

ENGLEWOOD APARTMENTS

Affordable Housing Study



Market Study

Submitted to:

Ms. Raven Thompson

The Benoit Group

Date: April 30, 2022

Report Prepared By:





April 30, 2022

Ms. Raven Thompson
Development Manager
The Benoit Group

Re: Market Study – Englewood Market Rate

Dear Ms. Thompson,

Attached is our market study for the construction of a new 200-unit mixed-income housing project at 505 Englewood Avenue SE in Atlanta, GA.

This Study details rental income of low- and moderate- income housing to determine current market demand and potential competition in the sub-market. The report shows full market support for the development based on the information provided for this study. This assessment is prepared according to the 2022 NCHMA market study requirements and the DCA requirements. We fully support the development as proposed.

Sincerely,

C.M. Leatham

Curvin Leatham, CRE
Founder & Chief Executive Officer
AreaProbe Inc.
NCHMA Member Approved Market Analyst



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Executive Summary

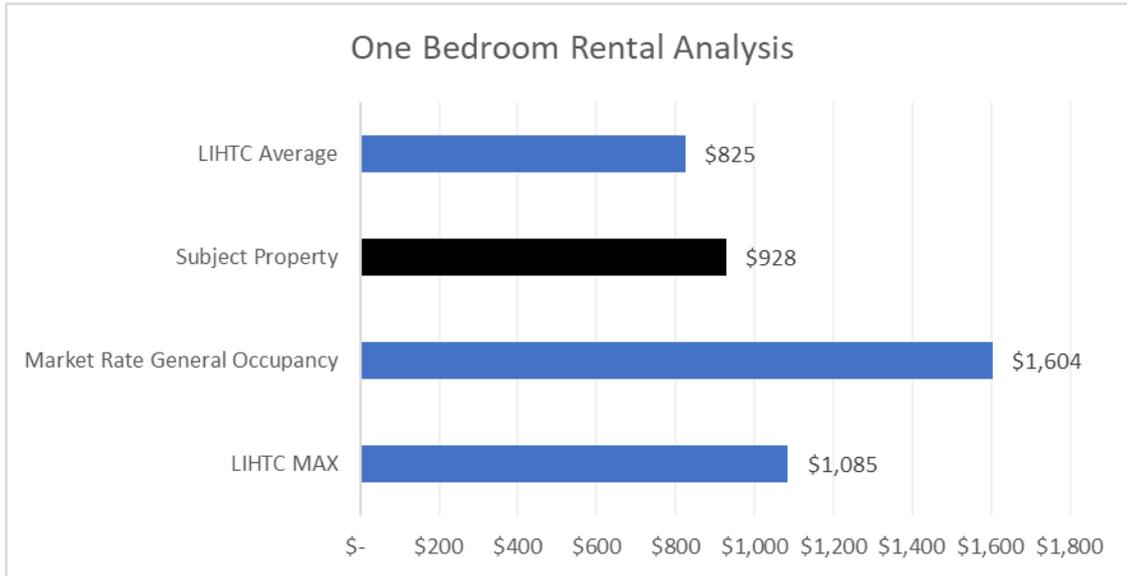
Summary Table:

Development Name:	Engelwood Multi-Family Apartments	Total # Units:	200
Location:	505 Englewood Avenue SE	# LIHTC Units:	160
PMA Boundary:			
North:	Englewood Avenue SE	Farthest Boundary Distance to Subject:	14.1 miles
East:	Boulevard SE		
West:	Gault St SE		
South:	Roberts Dr SE		

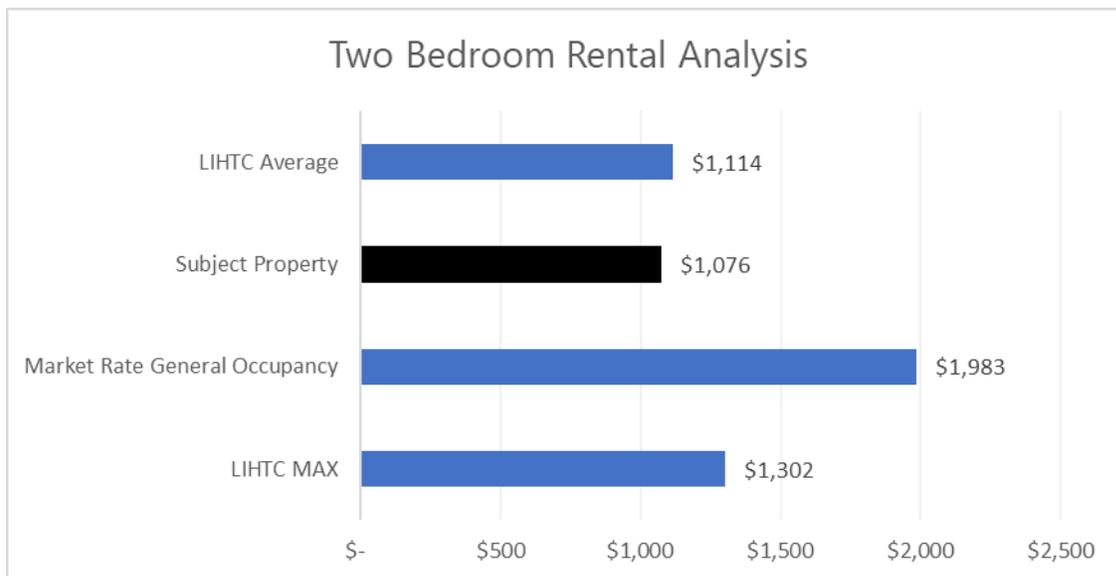
RENTAL HOUSING STOCK (found on page __)

Type	# Properties	Total Units	Vacant Units	Average Occupancy					
All Rental Housing	15	3285	70	98	%				
Market-Rate Housing	9	2190	66	97	%				
<i>Assisted/Subsidized Housing not to include LIHTC</i>	0	0	0	0	%				
LIHTC	6	1095	4	99	%				
Stabilized Comps	6	1095	4	99	%				
Properties in Construction & Lease Up	0	0	0	0	%				
Subject Development				Achievable Market Rent		Highest Unadjusted Comp Rent			
# Units	# Beds	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
53	1 BR	1	715	\$ 928	\$ 1100	\$ 1.54	18.5 %	\$ 2125	\$ 2.84
100	2 BR	1	950	\$ 1,076	\$ 1450	\$ 1.53	39 %	\$ 2835	\$ 2.56
7	3 BR	1	1150	\$ 1,204	\$ 1725	\$ 1.50	45.3 %	\$ 3200	\$ 2.06
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$

Rental Comparison

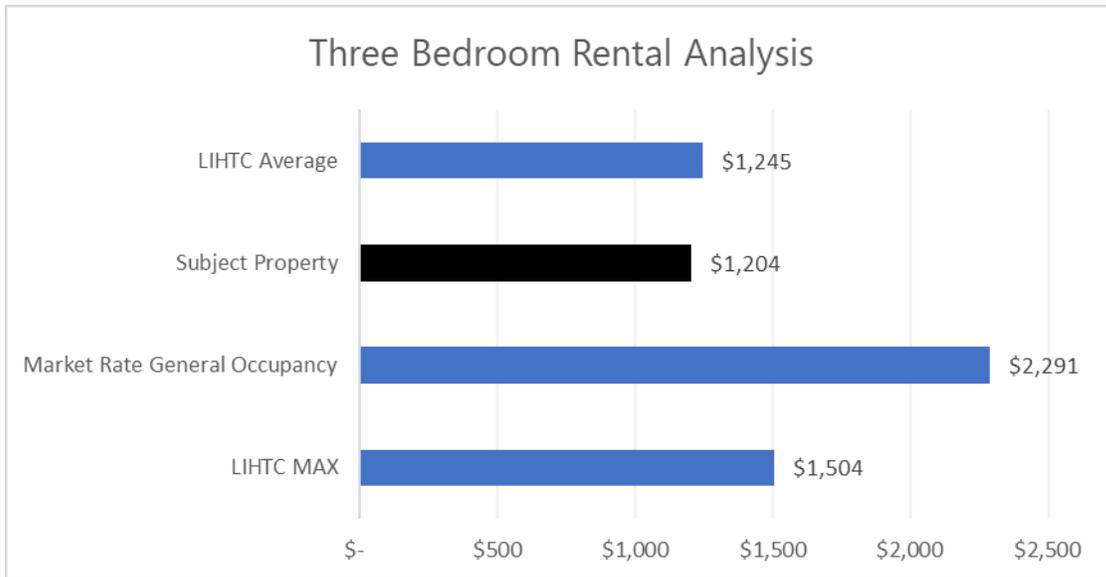


Source: AreaProbe Inc.
Note: LIHTC Max at 60% AMI



Source: AreaProbe Inc.
Note: LIHTC Max at 60% AMI

Rental Comparison



The information displayed on the previous page indicate a significant difference between market rate rentals, and the existing LIHTC market. The results show the disparity between the product types are above the 20 percent threshold which signifies that the market rate rental product does not compete with the affordable housing supply in the local area.

One Bedroom Floorplan			
Threshold Analysis	Rental Amount	\$ Diff	% Diff
Proposed Rents	\$ 928	-	-
Average Market Rate (Gen. Occ)	\$ 1,604	\$ (598)	73%
LIHTC Average	\$ 825	\$ 103	11%

Source: AreaProbe Inc.

Two Bedroom Floorplan			
Threshold Analysis	Rental Amount	\$ Diff	% Diff
Proposed Rents	\$ 1,076	-	-
Average Market Rate (Gen. Occ)	\$ 1,983	\$ (790)	84%
LIHTC Average	\$ 1,114	\$ (38)	4%

Source: AreaProbe Inc.

EXECUTIVE SUMMARY

Three Bedroom Floorplan			
Threshold Analysis	Rental Amount	\$ Diff	% Diff
Proposed Rents	\$ 1,204	-	-
Average Market Rate (Gen. Occ)	\$ 2,291	\$ (790)	90%
LIHTC Average	\$ 1,245	\$ (41)	3%

Source: AreaProbe Inc.

Strengths & Weaknesses

Strengths:

- Client has past development experience serving this target market
- Client has an in-house property management team with experience catering to this demographic
- New ground up development
- Proposed rents are significantly below market rents
- Site is situated across from a local park

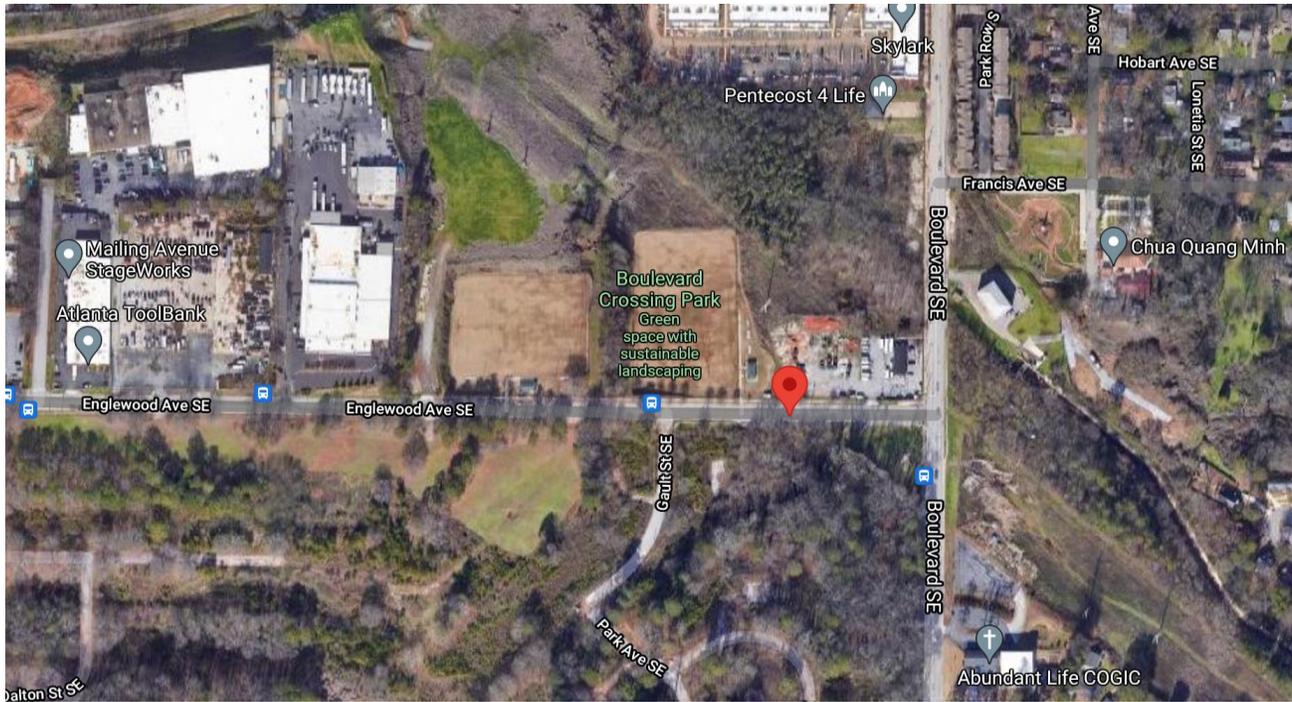
Weaknesses:

