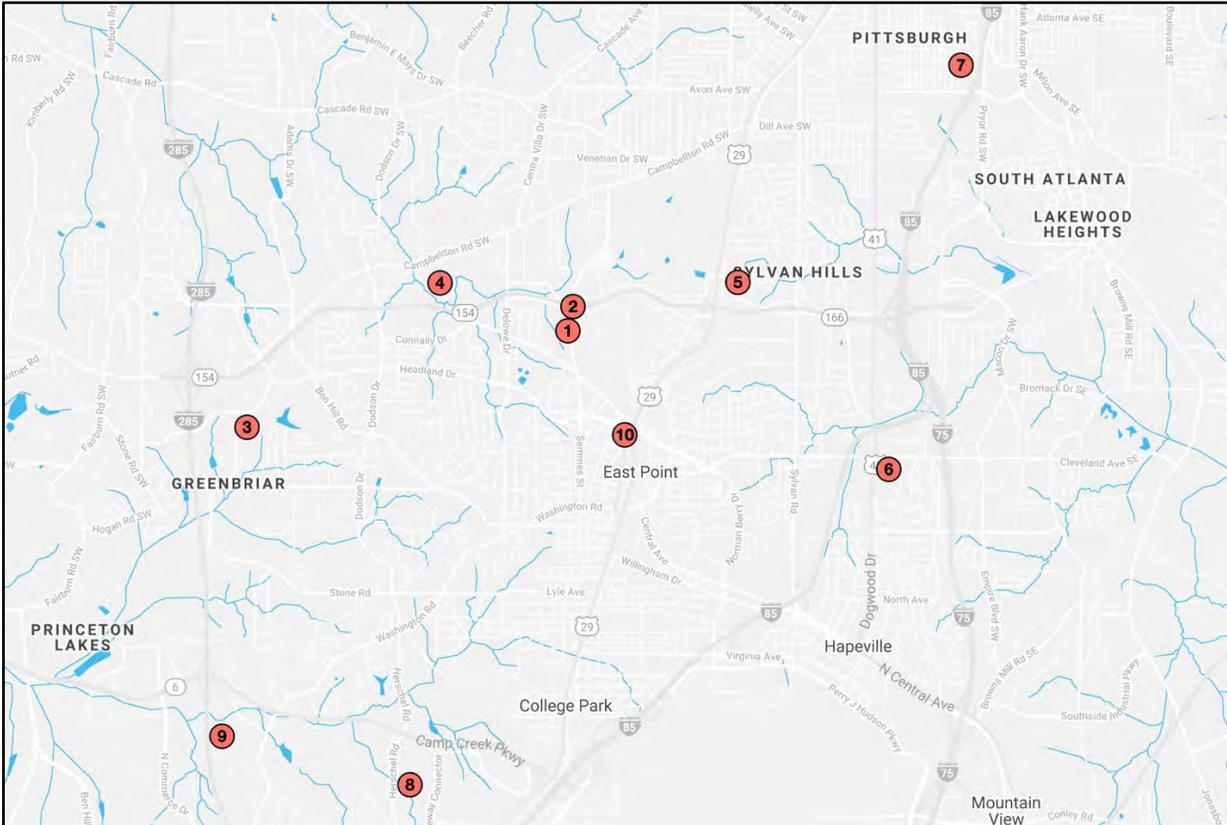
Map Order	Property Name	Distance (miles)	Address	City	Zipcode	Occupancy Rate
1	Hillcrest II	-	1847 Stanton Rd	East Point	30344	-
2	Hillcrest I	-	Stanton Rd	East Point	30344	-
3	Lillie R Campbell house	1.5	1830 Campbelton Rd SW	Atlanta	30331	100%
4	Trinity Towers	3.2	2611 Springdale Road SW	Atlanta	30311	98%
5	Columbia Colony senior Residences	3.5	2999 Continental Colony Pkwy SW	Atlanta	30311	100%
6	Baptist Towers	1.0	1881 Myrtle DR	Atlanta	30315	-
7	QLS Haven Apartments	1.4	1840 Campbelton Rd SW	Atlanta	30315	100%
8	Princeton Court Senior Residences	3.4	3633 Howard Dr	Atlanta	30337	96%
9	Gateway East Point	1.7	1311 Cleavland Avenue	East Point	30344	97%
10	Norman Berry Village Senior	2.3	2840 Norman Berry Drive	East Point	30344	-
Total/Average						99%

AreaProbe surveyed 1,558 age-restricted units in the PMA. The average vacancy for the eight existing properties was 1 percent according to the representatives interviewed (99 percent occupied). This indicates a healthy rental market for age restricted LIHTC properties.

LIHTC COMPETITIVE ANALYSIS (continued)

General Occupancy LIHTC Properties

The table below represents the non-age restricted LIHTC properties examined for this study. Occupancy rate is relatively even with the age-restricted sites discussed on the previous page, however, rental rates are lower for this sample group.