- No immediate retail within walking distance

Project Description

C. PROJECT DESCRIPTION

Aerial View - Subject Property Location



Source: GoogleMaps

Subject Property: 505 Englewood Avenue SE, Atlanta GA

Property Boundaries

North: Englewood Avenue SE

East: Boulevard SE

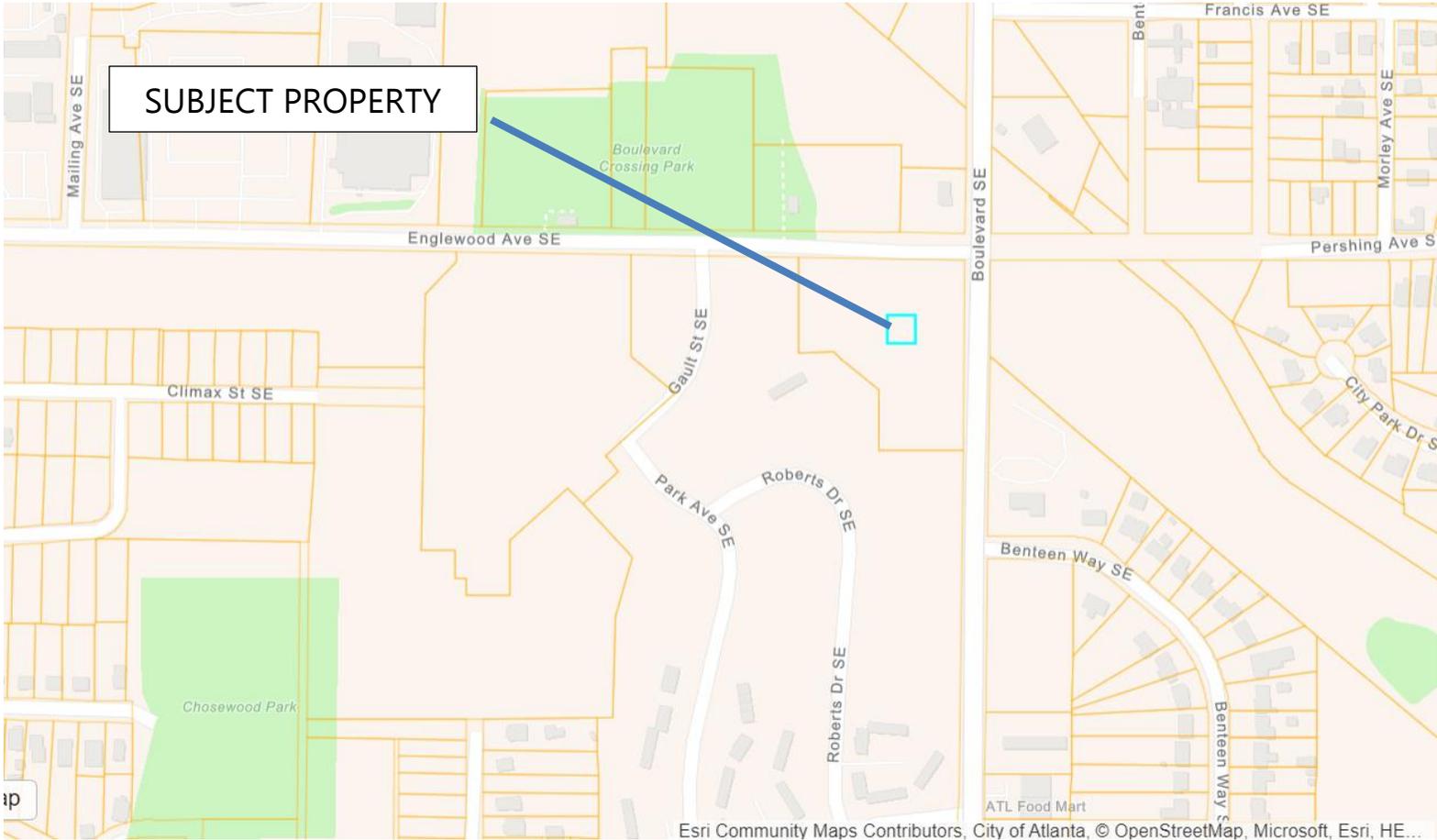
West: Gault St SE

South: Roberts Dr SE

Closest Street: Boulevard SE

PROJECT LOCATION

Subject Property Location



Esri Community Maps Contributors, City of Atlanta, © OpenStreetMap, Microsoft, Esri, HE...

Source: <https://gis.atlantaga.gov/>

PROJECT DESCRIPTION

Walk Score classifies the area as a car-dependent community where most errands require a car.

Walk Score: 21/100 – Car Dependent. Almost all errands require a car.

Transit Score: 37/100 – Some Transit. There are a few nearby public transportation options.

Bike Score: 20/100 – Somewhat Bikeable. Minimal bike infrastructure.

Visibility: The Subject will be visible off the main thoroughfare when completed.

Flood Zone: Area of Minimal Flood Hazard; FEMA Area Number: 13121C0376G, effective 9/18/2013

Zoning Ordinance: MRC-3-C, Mixed Residential Commercial

Neighborhood: Chosewood Park

County: Fulton County, GA

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

AMI Mix Distribution

UNIT	UNIT TYPE	NUMBER OF UNIT	UNIT SF	SET ASIDE	% OF Total Units
1 BR		14	715	Market	7.0%
1 BR		53	715	60% HFX	26.5%
2 BR		24	950	Market	12.0%
2 BR		47	950	60% HFX	23.5%
2 BR		53	950	60% AMI	
3 BR		2	1150	Market	1.0%
3 BR		7	1150	60% HFX	3.5%

Source: The Benoit Group

PROJECT DESCRIPTION

Proposed Rents

UNIT	NUMBER OF UNIT	UNIT SF	SET ASIDE	% OF Total Units	MAXIMUM GROSS RENTS	UTILITY ALLOWANCES	MAXIMUM NET RENT	PROPOSED CONTRACT RENT
1	14	715	Market	7%				\$ 1,525
1	53	715	60% HFX	27%	\$ 1,085	\$ 157	\$ 928	\$ 928
2	24	950	Market	12%				\$ 1,950
2	47	950	60% HFX	24%	\$ 1,302	\$ 226	\$ 1,076	\$ 1,076
2 BR	53	950	60% AMI		\$ 1,302	\$ 226	\$ 1,076	\$ 1,076
3	2	1150	Market	1%				\$ 2,100
3	7	1150	60% HFX	4%	\$ 1,504	\$ 300	\$ 1,204	\$ 1,204

Source: The Benoit Group

Unit Mix Distribution

LIHTC			
UNIT	NUMBER OF UNIT	UNIT SF	SET ASIDE
1 BR	53	715	60% HFX
2 BR	47	950	60% HFX
2 BR	53	950	60% AMI
3 BR	7	1150	60% HFX
Total	160		
Market Rate			
1 BR	14	715	Market
2 BR	24	950	Market
3 BR	2	1150	Market
Total	40		

Source: The Benoit Group

Purpose: Mixed-Income Family housing targeting households

AMI Target: 0-60% AMI

D. SITE EVALUATION – SUBJECT PROPERTY PHOTOS

Subject Property Photos



Source: AreaProbe Inc. - 7/1/2021 – Subject Property



Source: AreaProbe Inc. - 7/1/2021 – Subject Property



Source: AreaProbe Inc. - 2/17/2022 – Subject Property



Source: AreaProbe Inc. - 2/17/2022 – Subject Property



Source: AreaProbe Inc. - 2/17/2022 – South of Subject



Source: AreaProbe Inc. - 2/17/2022 – Subject Property

D. SITE EVALUATION – SUBJECT PROPERTY PHOTOS



Source: AreaProbe Inc. - 2/17/2022 – Subject Property



Source: AreaProbe Inc. - 2/17/2022 – Subject Property



Source: AreaProbe Inc. - 2/17/2022 – West of Property



Source: AreaProbe Inc. - 2/17/2022 – West of Property



Source: AreaProbe Inc. - 2/17/2022 – North of Property



Source: AreaProbe Inc. - 2/17/2022 – North of Property

D. SITE PHOTOS – SURROUNDING AREA

Surrounding Area Photos



Source: AreaProbe Inc. - 2/17/2022 – Blvd Crossing Park



Source: AreaProbe Inc. - 2/17/2022 – Blvd Crossing Park



Source: AreaProbe Inc. - 2/17/2022 – Blvd Crossing Park



Source: AreaProbe Inc. - 2/17/2022 – Charter School



Source: AreaProbe Inc. - 2/17/2022 – New Apartments



Source: AreaProbe Inc. - 2/17/2022 – Moreland Walk Condos

D. SITE PHOTOS – SURROUNDING RETAIL



Source: AreaProbe Inc. - 2/17/2022 – Aldi Grocery Store



Source: AreaProbe Inc. - 2/17/2022 – Moreland Retail Ctr.



Source: AreaProbe Inc. - 2/17/2022 – CVS Moreland Ave



Source: AreaProbe Inc. - 2/17/2022 – 381 Moreland Ave



Source: AreaProbe Inc. - 2/17/2022 – Metropolitan Pkwy



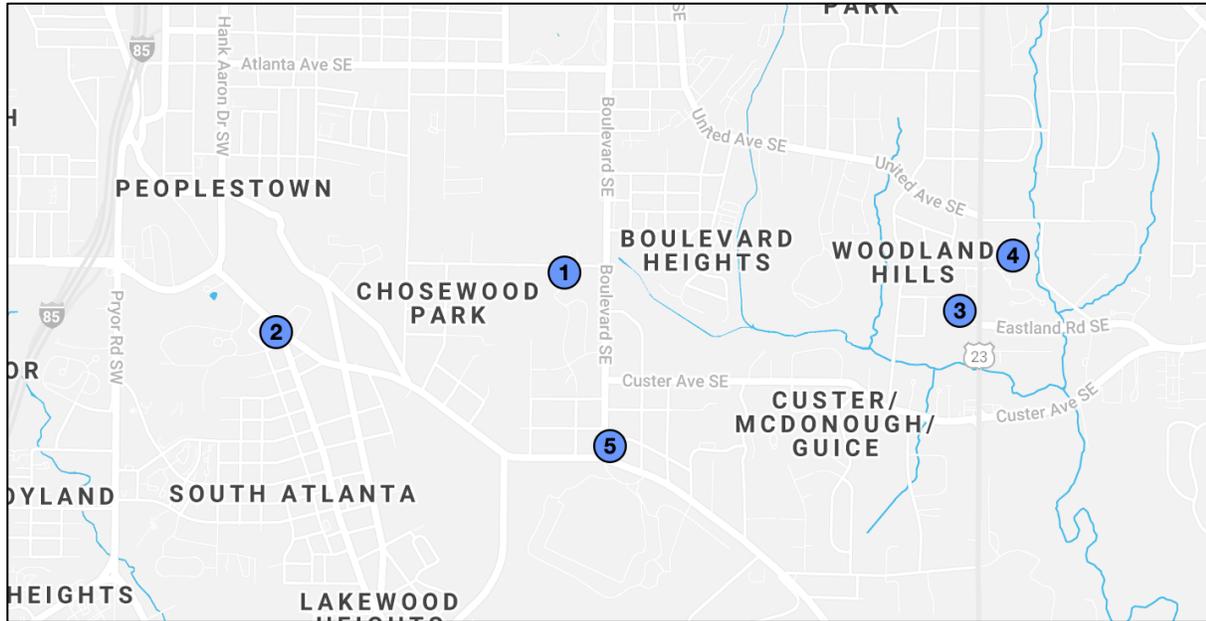
Source: AreaProbe Inc. - 2/17/2022 – Value Village

Neighborhood Amenities

NEIGHBORHOOD AMENITIES – ACCESS TO FOOD

Access to Food

Below show the nearest grocery stores within the subject property. The locations below are within a 2-mile radius and individuals can easily commute between these four different grocery stores.



Source: BatchGeo, AreaProbe Inc.

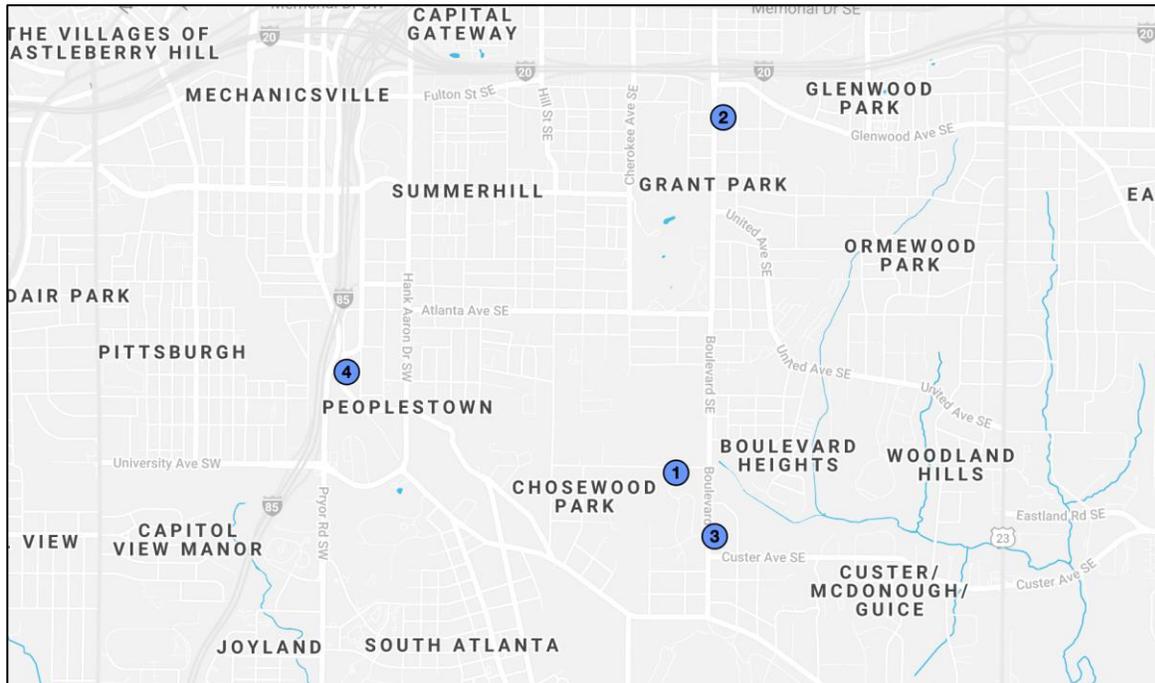
GROCERY STORE LOCATIONS				
Map Order	Store Name	Address	City	Distance
1	Subject Property	535 Englewood Avenue SE	Atlanta, GA	-
2	Carver Neighborhood Market	1297 McDonough Blvd SE	Atlanta, GA	2.1 mi
3	Piggly Wiggly	1257 Moreland Ave SE	Atlanta, GA	1.9 mi
4	Kroger	1160 Moreland Ave SE	Atlanta, GA	2.1 mi
5	El Progreso #14	1460 Boulevard SE	Atlanta, GA	0.6 mi

Source: BatchGeo, GoogleMaps, AreaProbe Inc.

NEIGHBORHOOD AMENITIES - HEALTHCARE

Access to Healthcare

Below shows the three nearest healthcare service centers to the Subject property. Nearby locations include pharmacies, clinics, and medical centers.



Source: BatchGeo, AreaProbe Inc.

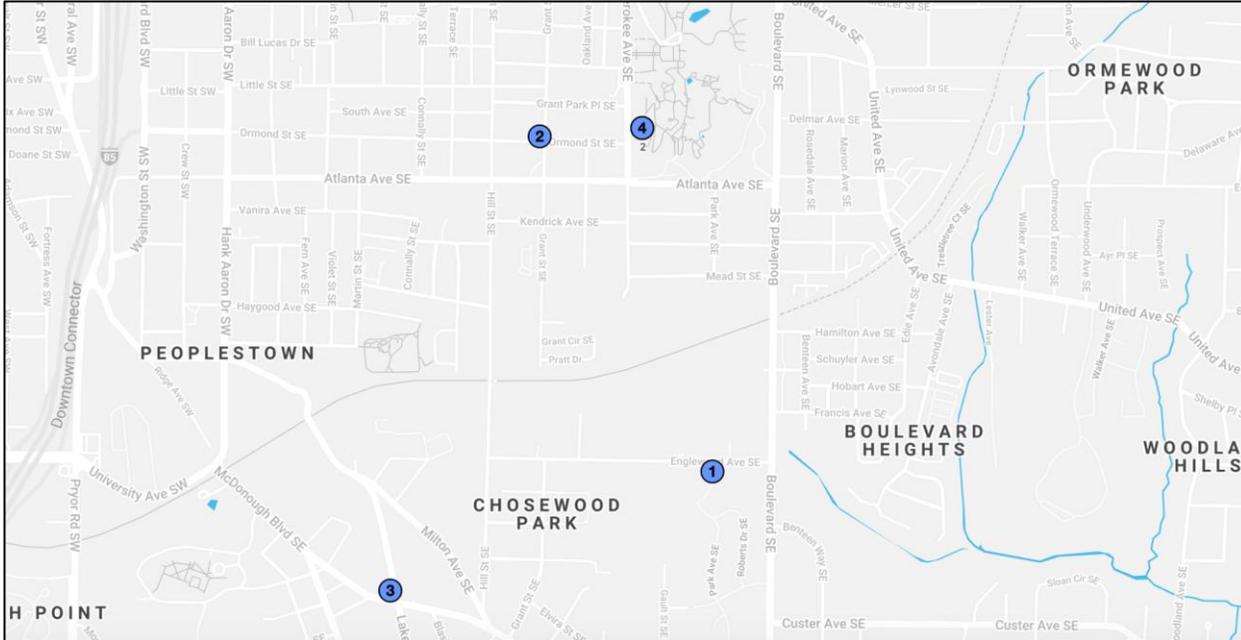
HEALTHCARE LOCATIONS				
Map Order	Healthcare Type	Address	City	Distance
1	Subject Property	535 Englewood Avenue SE	Atlanta, GA	-
2	CVS Pharmacy	520 Boulevard SE	Atlanta, GA	1.4 mi
3	Grant Park Clinic	1340 Boulevard SE	Atlanta, GA	0.3 mi
4	Southside Medical Center	1046 Ridge Ave SW	Atlanta, GA	2.0 mi

Source: BatchGeo, GoogleMaps, AreaProbe Inc.

NEIGHBORHOOD AMENITIES – LOCAL RESTAURANTS

Local Restaurants

The graph shown below reflects the four closest restaurants to the subject property.



Source: BatchGeo, AreaProbe Inc.

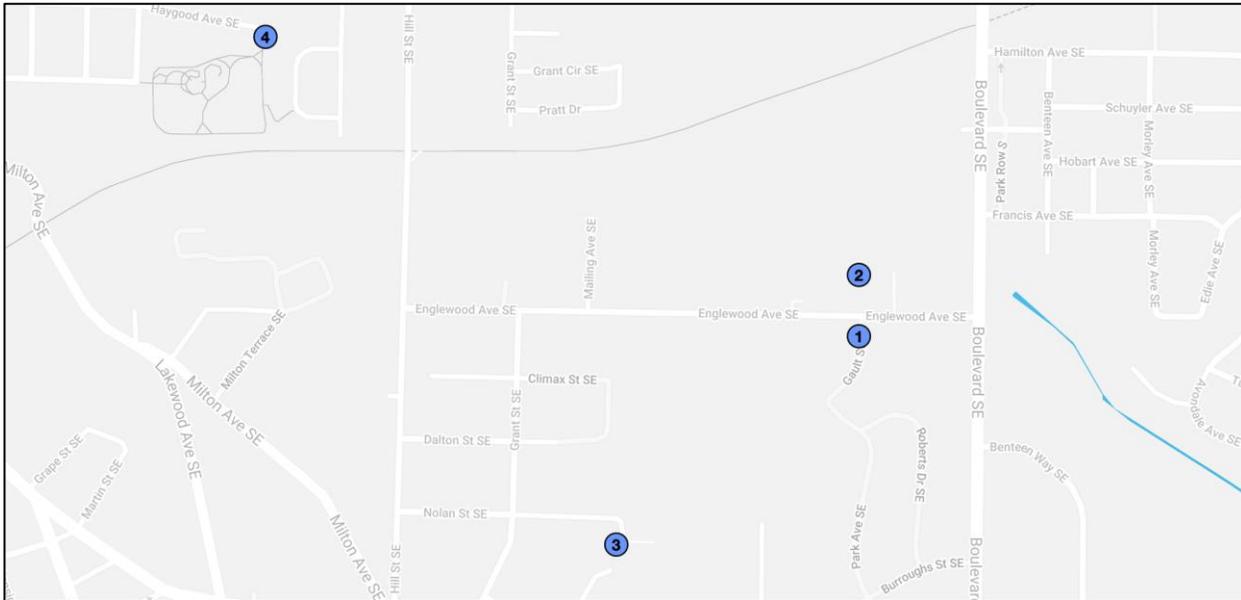
RESTAURANT LOCATIONS				
Map Order	Restaurant Name	Address	City	Distance
1	Subject Property	535 Englewood Avenue SE	Atlanta, GA	-
2	Mediterranea	332 Ormond St SE	Atlanta, GA	1.3 mi
3	The Shack BBQ & Seafood	186 McDonough Blvd	Atlanta, GA	1.3 mi
4	Wild Planet Cafe	800 Cherokee Ave	Atlanta, GA	0.9 mi
5	The Grill Shack	800 Cherokee Ave	Atlanta, GA	0.9 mi

Source: BatchGeo, GoogleMaps, AreaProbe Inc.

NEIGHBORHOOD AMENITIES – PUBLIC PARKS

Access to Public Parks

Below are four public parks near the subject property. Boulevard Crossing is the closest location; residents can walk to the site within less than one minute.



Source: BatchGeo, AreaProbe Inc

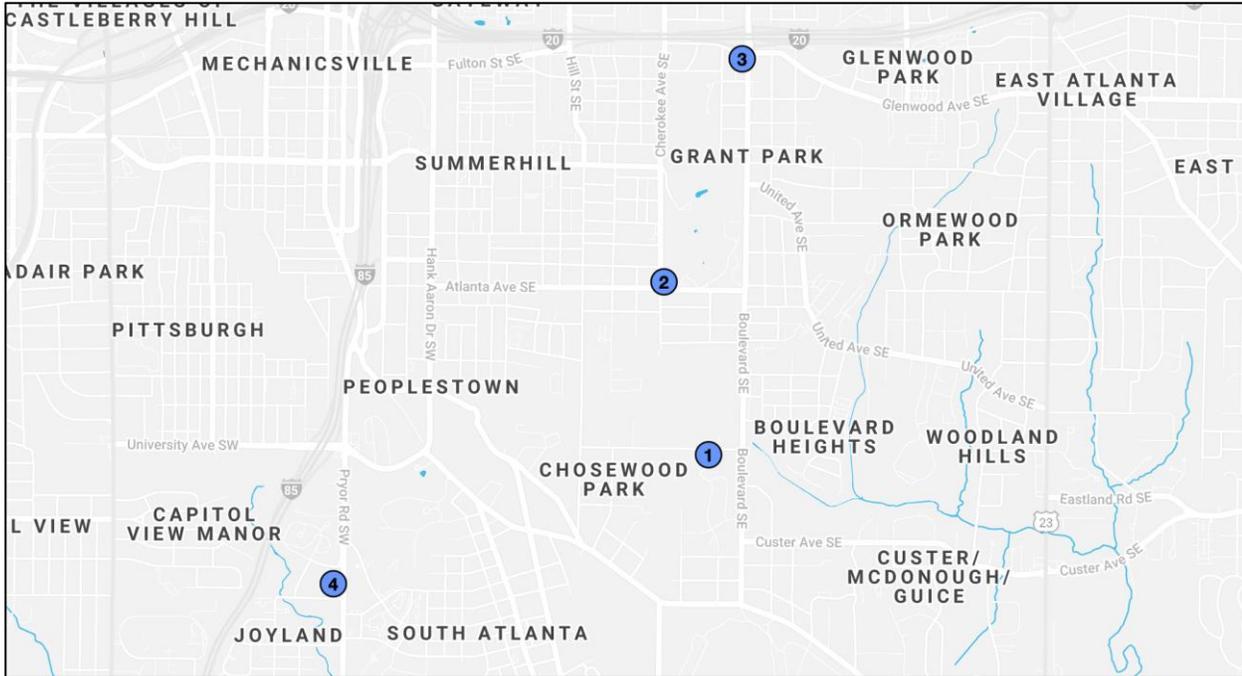
ACCESS TO PUBLIC PARKS				
Map Order	Public Parks	Address	City	Distance
1	Subject Property	535 Englewood Avenue SE	Atlanta, GA	-
2	Boulevard Crossing Park	500 Englewood Ave SE	Atlanta, GA	6.6 ft
3	Chosewood Park	401 Nolan St SE	Atlanta, GA	0.7 mi
4	D.H. Stanton Park	213 Haygood Ave SE	Atlanta, GA	1.2 mi

Source: BatchGeo, GoogleMaps, AreaProbe Inc.

NEIGHBORHOOD AMENITIES – PUBLIC SERVICES

Access to Public Services

The map shown below depict the nearest public service location to the Subject.