Map Order	Property Name	Distance	Address	City	State	Zipcode	Occupancy Rate
1	Hillcrest II	-	1847 Stanton Rd	East Point	GA	30344	-
2	Hillcrest I	-	Stanton Rd	East Point	GA	30344	100%
3	The Park at Greenbriar	3.5	3000 Continental Colony Pkwy	Atlanta	GA	30331	95%
4	The Park at Castelton	2.0	1994 Bent Creek Way SW	Atlanta	GA	20311	-
5	Columbia at Sylvan Hills	2.1	1150 Astor Avenue SW	Atlanta	GA	30311	100%
6	Pavillion Place	4.2	532 Cleveland Avenue SW	Atlanta	GA	30315	100%
7	Crogman School lofts	4.5	1093 West Ave SW	Atlanta	GA	30315	100%
8	Village at College Park	4.4	4060 Herschel Road	Atlanta	GA	30337	-
9	Leyland Pointe Apartment	5.0	2900 Laurel Ridge Way	Atlanta	GA	30344	100%
10	Mallalieu Pointe	1.0	2627 Church Street	East Point	GA	30344	100%
Total/Average							99%

LIHTC COMPETITIVE ANALYSIS (continued)

LIHTC Properties Rental Rates

Map Order	Property Name	1 BD Rents	Square Footage	PSF	2 BD Rents	Square Footage	PSF
1	Hillcrest II	-	720	-	-	900	-
2	Hillcrest I	\$ 817	720	-	\$ 998	793	-
3	Lillie R Campbell house	\$ 940	610	\$1.54	\$ 1,164	1120	\$ 1.04
4	Trinity Towers	-	540	-	-	-	-
5	Columbia Colony senior Residences	\$ 683	772	\$0.88	\$ 747	1123	\$ 0.67
6	Baptist Towers	-	550	-	-	-	-
7	QLS Haven Apartments	\$ 780	540	\$1.44	-	-	-
8	Princeton Court Senior Residences	\$ 905	650	\$1.39	\$ 975	860	\$ 1.13
9	Gateway East Point	\$ 732	732	\$1.00	-	-	-
10	Norman Berry Village Senior	\$ 690	716	\$0.96	\$ 850	1000	\$ 0.85
11	The Park at Greenbriar	\$ 720	700	\$1.03	\$ 885	1060	\$ 0.83
12	The Park at Castleton	\$ 900	718	\$1.25	\$ 900	846	\$ 1.06
13	Columbia at Sylvan Hills	\$ 717	768	\$0.93	\$ 915	1067	\$ 0.86
14	Pavilion Place	\$ 750	724	\$1.04	\$ 850	928	\$ 0.92
15	Crogman School lofts	\$ 780	729	\$1.07	\$ 900	916	\$ 0.98
16	Village at College Park	-	750	-	-	-	-
17	Leyland Pointe Apartment	\$ 883	787	\$1.12	\$ 1,041	1059	\$ 0.98
18	Mallalieu Pointe	\$ 619	700	\$0.88	\$ 714	913	\$ 0.78
Total/Average		\$ 780	687	\$1.12	\$ 912	990	\$ 0.92

Source: AreaProbe Inc.

Map Order	Property Name	Total Units	Year Built	Age
1	Hillcrest 2	165	2022	-
2	Hillcrest 1	180	2020	1
3	Lillier R Campell House	86	2008	13
4	Trinity Towers	230	1975	46
5	Columbia Colony Senior Residences	177	2001	20
6	Baptist Towers	510	1972	49
7	QLS Senior Apartment	120	2007	14
8	Princeton Court Senior Residences	116	2005	16
9	Gateway East Point	101	2012	9
10	Norman Berry Village Senior	93	2006	15
11	The Park at Greenbriar	209	1969	52
12	The Park at Castleton	164	1970	51
13	Columbia at Sylvan Hills	191	2007	14
14	Pavilion Place	240	1966	55
15	Crogman School Lofts	43	1920	101
16	Village at College Park	700	1970	51
17	Leyland Pointe Apartment	276	2005	16
18	Mallalieu Pointe	67	2018	3
Total/ Average		3323	1988	33