Source: BatchGeo, AreaProbe Inc

ACCESS TO PUBLIC SERVICES				
Map Order	Public Service Location	Address	City	Distance
1	Subject Property	535 Englewood Avenue SE	Atlanta, GA	-
2	Atlanta Police Dept. Zone 3	880 Cherokee Ave SE	Atlanta, GA	1.1 mi
3	Atlanta Fire Dept. Station 10	447 Boulevard SE	Atlanta, GA	2.2 mi
4	Southeast Atlanta Library	1463 Pryor Rd SW	Atlanta, GA	2.8 mi

Source: BatchGeo, GoogleMaps, AreaProbe Inc

Flood Zone Map

National Flood Hazard Layer FIRMette



84°22'32"W 33°43'31"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		Area of Minimal Flood Hazard Zone X
		Area of Undetermined Flood Hazard Zone B
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/3/2022 at 11:39 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

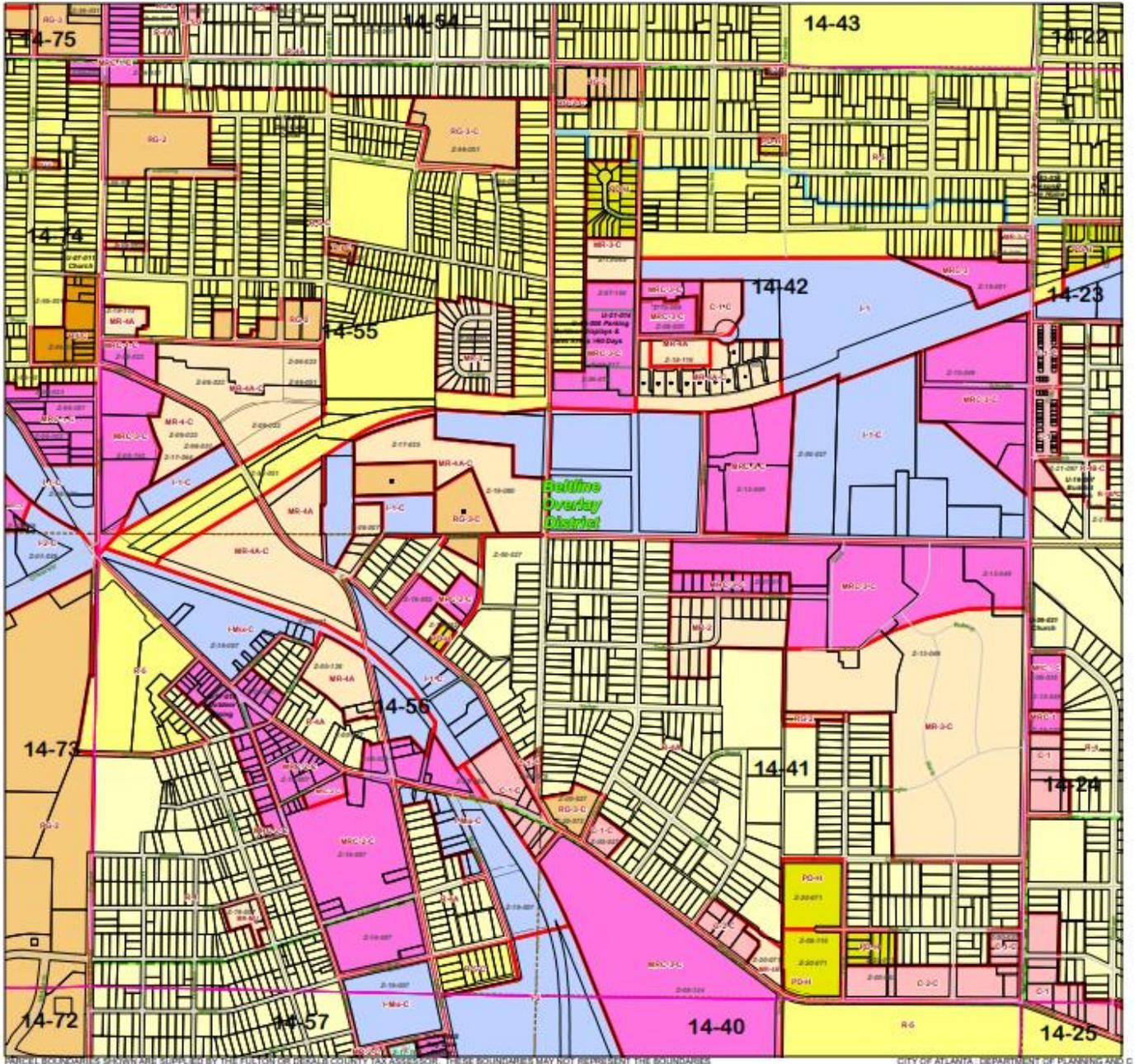
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Basemap: USGS National Map: Orthomagery: Data refreshed October, 2020
Source: FEMA Flood Zone Map

According to the Federal Emergency Management Administration, the Subject property is in an area of minimal flood hazard.

FLOOD ZONE MAP

Zoning Map



Source: gis.atlantaga.gov

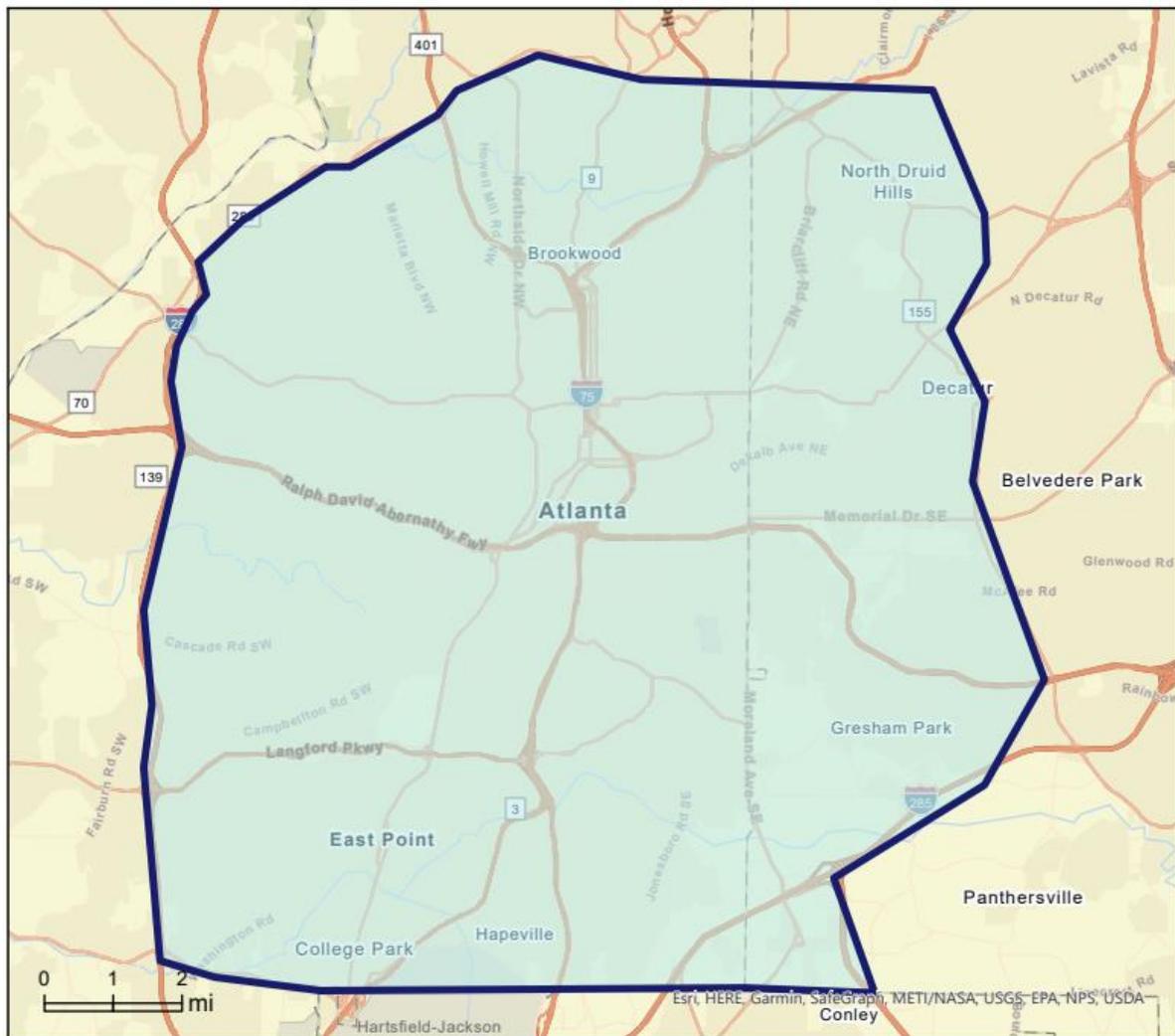
Zoning Ordinance: MRC-3-C: Mixed Residential Commercial

We do not foresee any challenges that may arise with the project plan based on the existing zoning ordinance.

E. PRIMARY MARKET AREA

The Primary Market Area (PMA) consists of the shaded area highlighted in the map above. Most 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:

Primary Market Area



Source: ESRI, AreaProbe Inc.

North: W Paces Ferry Road
East: Ralph David Abernathy Frwy
South: Camp Creek Parkway
West: Bob A Holmes Frwy

CRIME STATISTICS

Crime Statistics

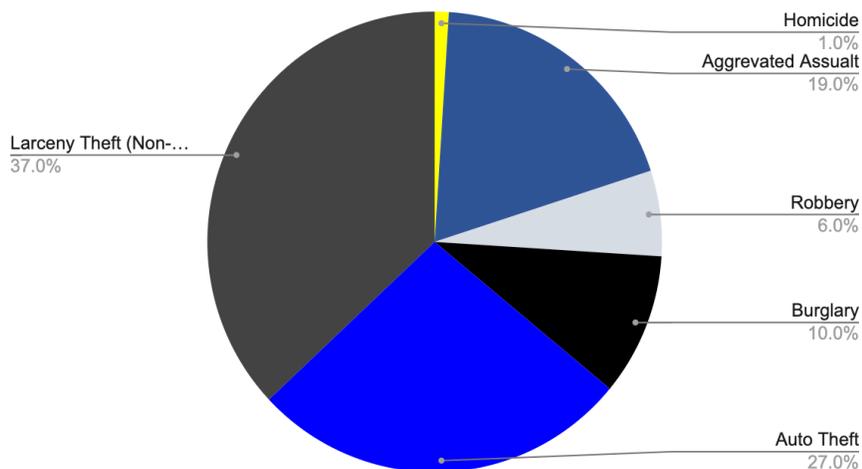
Below demonstrates Atlanta's crime statistics for the 2021 year. Property crimes are the highest type of crime according to the latest statistics; it represents 75% of the total crime rate in Atlanta. Notably, aggravated assault is the most common type of violent crime, it accounts for 19% of the 25% classified as "person crimes."

Atlanta 2021 Crime Statistics								
Person Crimes	January	February	March	April	May	June	YTD	% of Crime
Homicide	7	9	7	8	11	4	46	1%
Aggravated Assault	212	151	237	187	211	80	1078	19%
Robbery	85	54	49	54	61	14	317	6%

Atlanta 2021 Crime Statistics								
Property Crimes	January	February	March	April	May	June	YTD	% of Crime
Burglary	146	99	119	100	84	28	576	10%
Auto Theft	401	298	242	244	272	78	1535	27%
Larceny Theft (Non-Vehicle)	421	382	418	405	350	145	2121	37%
Total Crimes	851	611	654	593	639	204	5673	100%

source: Atlanta Police Department Open Data

Atlanta Crime Percentage



Community Demographic Analysis

F. DEMOGRAPHIC STATISTICS

The demographic trends in the PMA closely mirror the estimated growth rates projected for the Atlanta MSA. The number of households in the PMA over the age of 60 is slated to grow by 13 percent over the next 5 years (2021 – 2026), while the general number of households is on pace to grow 8.2% over the same period. The immediate area can be characterized as a well-educated area where the average household income level is 11.8 percent higher than the national average and 8 percent higher than the Atlanta MSA. The number of vacant housing units have been declining since 2010 which indicates a decrease in blithe, and 57 percent of households over the age of 55 are renters. The charts provided in this section of our report further reflect the comments mentioned.

HOUSEHOLD POPULATION						
Year	PMA		Atlanta MSA		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	198,883	-	1,943,885	-	116,716,292	
2021	245,581	23.5%	2,241,681	15.3%	126,470,675	8.4%
2024	257,688	4.9%	2,337,311	4.3%	129,216,688	2.2%
2026	265,759	3.1%	2,401,064	2.7%	131,047,364	1.4%

Source: ESRI, AreaProbe Inc.

GENERAL POPULATION						
Year	PMA		Atlanta MSA		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	479,070	-	5,286,728	-	308,745,538	-
2021	555,026	15.9%	6,087,003	15.1%	333,934,112	8.2%
2024	580,068	4.5%	6,345,191	4.2%	341,106,142	2.1%
2026	596,763	2.9%	6,517,317	2.7%	345,887,495	1.4%

Source: ESRI, AreaProbe Inc.

MEDIAN AGE						
Year	PMA		Atlanta MSA		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	32.9	-	34.9	-	37.1	-
2021	34.7	5.5%	36.9	5.7%	38.8	4.6%
2024	34.9	0.7%	37.0	0.3%	39.2	1.1%
2026	35.1	0.5%	37.1	0.2%	39.5	0.7%

Source: ESRI, AreaProbe Inc.

HOUSEHOLD SIZE						
Year	PMA		Atlanta MSA		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	2.1	-	2.7	-	2.6	-
2021	2.1	0.5%	2.7	0.0%	2.6	0.0%
2024	2.1	0.0%	2.7	0.0%	2.6	0.0%
2026	2.1	0.0%	2.7	0.0%	2.6	0.0%

Source: ESRI, AreaProbe Inc.

DEMOGRAPHIC STATISTICS

HOUSING UNIT SUMMARY						
Year	PMA		Atlanta MSA		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	251,339		296,719	-	131,704,730	-
2021	289,494	15.2%	341,708	15.2%	142,853,336	8.5%
2024	302,587	4.5%	355,830	4.1%	146,276,002	2.4%
2026	311,316	2.9%	365,244	2.6%	148,557,779	1.6%

Source: ESRI, AreaProbe Inc.

VACANT HOUSING UNITS						
Year	PMA		Atlanta MSA		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	17.2%	-	10.5%	-	11.4%	-
2021	15.2%	-11.6%	8.8%	-16.2%	11.5%	0.9%
2024	14.8%	-2.4%	8.7%	-1.4%	11.7%	1.6%
2026	14.6%	-1.6%	8.6%	-0.9%	11.8%	1.0%

Source: ESRI, AreaProbe Inc.