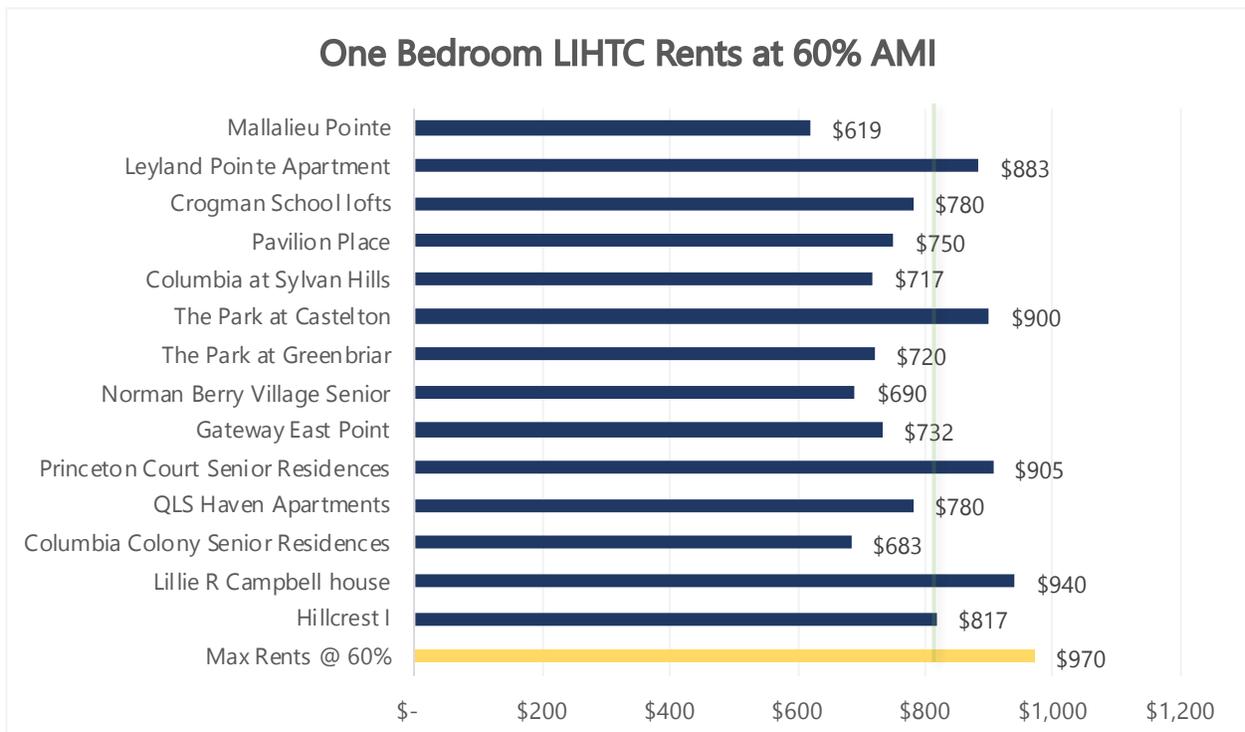
Source: AreaProbe Inc.

LIHTC COMPETITIVE ANALYSIS (continued)

2021 LIHTC MAXIMUM RENTS							
Bedrooms	30%	40%	50%	60%	70%	80%	FMR
Efficiency (1.0)	\$ 453	\$ 604	\$ 755	\$ 906	\$ 1,057	\$ 1,208	1,016
1 Bedroom (1.5)	\$ 485	\$ 647	\$ 808	\$ 970	\$ 1,132	\$ 1,294	1,040
2 Bedrooms (3.0)	\$ 582	\$ 776	\$ 970	\$ 1,164	\$ 1,358	\$ 1,552	1,185
3 Bedrooms (4.5)	\$ 672	\$ 896	\$ 1,120	\$ 1,344	\$ 1,568	\$ 1,793	1,491

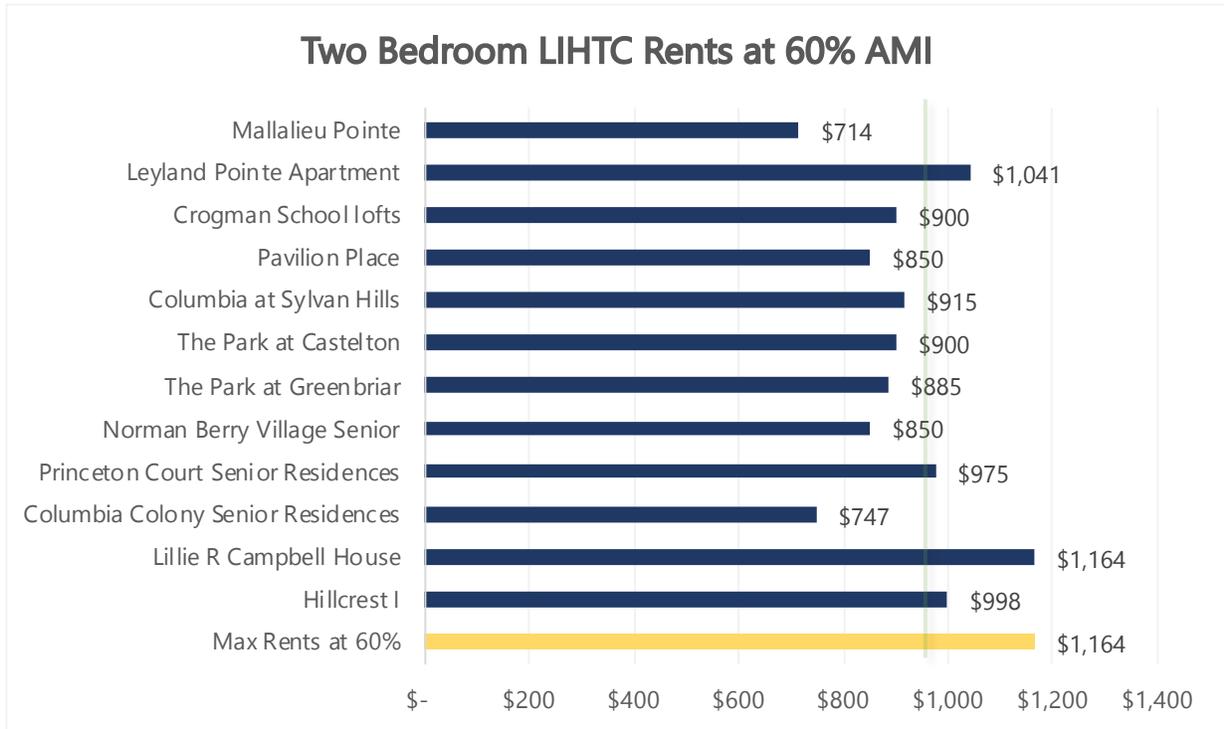
Source: Based on HUD 2021 Classifications