PRIMARY MARKET AREA								
Households by Income	2021		2024		2026		% Change '26 v. '21	
	Number	Percent	Number	Percent	Number	Percent	Difference	Percent
< \$15,000	33,993	12.1%	31528	12%	29,884	10.9%	-4,109	-1.2%
\$15,000 - \$24,999	20,556	13.2%	19460	8%	18,730	11.9%	-1,826	-1.3%
\$25,000 - \$34,999	18,492	12.0%	17734	7%	17,228	11.4%	-1,264	-0.6%
\$35,000 - \$49,999	26,281	14.7%	25385	10%	24,788	14.3%	-1,493	-0.4%
\$50,000 - \$74,999	35,339	17.1%	37143	14%	38,346	16.9%	3,007	-0.2%
\$75,000 - \$99,999	26,490	10.8%	28470	11%	29,790	11.1%	3,300	0.3%
\$100,000 - \$149,999	34,283	12.1%	39418	15%	42,841	14.0%	8,558	1.9%
\$150,000 - \$199,999	18,666	4.9%	22654	9%	25,312	6.1%	6,646	1.2%
\$200,000+	31,468	2.9%	35882	14%	38,825	3.4%	7,357	0.5%
Total	245,568	100%	257674	100%	265,744	100%	20,176	8.2%

Source: ESRI, AreaProbe Inc.

EDUCATION ATTAINMENT - 2021 POPULATION, AGE 25+			
Attainment Level	PMA	ATL MSA	United States
	Percentage	Percentage	Percentage
Less than 9th Grade	2.3%	3.9%	4.7%
9th - 12th Grade, No Diploma	5.8%	5.5%	6.4%
High School Graduate	15.8%	19.9%	22.9%
GED/Alternative Credential	2.7%	3.4%	4.0%
Some College, No Degree	14.8%	19.0%	19.8%
Associate Degree	5.0%	7.8%	8.7%
Bachelor's Degree	29.4%	25.1%	20.6%
Graduate/Professional Degree	24.3%	15.4%	13.0%
Total w/Bachelor or Adv Degree	53.7%	40.5%	33.6%

Source: ESRI, AreaProbe Inc.

DEMOGRAPHIC STATISTICS

AVERAGE HOUSEHOLD INCOME			
Year	PMA	ATL MSA	United States
2021	\$ 104,059	\$ 96,085	\$ 92,435
2024	\$ 113,381	\$ 98,337	\$ 94,684
2026	\$ 119,595	\$ 107,346	\$ 103,679

Source: ESRI, AreaProbe Inc.

MEDIAN HOUSEHOLD INCOME			
Year	PMA	ATL MSA	United States
2021	\$ 64,609	\$ 68,663	\$ 64,730
2024	\$ 72,393	\$ 70,300	\$ 66,370
2026	\$ 77,582	\$ 76,848	\$ 72,932

Source: ESRI, AreaProbe Inc.

AGE DISTRIBUTION - PRIMARY MARKET AREA				
Age Range	2021	2024	2026	'21 v. '26
0-4	30,462	31,020	33,252	9.2%
5-9	28,634	28,763	29,277	2.2%
10-14	26,933	27,018	27,357	1.6%
15-19	36,190	36,666	38,568	6.6%
20-24	51,283	52,814	58,937	14.9%
25-29	54,649	55,321	58,009	6.1%
30-34	51,969	52,147	52,859	1.7%
35-39	44,756	45,160	46,775	4.5%
40-44	37,040	37,797	40,823	10.2%
45-49	32,808	33,483	36,182	10.3%
50-54	30,684	30,992	32,226	5.0%
55-59	29,652	29,827	30,525	2.9%
60-64	27,890	28,016	28,518	2.3%
65-69	23,863	24,365	26,372	10.5%
70-74	19,581	19,996	21,656	10.6%
75-79	12,613	13,450	16,800	33.2%
80-84	7,856	8,280	9,975	27.0%
85+	8,163	8,369	9,194	12.6%
Total	555,026	563,482	597,305	7.6%

Source: ESRI, AreaProbe Inc.

DEMOGRAPHIC STATISTICS

Income Characteristics – Age 55+

2021 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	5,586	15.7%	5,609	18.9%	4,980	24.4%
\$15,000 - \$24,999	2,980	8.4%	3,276	11.0%	4,353	21.4%
\$25,000 - \$34,999	2,385	6.7%	2,829	9.5%	2,038	10.0%
\$35,000 - \$49,999	3,503	9.9%	4,496	15.2%	2,385	11.7%
\$50,000 - \$74,999	4,623	13.0%	3,660	12.3%	2,093	10.3%
\$75,000 - \$99,999	3,073	8.7%	2,476	8.4%	1,267	6.2%
\$100,000 - \$149,999	4,808	13.5%	3,013	10.2%	1,348	6.6%
\$150,000 - \$199,999	2,277	6.4%	1,481	5.0%	706	3.5%
\$200,000+	6,268	17.7%	2,809	9.5%	1,216	6.0%
Total	35,503	100%	29,649	100%	20,386	100%

Source: ESRI, AreaProbe Inc.

2024 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	4838	13.5%	5366	14.9%	5180	14.4%
\$15,000 - \$24,999	2648	7.4%	3177	8.8%	4574	12.7%
\$25,000 - \$34,999	2200	6.1%	2780	7.7%	2240	6.2%
\$35,000 - \$49,999	3231	9.0%	4439	12.3%	2607	7.2%
\$50,000 - \$74,999	4702	13.1%	4040	11.2%	2514	7.0%
\$75,000 - \$99,999	3228	9.0%	2771	7.7%	1605	4.5%
\$100,000 - \$149,999	5431	15.1%	3585	10.0%	1851	5.1%
\$150,000 - \$199,999	2741	7.6%	1842	5.1%	1075	3.0%
\$200,000+	6948	19.3%	3389	9.4%	1713	4.8%
Total	35967	100%	31388	100%	23361	100%

Source: ESRI, AreaProbe Inc.

DEMOGRAPHIC STATISTICS

Income Characteristics – Age 55+

2026 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	4,339	12.0%	5,204	16.0%	5,314	21.0%
\$15,000 - \$24,999	2427	6.7%	3,111	9.6%	4,722	18.6%
\$25,000 - \$34,999	2076	5.7%	2,748	8.4%	2,375	9.4%
\$35,000 - \$49,999	3,049	8.4%	4,401	13.5%	2,755	10.9%
\$50,000 - \$74,999	4,755	13.1%	4,293	13.2%	2,795	11.0%
\$75,000 - \$99,999	3,332	9.2%	2,967	9.1%	1,831	7.2%
\$100,000 - \$149,999	5,847	16.1%	3,966	12.2%	2,186	8.6%
\$150,000 - \$199,999	3,050	8.4%	2,083	6.4%	1,321	5.2%
\$200,000+	7,401	20.4%	3,775	11.6%	2,045	8.1%
Total	36,276	100%	32,548	100%	25,344	100%

Source: ESRI, AreaProbe Inc.

DIFFERENCES 2021 vs. 2026 HOUSEHOLD INCOME AGE 50+						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	-1,247	-22%	-405	-7%	334	7%
\$15,000 - \$24,999	-553	-19%	-165	-5%	369	8%
\$25,000 - \$34,999	-309	-13%	-81	-3%	337	17%
\$35,000 - \$49,999	-454	-13%	-95	-2%	370	16%
\$50,000 - \$74,999	132	3%	633	17%	702	34%
\$75,000 - \$99,999	259	8%	491	20%	564	45%
\$100,000 - \$149,999	1,039	22%	953	32%	838	62%
\$150,000 - \$199,999	773	34%	602	41%	615	87%
\$200,000+	1,133	18%	966	34%	829	68%
Total	773	2%	2,899	10%	4,958	24%

Source: ESRI, AreaProbe Inc.

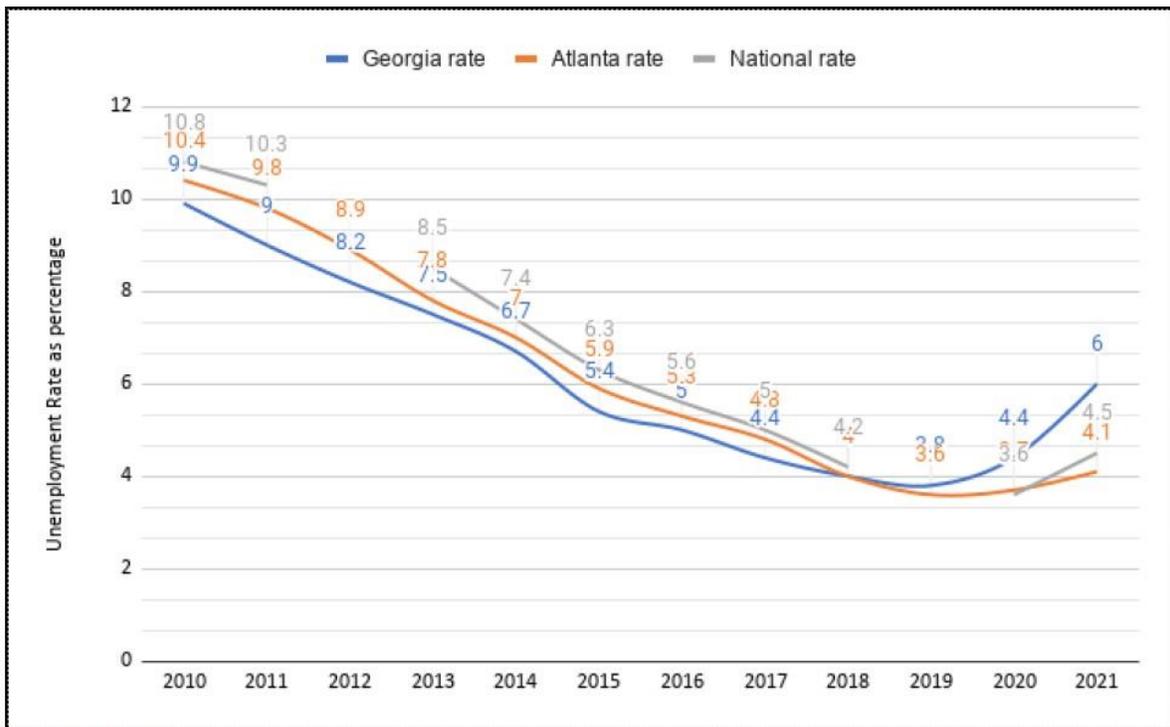
Housing Characteristic 55+						
	2021		2024		2026	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	245,581	-	233,474	-	265,760	-
Occupied	245,581	-	233,474	-	265,760	-
Owner	105,408	43%	101,231	43%	112,370	42%
Renter	140,173	57%	132,243	57%	153,390	58%

Employment Analysis

Unemployment

G. 1 Total Jobs (also known as “covered employment”) in the County by Occupation

According to DCA, “Total jobs refers to the number of jobs physically located in the county and is different from the Civilian Labor Force” based on statistics from the Bureau of Labor Statistics (BLS). 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.



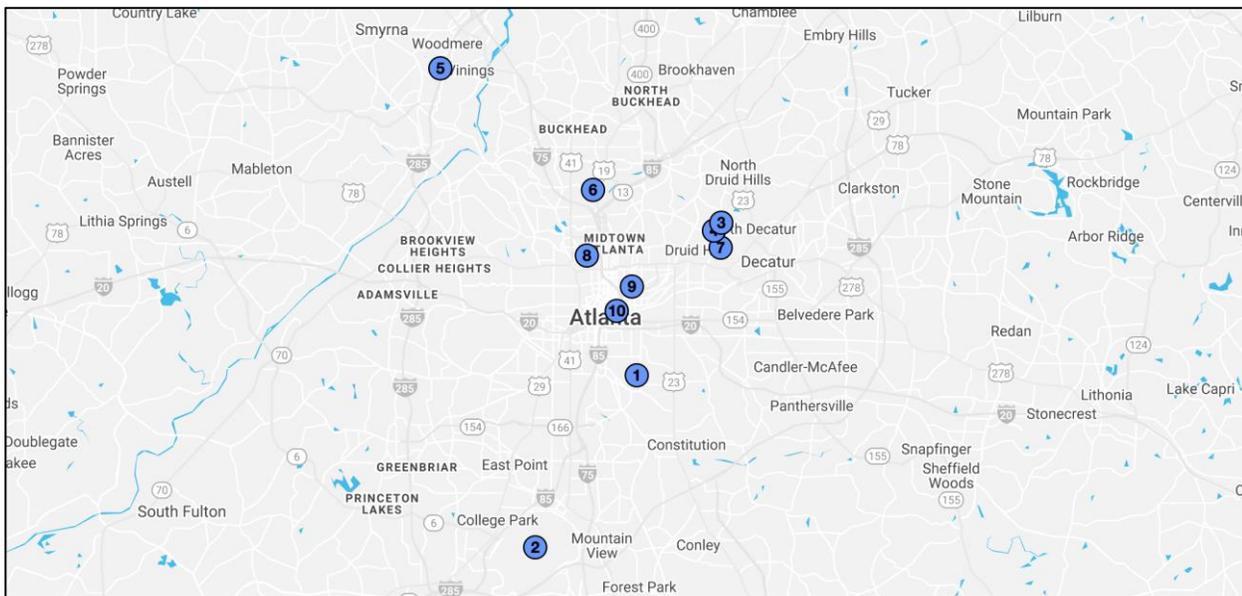
Source: Federal Reserve

G. 2 Total Jobs by Industry—Numbers and Percentages

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

Largest Employers Near Subject



Source: ESRI, AreaProbe Inc.

ECONOMIC STATISTICS

Largest Employers Near Subject				
Map Order	Company	Address	City	State
1	Subject Property	535 Englewood Avenue SE	Atlanta	GA
2	Delta Air Lines	2 Hartsfield Atlanta	Atlanta	GA
3	Renal Division-Emory Univ	1639 Pierce Dr Ne # 338	Atlanta	GA
4	Emory University	201 Dowman Dr Ne	Atlanta	GA
5	Home Depot INC	2455 Paces Ferry Rd Se	Atlanta	GA
6	Piedmont Atlanta Hospital	1968 Peachtree Rd Nw	Atlanta	GA
7	Emory Clinic	1365 Clifton Rd Ne # 400a	Atlanta	GA
8	Georgia Institute-Tech School	837 State St	Atlanta	GA
9	Wellstar Atlanta Medical Ctr	303 Parkway Dr Ne	Atlanta	GA
10	Grady Health System	80 Jesse Hill Jr Dr Se	Atlanta	GA

Service providing jobs truly reflect the economic environment in the city of Atlanta. This employment sector accounts for 82 percent of the total job market with Trade, Transportation, and Utilities occupations being the lead driver in this segment. 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

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

Largest Employers in Atlanta, GA

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

Conclusion

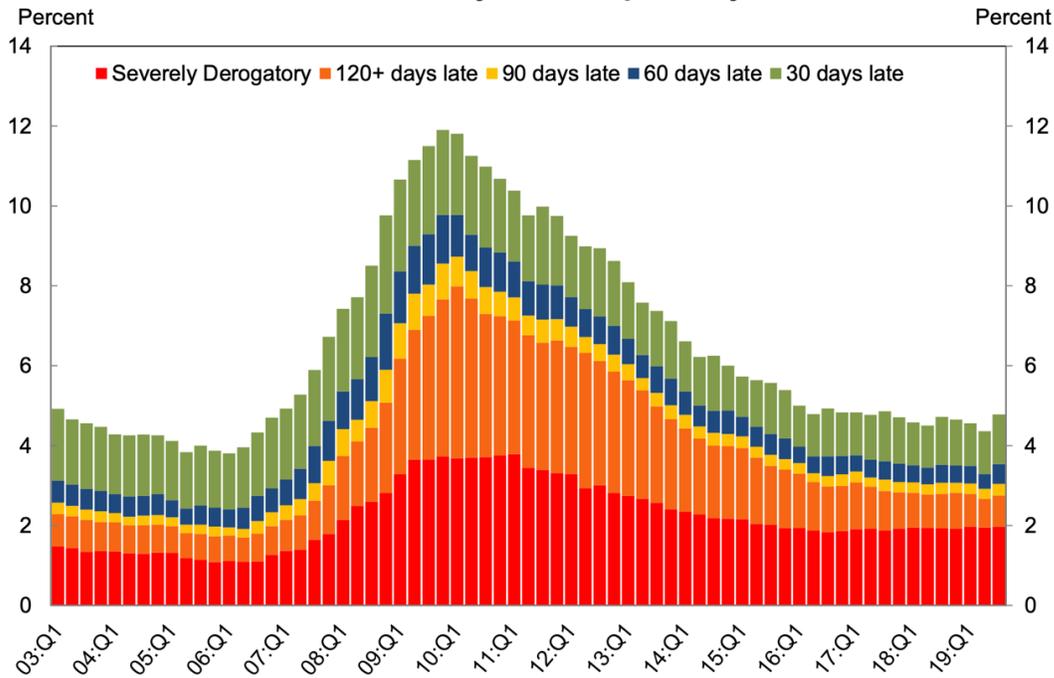
The City of Atlanta has performed better than the national average over the past ten years. The unemployment rate reached 3.6 percent prior to the COVID pandemic. Since, the pandemic, the city has stabilized; Georgia operated under circumstances that allowed businesses to stay open in some cases. Given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

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)

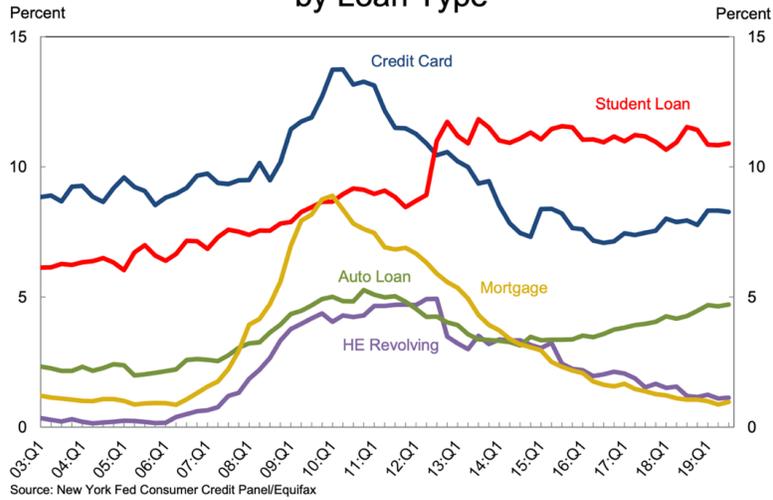
Since the great recession the economy has performed well. Delinquency rates have fallen for most of the loan products except for auto and student loans. The charts below display the latest trends which support this standpoint.

Total Balance by Delinquency Status

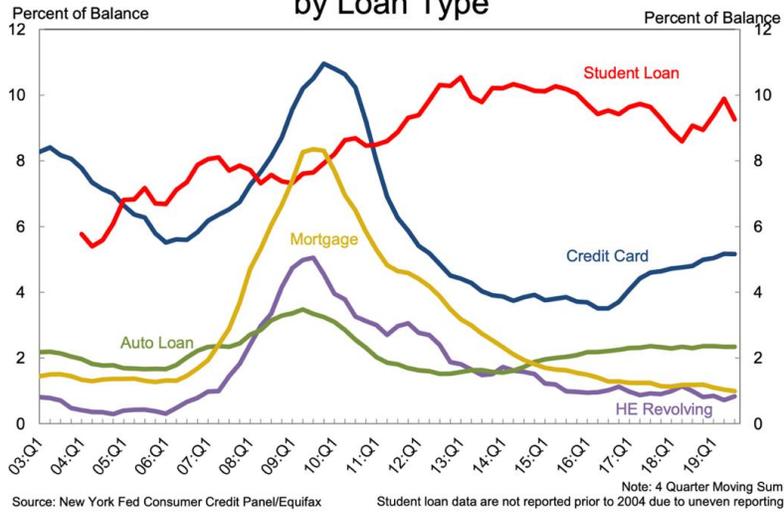


Source: New York Fed Consumer Credit Panel/Equifax

Percent of Balance 90+ Days Delinquent by Loan Type

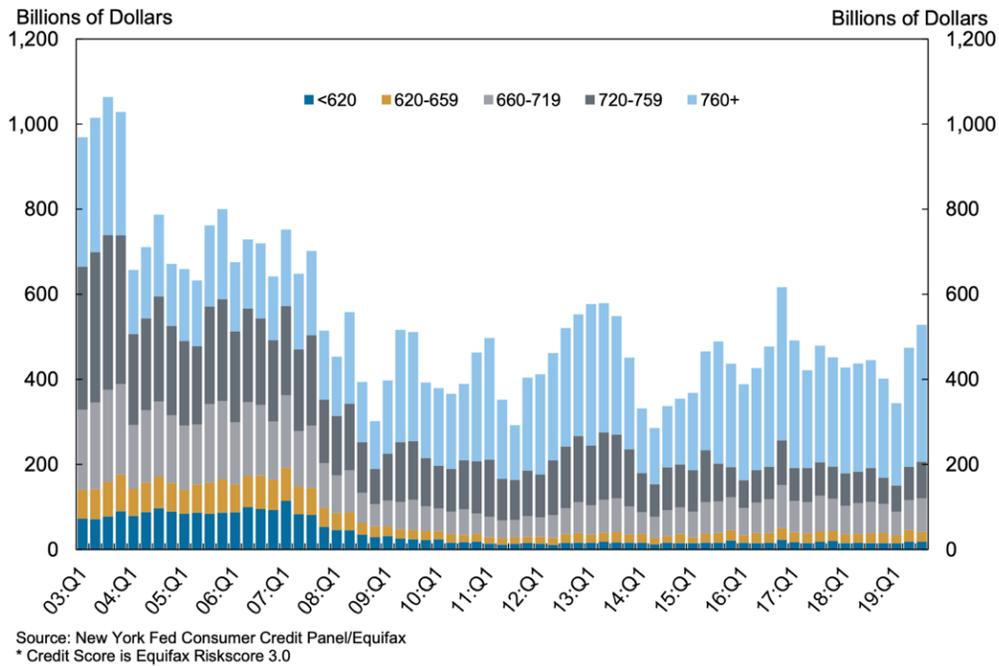


Transition into Serious Delinquency (90+) by Loan Type

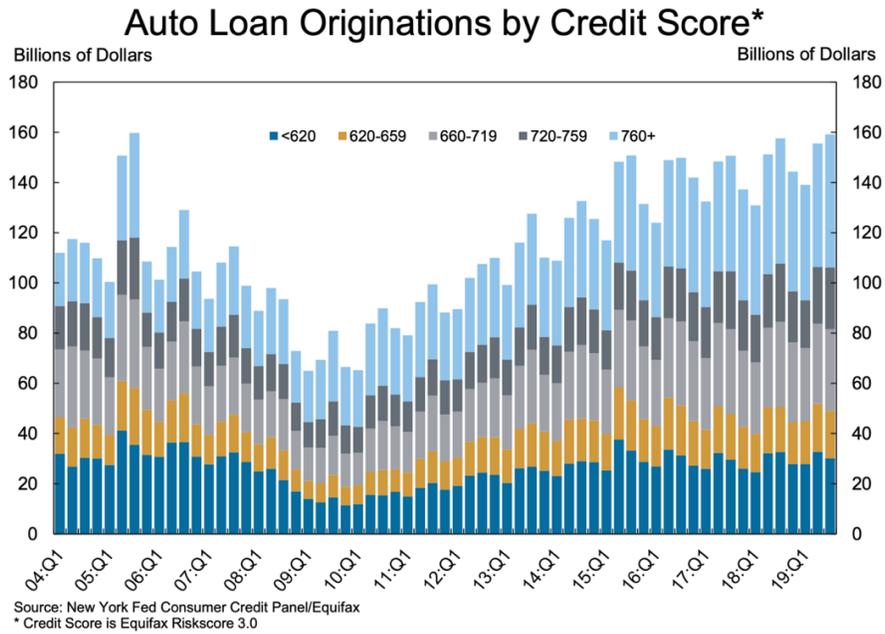


Since the great recession, loans to individuals with credit scores below 659 have decreased dramatically as mortgage lenders have narrowed their credit lens to serve stanch borrowers.

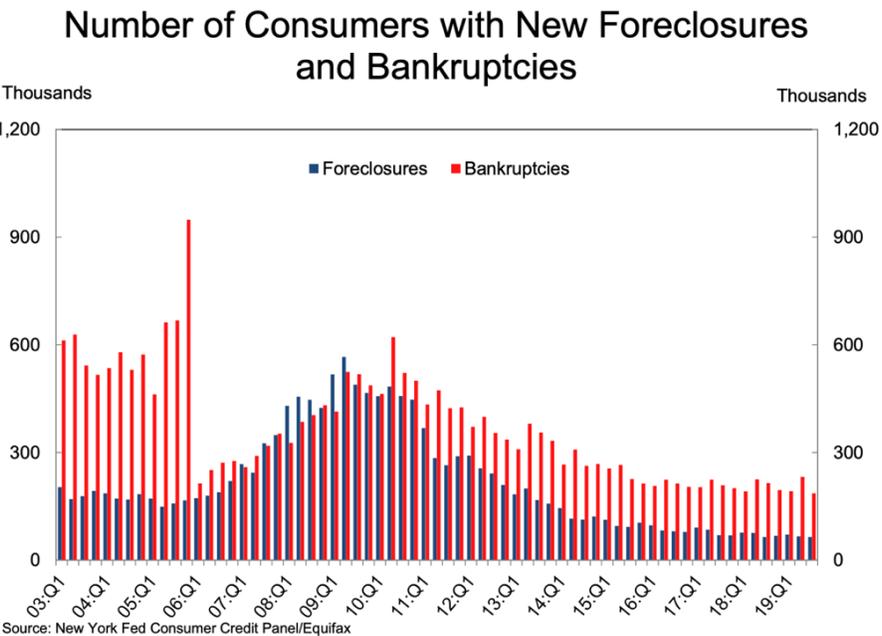
Mortgage Originations by Credit Score*



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.