Current LIHTC Rental Rates v. Max Rents



Source: AreaProbe Inc., HUD 2021 Classifications

LIHTC COMPETITIVE ANALYSIS (continued)



Note: Green line signifies max rent at 50% AMI
 Source: AreaProbe Inc., HUD 2021 Classifications

Property Age	Avg. 1 BD Rent	Number of Properties
Less than 5 Years	\$ 718	2
6 - 10 Years	\$ 732	1
11 - 20 Years	\$ 776	6
Over 20 Years	\$ 788	4

Source: AreaProbe Inc

Property Age	Avg. 2 BD Rent	Number of Properties
Less than 5 Years	\$ 856	2
6 - 10 Years	-	-
11 - 20 Years	\$ 949	6
Over 20 Years	\$ 884	4

Source: AreaProbe Inc

LIHTC COMPETITIVE ANALYSIS (continued)

Rent Concessions

The LIHTC properties examined do not offer rent concessions.

Unit Distribution

Out of the 2,850 units surveyed, 1378 units (48 percent) were age restricted tax credit properties, or properties receiving subsidies. 100 percent of the age restricted affordable housing properties offered 1-bedroom units, and 85 percent offered 2-bedroom units. 12 percent offered studio units.

Impact on Existing Rental Market

There have been a few newly constructed LIHTC development projects in the East Point, GA market over the past 3-5 years; many of these projects target family households. Each new property has performed well. Fulton Pointe (delivered in 2017), Mallalieu Pointe (delivered in 2018), and Hillcrest I. Mallalieu is 100% occupied and Fulton Pointe is 97% occupied. Hillcrest I is a senior project slated to open in 2020 by TBG (The Benoit Group).

We believe Hillcrest II will be delivered at a time where senior housing is of great need. According to the demographic projections, the total number of households over the age of 65 will increase by 55 percent by 2025.

Absorption

Woda and Parallel Housing Inc. opened Mallalieu Pointe, a 67-unit LIHTC property on August 17th of 2018. 60 of the 67 units were reserved for households earning up to 60% AMI. By August 29th the property was 100% occupied with a waitlist of several hundred. This indicates an absorption rate of 60 units per month. Hillcrest I delivered 180 senior housing units to the market in 2020, the property leased all 180 units in less than 12 months.

LIHTC COMPETITIVE ANALYSIS (continued)

Property Absorption & Amenities

Map Order	Property Name	Monthly Absorption	AMI %	Waitlist	Utilities Inc.	In-Unit Amenities	Activities	Tenure
1	Hillcrest II	-	-	-	-	-	-	-
2	Hillcrest I	18	Up to 60%	Yes	W, T, E, H	W/D Hookups, Dishwasher	Resident Coordinator	-
3	Lillie R Campbell House	2	Up to 60%	18 Months	W, T, E, H	W/D Hookups, Dishwasher, Balcony	Resident Coordinator	-
4	Trinity Towers	3	Up to 60%	6 Months	S, T, W	W/D Hookups, Dishwasher	Adult Ed. Classes, Resident Coordinator	-
5	Columbia Colon Senior Residences	2	Up to 60%	36 Months	None	W/D Hookups, Dishwasher	Resident Coordinator	10+ Years
6	Baptist Towers	3	Up to 60%	5 Months	E, W	W/D Hookups, Dishwasher	None	2-3 Years
7	QLS Senior Apartments	2	Up to 60%	2 Years	S, T, W	W/D Hookups, Dishwasher	Resident Coordinator	10+ Years
8	Princeton Court Senior Residences	4	Up to 60%	12 Months	S, T, W, E, H	W/D Hookups, Dishwasher	Resident Coordinator	1-2 Years
9	Gateway East Point	2	Up to 60%	24 Months	None	W/D Hookups, Dishwasher	Resident Coordinator	5+ Years
10	Norman Berry Village Senior	2	Up to 60%	9 Months	S, T, W	W/D Hookups, Dishwasher	Resident Coordinator	1+ Years
11	The Park at Greenbriar	7	Up to 60%	None	W, T, E, H	W/D Hookups, Dishwasher	Resident Coordinator	-
12	The Park at Castelton	15	Up to 60%	None	S, T, W	W/D Hookups, Dishwasher	Resident Coordinator	1+ Years
13	Columbia at Sylvan Hills	4	Up to 60%	None	None	W/D Hookups, Dishwasher	Resident Coordinator	12+ Years
14	Pavilion Place	15	Up to 60%	None	S, T, W	W/D Hookups, Dishwasher	Resident Coordinator	10+ Years
15	Crogman School lofts	2	Up to 60%	None	T	W/D Hookups, Dishwasher	None	-
16	Village at College Park	2	Up to 60%	None	W	W/D Hookups, Dishwasher	Resident Coordinator	-
17	Leyland Pointe Apartment	4	Up to 60%	None	None	W/D Hookups, Dishwasher	Resident Coordinator	-
18	Mallalieu Pointe	2	Up to 60%	Yes	S, T, W	W/D Hookups, Dishwasher	Resident Coordinator	-

Source: AreaProbe Inc

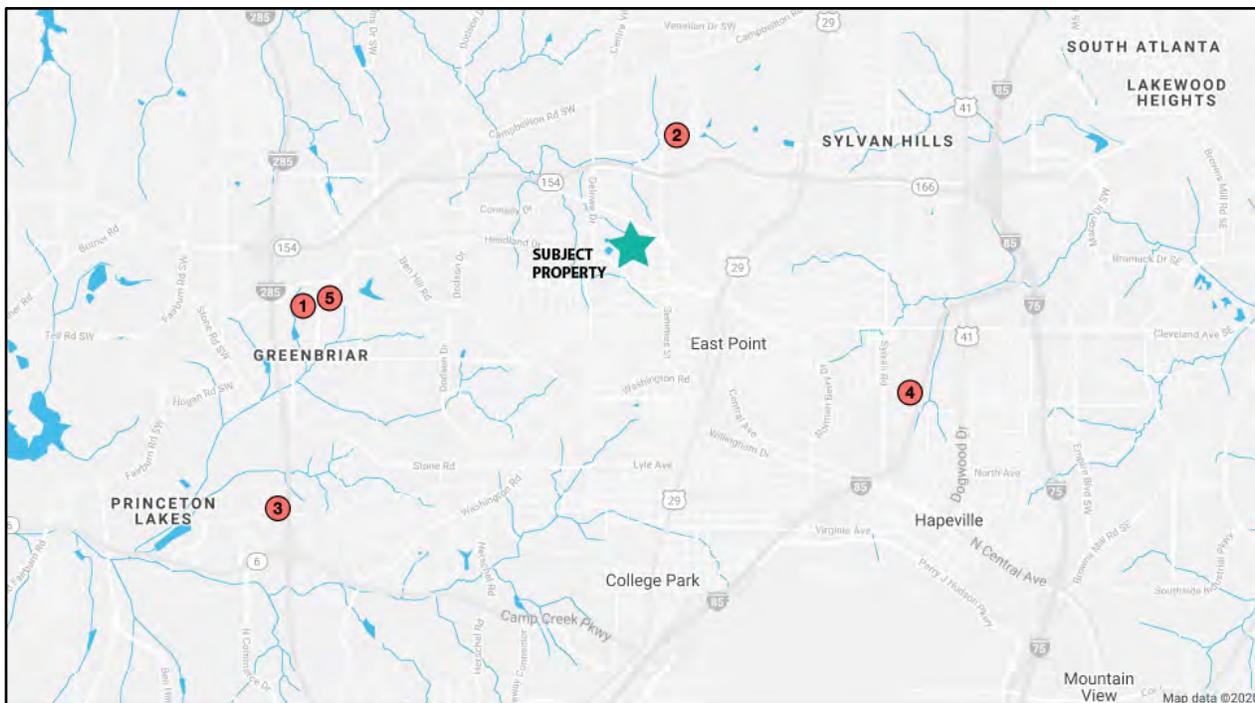
Property Name	Gated Entry	Security	Elevator	Comm. Center	Fitness Center	Pool	Bus. Center	Microwave	Laundry	Parking
Hillcrest II	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Facility	Uncovered
Hillcrest I	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Facility	Uncovered
Lillie R Campbell House	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Facility	Uncovered
Trinity Towers	Yes	Yes	Yes	Yes	No	No	Yes	No	Facility	Uncovered
Columbia Colon Senior Residences	No	Yes	Yes	Yes	Yes	No	Yes	No	Facility	Uncovered
Baptist Towers	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Facility	Uncovered
QLS Senior Apartments	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Facility	Uncovered
Princeton Court Senior Residences	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Facility	Uncovered
Gateway East Point	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Facility	Uncovered
Norman Berry Village Senior	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Facility	Uncovered
The Park at Greenbriar	No	Yes	No	Yes	Yes	Yes	Yes	No	Facility	Uncovered
The Park at Castelton	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Facility	Uncovered
Columbia at Sylvan Hills	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Facility	Uncovered
Pavilion Place	No	Yes	No	Yes	No	Yes	Yes	No	In-Unit	Uncovered
Crogman School lofts	No	Yes	-	Yes	Yes	No	Yes	No	Facility	Uncovered
Village at College Park	No	Yes	No	No	No	No	No	No	Facility	Uncovered
Leyland Pointe Apartment	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Facility	Cover/Garage
Mallalieu Pointe	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Facility	Uncovered