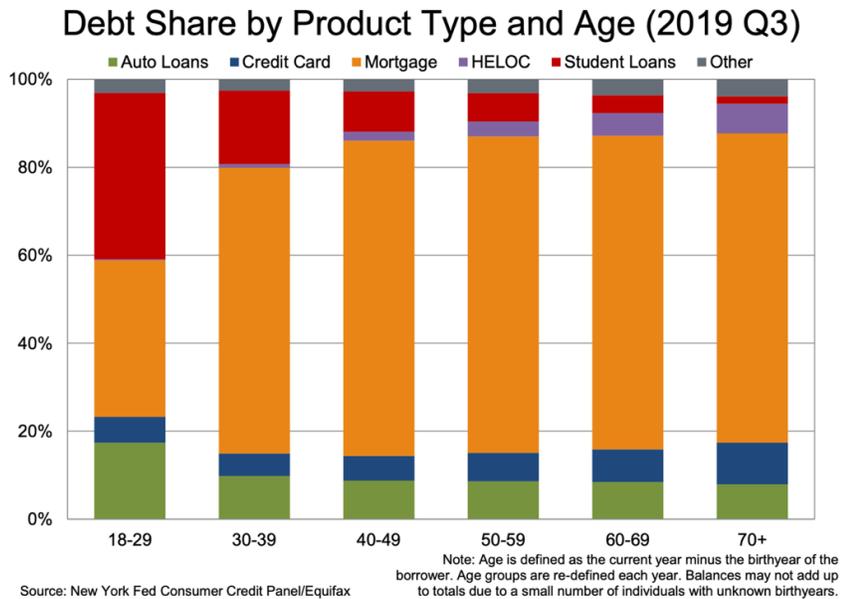


According to the latest report from the New York Fed Consumer Credit Panel, foreclosures and bankruptcies in the United States have reached its lowest levels since 2003.



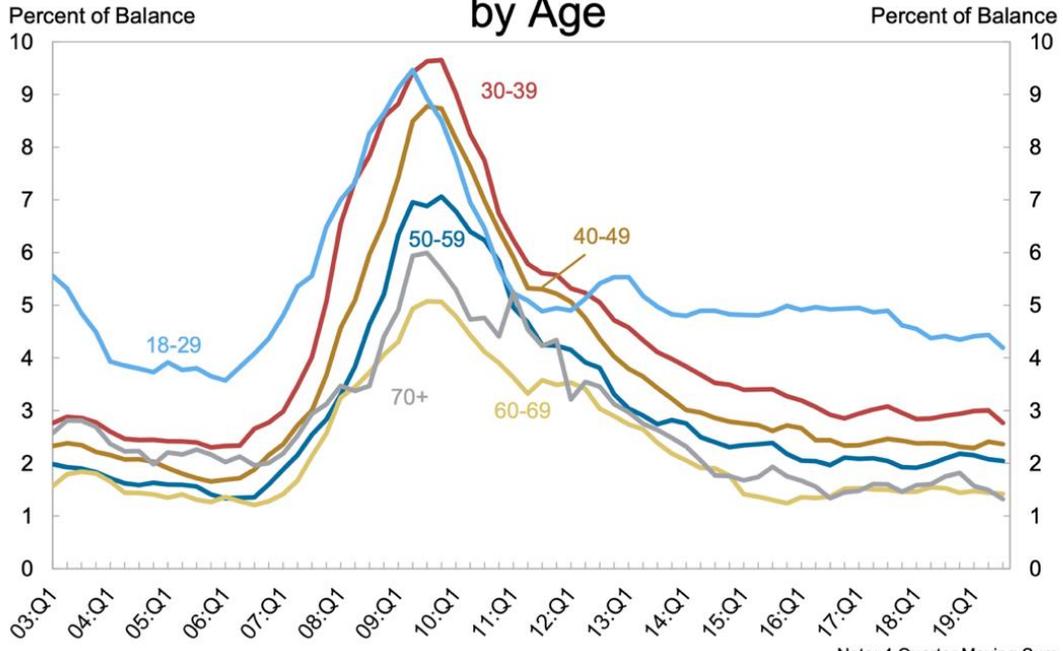
ECONOMIC STATISTICS

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.

Transition into Serious Delinquency (90+) by Age



Source: New York Fed Consumer Credit Panel/Equifax

Note: 4 Quarter Moving Sum.
Age is defined as the current year minus the birthyear of the borrower.
Age groups are re-defined each year.

Development Pipeline

Wagon Works - East Point, GA

Wagon Works is a new affordable housing project that was approved by DCA in 2021. When completed the new construction project will make available 89 units targeting family households.

Decatur East P2 – Decatur, GA

The planned development project will deliver 80 units of elderly housing when completed. This new construction project was approved by DCA in 2021.

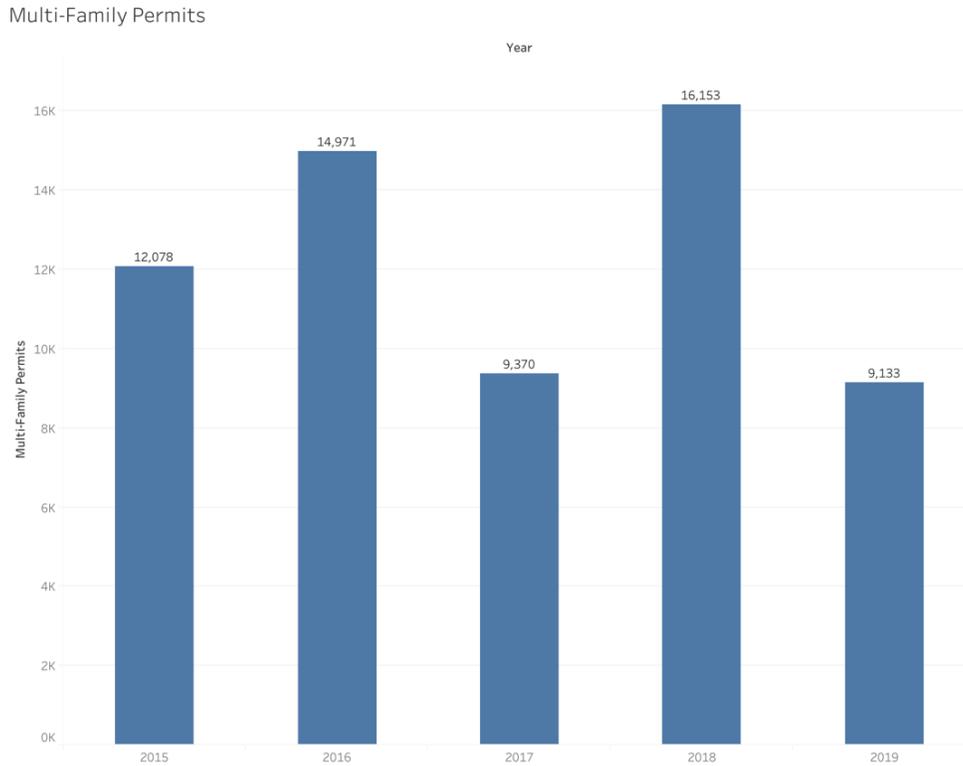
East Lake HR Pres – Atlanta, GA

East Lake is a substantial rehab of an existing property. The apartment complex has 149 dedicated to affordable housing.

We do not anticipate any concerns regarding absorption risk as it relates to new competition due to the high demand, and population growth for this demographic segment.

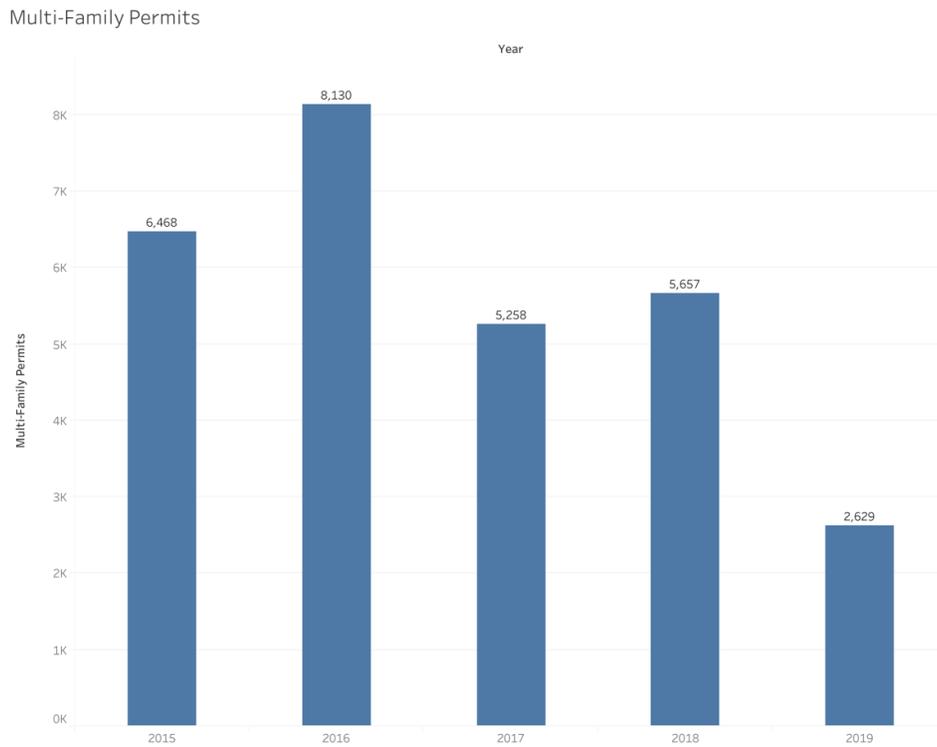
BUILDING PERMITS (Georgia)

The number of multi-family permits filed in the state of Georgia has fluctuated over the past five years (2015-2019). The figures shown below reflect 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.



BUILDING PERMITS (Fulton County)

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.



Project-Specific Affordability & Demand Analysis

H. AFFORDABILITY ANALYSIS

Methodology

The Affordability Analysis tests the percentage of family households 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 from the 2021 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 35 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 35 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, a maximum of two people for two-bedroom units, and 3.5 people for 3-bedroom households. 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

The tables shown below reflect the number of households by income. These income figures favor the proposed project as the age restricted property will target those earning 0-60% AMI.

Family Population (primary market area) 2021 – 2026

Households by Income	2021		2024		2026		% Change '26 v. '21	
	Number	Percent	Number	Percent	Number	Percent	Difference	Percent
<\$15,000	33,993	12.1%	31528	12%	29,884	10.9%	-4,109	-1.2%
\$15,000 - \$24,999	20,556	13.2%	19460	8%	18,730	11.9%	-1,826	-1.3%
\$25,000 - \$34,999	18,492	12.0%	17734	7%	17,228	11.4%	-1,264	-0.6%
\$35,000 - \$49,999	26,281	14.7%	25385	10%	24,788	14.3%	-1,493	-0.4%
\$50,000 - \$74,999	35,339	17.1%	37143	14%	38,346	16.9%	3,007	-0.2%
\$75,000 - \$99,999	26,490	10.8%	28470	11%	29,790	11.1%	3,300	0.3%
\$100,000 - \$149,999	34,283	12.1%	39418	15%	42,841	14.0%	8,558	1.9%
\$150,000 - \$199,999	18,666	4.9%	22654	9%	25,312	6.1%	6,646	1.2%
\$200,000+	31,468	2.9%	35882	14%	38,825	3.4%	7,357	0.5%
Total	245,568	100%	257674	100%	265,744	100%	20,176	8.2%

Source: ESRI, AreaProbe Inc.

AFFORDABILITY ANALYSIS (Continued)

2022 HUD LIHTC Income Restrictions							
HH Size	40%	45%	50%	55%	60%	70%	80%
1 Person	\$ 27,000	\$ 30,375	\$ 33,750	\$ 37,125	\$ 40,500	\$ 47,250	\$ 54,000
2 Person	\$ 30,880	\$ 34,740	\$ 38,600	\$ 42,460	\$ 46,320	\$ 54,040	\$ 61,760
3 Person	\$ 34,720	\$ 39,060	\$ 43,400	\$ 47,740	\$ 52,080	\$ 60,760	\$ 69,440
4 Person	\$ 38,560	\$ 43,380	\$ 48,200	\$ 53,020	\$ 57,840	\$ 67,480	\$ 77,120
5 Person	\$ 41,680	\$ 46,890	\$ 52,100	\$ 57,310	\$ 62,520	\$ 72,940	\$ 83,360

Source: HUD

2022 HUD LIHTC Monthly Rent Restrictions							
Bedrooms (People)	40%	45%	50%	55%	60%	70%	80%
Efficiency (1.0)	\$ 675	\$ 759	\$ 843	\$ 928	\$ 1,012	\$ 1,181	\$ 1,350
1 Bedroom (1.5)	\$ 723	\$ 813	\$ 904	\$ 994	\$ 1,085	\$ 1,266	\$ 1,447
2 Bedrooms (3.0)	\$ 868	\$ 976	\$ 1,085	\$ 1,193	\$ 1,302	\$ 1,519	\$ 1,736
3 Bedrooms (4.5)	\$ 1,003	\$ 1,128	\$ 1,253	\$ 1,379	\$ 1,504	\$ 1,755	\$ 2,006
4 Bedrooms (6.0)	\$ 1,119	\$ 1,258	\$ 1,398	\$ 1,538	\$ 1,678	\$ 1,958	\$ 2,238

Source: HUD

LIHTC Income Limitations	
HUD 2022 Low Income for 4-Person HH ATL MSA	\$ 96,400
2022 Computed Area Median Gross Income	\$ 71,300
Utility Allowance	
1-Bedroom	\$ 97
2-Bedroom	\$ 130
3-Bedroom	\$ 164

Source: HUD

Proposed Unit Mix & Rents

UNIT	NUMBER OF UNIT	UNIT SF	SET ASIDE	% OF Total Units	MAXIMUM GROSS RENTS	UTILITY ALLOWANCES	MAXIMUM NET RENT	PROPOSED CONTRACT RENT
1	14	715	Market	7%				\$ 1,525
1	53	715	60% HFX	27%	\$ 1,085	\$ 157	\$ 928	\$ 928
2	24	950	Market	12%				\$ 1,950
2	47	950	60% HFX	24%	\$ 1,302	\$ 226	\$ 1,076	\$ 1,076
2 BR	53	950	60% AMI		\$ 1,302	\$ 226	\$ 1,076	\$ 1,076
3	2	1150	Market	1%				\$ 2,100
3	7	1150	60% HFX	4%	\$ 1,504	\$ 300	\$ 1,204	\$ 1,204

Source: The Benoit Group

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 \$928 (\$1,085 net rent subtracted by the utility allowance of \$157). Net two-bedroom rents will be \$1,076 (\$1,302 net rent subtracted by the utility allowance of \$226), and three-bedroom rents \$1,204 (utility allowance of \$300).
- At 60 percent AMI, a one-bedroom unit would be affordable to households earning up to \$43,410 per year. There are 3,430 households in the PMA will earn between the 60% income constraints in 2024 for 1.5 persons. The maximum income limit for a two-bedroom unit at 60 percent AMI is \$46,320 based on a maximum household size of 3 people. There are 1,854 renter qualified households within this target population. The maximum income for a three-bedroom household (4.5 persons), is \$60,180 and there are 2,486 qualified renter households.
- The capture rate for the 53 one-bedroom units is 1.5 percent for all households with an income at 60% without project-based assistance and 0.3 percent with PBRA.
- The capture rate for the (100) two-bedroom units reserved for households is 5.4 percent without project-based assistance, and 0.6 percent without.
- The capture rate for the (7) three-bedroom units reserved for households is 0.01 percent without project-based assistance, and 0.01 percent without.