Source: AreaProbe Inc

MARKET RATE ANALYSIS

AreaProbe interviewed five market rate properties (958 units) to examine current rental rates and absorption. The closest market rate comp to the Subject is Village Highlands, a 3-story, 258-unit garden style apartment complex completed in 2005.

Village Highlands is 99 percent occupied with a waitlist for one-bedroom apartments, and three vacant two-bedroom apartment units. The property absorbs roughly 12 units per month according to a phone survey conducted by AreaProbe for this report. Below is a summary of our findings.



Source: Google Maps, AreaProbe

Map Order	Property Name	Address	City	State	Zip	Total Unit	Yr Built/ Renovated	Distance
1	Village on the Green	2975 Continental Colony Pky SW	Atlanta	GA	30331	216	2004	3.6
2	Village Highland	1932 Stanton Rd	East Point	GA	30344	258	2005	0.5
3	Redwine Creek	3507 Redwine Rd	East Point	GA	30344	175	2005	6.3
4	Hidden Oaks	2950 Springdale Rd SW	Atlanta	GA	30315	100	1978/2012	3.2
5	The Park at Greenbriar	3000 Continental Colony Pky	Atlanta	GA	30331	209	1969	3.3
Total/Average						958	1992	

Source: AreaProbe Inc

MARKET RATE ANALYSIS (continued)

The average building occupancy rate in the PMA based on the surveyed properties is 96 percent. Most of the property had a limited number of one- and two-bedroom units available; three bedrooms were more widely available for rent.

Map Order	Property Name	Occ. Rate	1 BD Rent	1 BD SF	1 BD PSF	2 BD Rent	2 BD SF	2 BD PSF
1	Village on the Green	99%	\$ 1,307	884	\$ 1.48	\$ 1,479	1161	\$ 1.27
2	Village Highland	99%	\$ 880	789	\$ 1.12	\$ 1,050	1146	\$ 0.92
3	Redwine Creek	98%	\$ 1,290	768	\$ 1.68	\$ 1,315	1146	\$ 1.15
4	Hidden Oaks	100%	\$ 790	750	\$ 1.05	\$ 990	900	\$ 1.10
5	The Park at Greenbriar	93%	\$ 720	700	\$ 1.03	\$ 885	900	\$ 0.98
Total/Average		98%	\$ 997	778	\$ 1.27	\$ 1,144	1051	\$ 1.08

Source: AreaProbe Inc

Market Rate Rents v. LIHTC Max Rents

2021 LIHTC MAXIMUM RENTS							
Bedrooms	30%	40%	50%	60%	70%	80%	FMR
Efficiency (1.0)	\$ 453	\$ 604	\$ 755	\$ 906	\$ 1,057	\$ 1,208	1,016
1 Bedroom (1.5)	\$ 485	\$ 647	\$ 808	\$ 970	\$ 1,132	\$ 1,294	1,040
2 Bedrooms (3.0)	\$ 582	\$ 776	\$ 970	\$ 1,164	\$ 1,358	\$ 1,552	1,185
3 Bedrooms (4.5)	\$ 672	\$ 896	\$ 1,120	\$ 1,344	\$ 1,568	\$ 1,793	1,491

Source: Based on HUD 2021 Classifications



MARKET RATE ANALYSIS (continued)



Note: Green line signifies max rent at 50% AMI

Source: Based on HUD 2021 Classifications, AreaProbe Inc.

Market Rate Property Amenities

Map Order	Property Name	Concessions	Waitlist	Gated Entry	Security	Elevator	Community Center	Fitness Center	Pool	Business Center
1	Village on the Green	None	None	Yes	Yes	No	Yes	Yes	Yes	Yes
2	Village Highlands	None	Waitlist for 1 BD	No	Yes	No	No	Yes	Yes	No
3	Redwine Creek	None	None	Yes	Yes	No	Yes	Yes	Yes	Yes
4	Hidden Oaks	None	None	Yes	Yes	No	No	No	No	No
5	The Park at Greenbriar	None	None	No	Yes	No	Yes	Yes	Yes	Yes

Source: AreaProbe Inc

Each of the surveyed properties offered security in the form of either controlled access or cameras. 4 out of the 5 sites (80 percent) offered a fitness center and pool. 60 percent offered a business and community center.

MARKET RATE ANALYSIS (continued)

Market Rate In-Unit Amenities

Some of comparables offered microwaves in select units; Redwine Creek was the only property that confirmed having microwaves throughout their properties. Washer and dryer hookups were standard in the apartments with an option to rent. Redwine Creek has washers and dryers in each unit.

Property Name	Microwave	Laundry	Parking	Flooring	Utilities	In-Unit Amenities	Patio
Village on the Green	No	Facility	Lot	Wood	None	Dishwasher, W/D Hookups	Yes
Village Highland	No	Facility	Lot	Carpet & Wood	None	Dishwasher, W/D Hookups	No
Redwine Creek	Yes	In-Unit	Lot	Carpet & Wood	None	Dishwasher, W/D Hookups	Yes
Hidden Oaks	No	Facility	Lot	Wood	Included	Dishwasher, W/D Hookups	No
The Park at Greenbriar	No	Facility	Lot	Carpet & Wood	Gas	Dishwasher, W/D Hookups	Yes

Source: AreaProbe Inc

Market Rate Absorption

The sites examined had a monthly absorption rate of 10-20 units per month. Based on this trend (avg. 15 units), the five market rate properties at the Subject would be absorbed in less than two weeks.

Market Rate Parking

Parking is free for all properties reviewed.

Market Rate Concession

Based on phone conversations with local managers, there are no rental concessions for the market rate units.

Average Renter Tenure

The average renter stays in an apartment for 1-2 years in this PMA.

Impact on Existing Rental Market

We believe the five market rate units at the property will do well according to data collected on comparable units within the PMA. Hillcrest II will be the newest apartment complex outside of

MARKET RATE ANALYSIS (continued)

Hillcrest I; the property amenities are on par with the existing supply which should help the units absorb relatively quickly.

Market Rate vs. LIHTC Rent Comparison

The difference in rental rates between the LIHTC and market rate units can be seen below. One-bedroom LIHTC units at 60 percent AMI were priced \$105.18 less than the average market rate apartment, and \$168.60 less than the average two-bedroom market rate unit. On a PSF (price per square foot) basis, the rental rates did not have a significant spread.

MARKET RATE COMPARISON								
	1 BD Rent		1 BD SF		2 BD Rent		2 BD PSF	
LIHTC Average @ 60%	\$	780	\$	1.12	\$	912	\$	0.92
Market Rate	\$	997	\$	1.27	\$	1,144	\$	1.08
LIHTC Difference	\$	(217)	\$	(0)	\$	(232)	\$	(0)

Source: AreaProbe Inc.

PLANNED / IN-PROGRESS PIPELINE

To assess the planned in-progress opportunities near the Subject property, AreaProbe utilized the 2019 and 2020 DCA LIHTC application list. We identified two projects that are planned. Below are brief descriptions of each. Neither of these projects have received LIHTC funding.

55 Milton



55 Milton is a planned affordable housing development project in Peoplestown. The project is slated to have 136 residential units, 118- of which will be reserved for affordable housing at 60 percent AMI. 55 Milton will consist of a mix of units for family households at 40,60, and 80 percent AMI.

True Light Haven



True Light Haven is a planned 124-unit 55+ senior community. 119-units will be designated for households earning 60 percent AMI, and 5-units will be rented to those earning 50% AMI. The project will be located at 1810 Anderson Avenue. According to the project narrative for the proposed project, amenities at the property will include a "community room with kitchenette, a laundry room, property management office and reception room, the project's common area amenities also include at least

PLANNED / IN-PROGRESS PIPELINE (continued)

one home health care office for basic health exams, a mailroom, a multi-purpose/family room, a computer room with four computer stations and printer. The 4.5-acre site is located across the street from City of Atlanta Anderson Park walking trails and park and is within ¼ mile to the Westlake Marta HUB.

Individual unit amenities include ranges, refrigerators, dishwashers, garbage disposals, microwaves, washer/dryer hook-ups, split system air conditioning, ceiling fans in the major living spaces, and window coverings. Units also include intercoms and e-call systems to increase residents' security and safety. All utilities will be paid by the owner, relieving the residents of the additional stress of tracking and budgeting for utility bills."

J. ABSORPTION & STABILIZATION RATES

DCA Requirements:

The study should provide an estimation of the time the project will take to reach 93% occupancy considering such factors as new household growth, current market vacancy rates, the availability of 2021 Market Study Manual DCA Housing Finance and Development Division 9 of 9 subsidies, household turnover, the effect of other development in the area, and rent specials. A written statement is required if the vacancy and stabilization rates for the applicable Primary Market Areas are not within DCA's maximum (7% and 24 months, respectively) and whether high vacancy rates will occur. The analyst should consider what historical absorption rates for comparable properties have been.

Response:

We believe the property will lease 18-20 units per month. At this rate, the subject property will reach a stabilized occupancy (93 percent occupancy) within eight months. Absorption estimates are based on the following factors: senior household growth, qualified renter households, demand estimates, existing rental market conditions, and the amenities at the proposed site.

- The market area is projected to add 1,205 households with householders age 62+ per year from 2020 to 2025 for annual growth of 3.8 percent.
- Approximately 2,848 renter households (62+) will be income-qualified for one or more units when accounting for PBRA on all units. This equates to a capture rate of 2.8 percent with PBRA.

J. INTERVIEWS

AreaProbe interviewed a number of local stakeholders to finalize this report. At the time of this analysis the Housing Choice Voucher list for East Point, GA was closed according to the representative interviewed. The representative noted The Fairburn Housing Authority is scheduled to open its waiting list on February 10th to 400 households. The Atlanta Housing Authority claimed there were more than 30,000 names on their internal list.

K. CONCLUSION & RECOMMENDATIONS

Without PBRA the project presents some challenges for the one-bedroom units at Max LIHTC rents. However, based on the sensitivity analysis presented by the client, Hillcrest II intends to lease at reduced price from max LIHTC rents which positions the units closer to the 50 percent AMI band after applying the utility allowance. \$761 for the one- bedroom units, and \$905 for the two-bedroom. We believe the amenity package is superior to the comparables in the market and expect the project to reach stabilization relatively quickly (8 to 9 months).

L. SIGNED STATEMENT REQUIREMENTS

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

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

C.M. Leatham
Curvin Leatham, CRE
Founder & CEO
AreaProbe Inc.

APPENDIX

Certificate of Professional Designation

This certificate verifies that

Curvin Leatham
AreaProbe

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2021 to 12/31/2021



A handwritten signature in black ink, appearing to read 'Thomas Amdur'.

Thomas Amdur
President, NCHMA

Our team consists of individuals with advanced degrees in City & Regional Planning, Real Estate Development, Real Estate Finance, and Geospatial Analytics. We leverage technology to better assess demand and trends via our proprietary digital platform - AreaProbe Decision Analysis System.

Since its inception, AreaProbe has completed market studies and feasibility studies for investment banks, private equity firms, affordable and market rate housing developers, retail brokers and developers, and public sector agencies. In 2016 and 2018, AreaProbe was selected by Entrepreneur Magazine as one of the top 360 companies to watch, and in 2017, the firm was selected by the US Department of State as a Delegate for the Entrepreneurship/Technology Summit in Hyderabad, India.

PRACTICE AREAS & SERVICES

- LIHTC Market Studies
- Market Rate / Workforce Housing Studies
- HUD Rent Studies
- Commercial Appraisals
- Brand/Retail Perception Analysis
- Highest & Best Use Analysis
- Hotel Feasibility Studies
- Economic Development Strategy
- Property Needs Assessments
- Community Survey/Engagement
- Healthcare Studies
- Senior Housing
- Retail Strategy & Planning
- Financial Feasibility
- Inclusive Communities

PROFESSIONAL AFFILIATIONS

- African American Real Estate Professionals
- DC Building Industry Association
- Minority Diversity Supplier Network
- Avante Grande
- National Council of Housing Market Analyst
- Assoc. for Housing & Non Profit Developers
- EB-5 Association (IIUSA)
- Urban Land Institute
- Women of Color in Community Development
- National Housing & Rehabilitation Association

PERSONNEL

Mr. Curvin Leatham is the Founder and Chief Executive Officer for AreaProbe. Mr. Leatham received his undergraduate degree from Hampton University, and a graduate degree in Real Estate Development and Finance from Georgetown University. He lives in Congress Heights with his wife and 2-year-old daughter.

Mr. Edward Faustin is Co-Founder and Operations lead for AreaProbe. Mr. Faustin received his undergraduate degree from the University of Notre Dame and graduate degrees in City Planning and Urban Spatial Analytics from the University of Pennsylvania.

Ms. Ericka Simmons is a Columbia University educated Valuation & Investment Services expert. Ericka provides commercial appraisals in New York, Maryland, District of Columbia, Virginia, and Pennsylvania.

Mr. Christopher Pierce is a graduate of George Washington University & Northeastern University. He received his undergraduate degree in Urban Planning and Community Development from Northeastern, and an MBA from GWU. Mr. Pierce conducts property needs assessments, and is in training to become a commercial appraiser. He lives in the fourth Ward of Washington, DC with his wife and two children.