The project has an overall renter affordability capture rate with PBRA is 2.1 percent.

AFFORDABILITY ANALYSIS

Affordability Analysis With PBRA

	One Bedroom		Two Bedroom		Three Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	53	-	100	-	7	-
Proposed Rent	-	-	-	-	-	-
Gross Rent	\$ 1,085	-	\$ 1,302	-	\$ 1,504	-
Income to Afford Rent	35%	-	35%	-	35%	-
Income Range	no min	\$43,410	no min	\$46,320	no min	\$60,180
Renter HHs						
# of Eligible HHs	84,861		87880		108964	
# of Qualified <u>Renter</u> HHs	20,294		17854		18988	
(/) Proposed Units	53		100		7	
(=) Renter HH Capture Rate	0.3%		0.6%		0.0%	

Source: AreaProbe Inc., The Benoit Group, HUD

Affordability Analysis Without PBRA

	One Bedroom		Two Bedroom		Three Bedroom		Project Capture Rate	
	Min.	Max.	Min.	Max.	Min.	Max.		
Number of Units	53	-	100	-	7	-	-	-
Proposed Rent	\$ 928	-	\$ 1,076	-	\$ 1,204	-	-	-
Gross Rent	\$ 1,085	-	\$ 1,302	-	\$ 1,504	-	-	-
Income to Afford Rent	35%	-	35%	-	35%	-	-	-
Income Range	\$ 31,817	\$43,410	\$36,891	\$46,320	\$ 41,280	\$60,180	-	-
Renter HHs								
# of Eligible HHs	13,718		8829		14621		37,168	
# of Qualified <u>Renter</u> HHs	3,430		1854		2486		7,770	
(/) Proposed Units	53		100		7		160	
(=) Renter HH Capture Rate	1.5%		5.4%		0.05%		2.1%	

Source: AreaProbe Inc., The Benoit Group, HUD

Conclusion of Affordability

Without PBRA, the capture rates are slightly higher. The client intends to lease each unit at a 5 percent reduction to net rents which we believe will help with absorption and aid to maintain stabilized occupancy. We do not foresee any issues with leasing the proposed property based on the low capture rates.

AFFORDABILITY ANALYSIS

Net Demand

Capture Rate Analysis Chart: 60% AMI

		Income Units	#Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Avg. Market Rent	Market Rents Band	Proposed Rent
(Include section for each % AMI group for totals by Bedroom)	(Breakdown by # of Bedrooms)	1BR - 53		3430	8	3430	1.5%			
		2BR - 100		1854	42	1812	5.5%			
		3BR - 7		2486	3	2483	0.3%			
Bedroom Overall	(Breakdown by # of Bedrooms)									
TOTAL for Project	(list out totals by % AMI income group)	160		7770	53	7717	2.1%			

Market Rate Capture Analysis

	One Bedroom		Two Bedroom		Three Bedroom		Project Capture Rate	
	Min.	Max.	Min.	Max.	Min.	Max.		
Number of Units	14	-	24	-	2	-	-	-
Proposed Rent	\$ 1,525	-	\$ 1,950	-	\$ 2,100	-	-	-
Gross Rent	\$ 1,525	-	\$ 1,950	-	\$ 2,100	-	-	-
Income to Afford Rent	35%	-	35%	-	35%	-	-	-
Income Range	\$ 52,286	-	\$ 66,857	-	\$ 72,000	-	-	-
Renter HHs								
# of Eligible HHs	56,288		62,979		44,349		163,616	
# of Qualified Renter HHs	14,072		10,202		6,652		30,926	
(/) Proposed Units	14		24		2		40	
(=) Renter HH Capture Rate	0.10%		0.2%		0.00%		0.1%	

Section-8 Waitlist

The affordability analysis above is conservative as it does not account for other homeowner conversion or renter household relocation from outside the PMA. It is typical for family LIHTC rental communities to attract tenants from beyond market area boundaries. Due to limited affordable 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 a family housing community consists of four components:

Household Growth

The number of income qualified renter households anticipated to move into the market area between the base year of 2021 and 2024 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 35 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 family 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 (2024) are to be subtracted from the demand estimates to arrive at net demand.

We have calculated demand without PBRA to test market conditions. The project's overall capture rate is 1.8 percent and the capture rates by floor plan are 1.5 percent for one-bedroom units, 5.4 percent for two-bedroom units, and 0.01% for three-bedroom units. Capture rates are lowered to 0.3 percent for one-bedroom units, 0.6 percent for two-bedroom units, and 0.1 percent for the project overall when accounting for PBRA on all units which eliminates the minimum income limit.

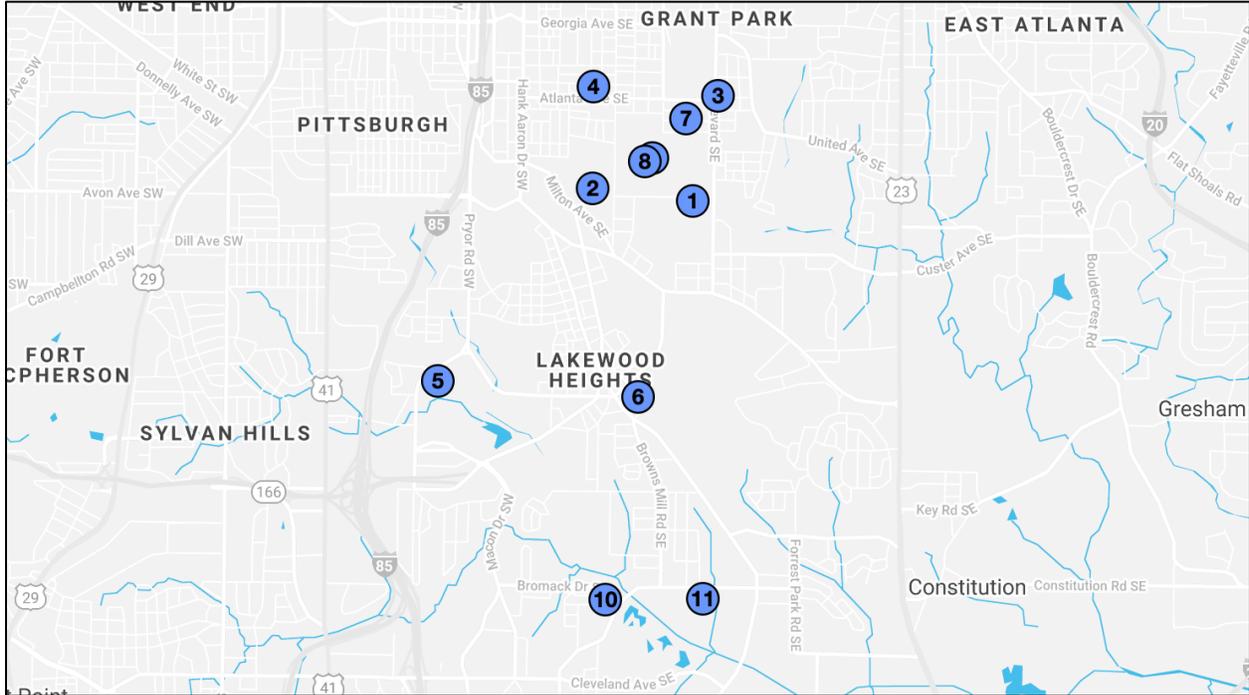
As all units at the Subject property will have PBRA and DCA market study guidelines indicate that units with PBRA should not be included in demand capture rate calculations, the effective capture rate for the project is zero percent.

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 Renter	32%
% of Senior Movers Converting from Owners to Renters	2%

Source: American Housing Survey, Census 2017

FOR SALE HOUSING

Below shows an average of condo, multi-family, houses, and townhouses near the subject property. The average square foot is 1,431 with an average sale of \$333,930.



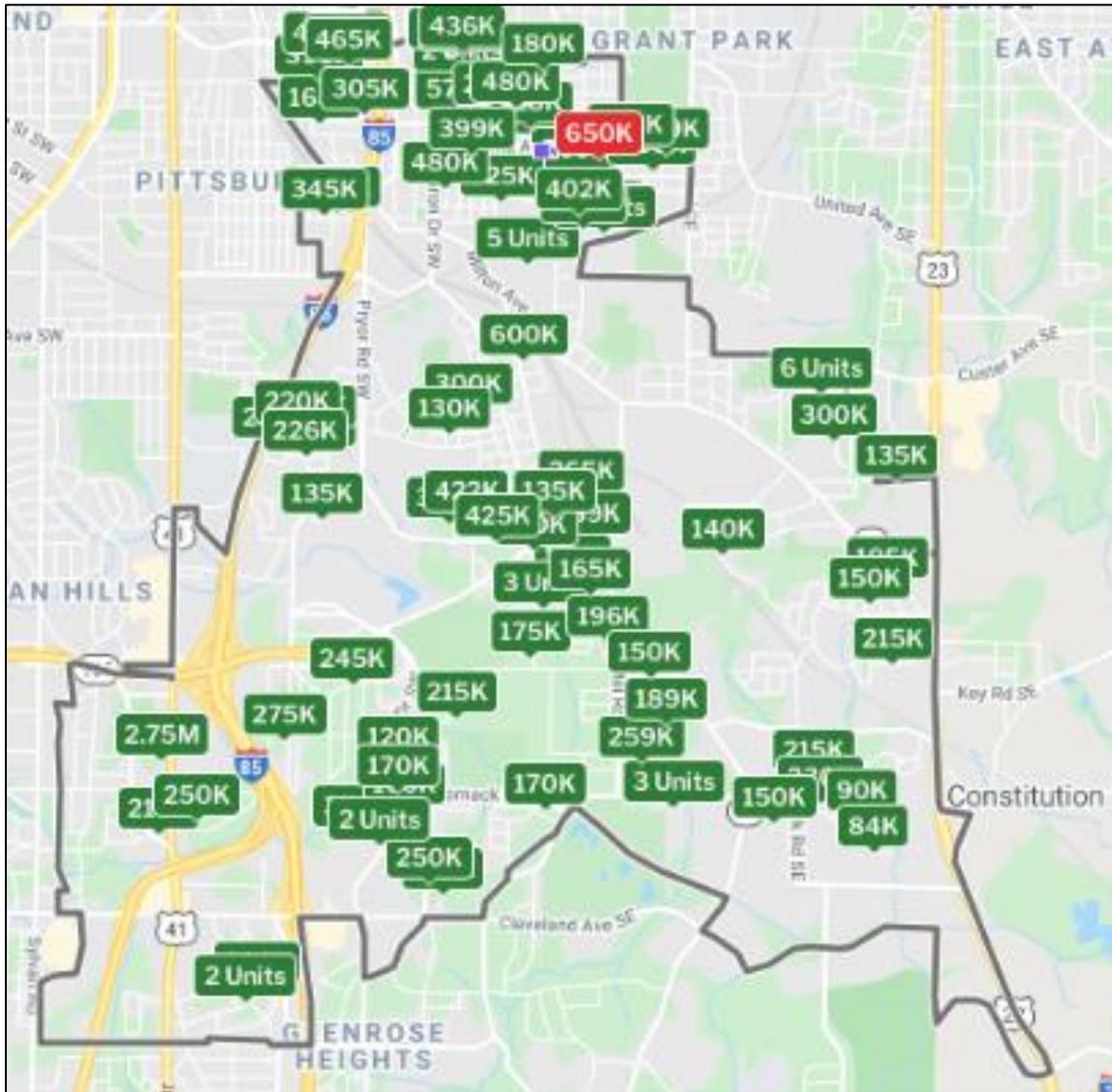
Homes Sold Near Subject

Map Order	Address	Price	Sq. Ft.	PSF	Type of Home
1	Subject Property	-	-	-	-
2	1195 Milton Ter SE	\$200,000	1,064	\$187.97	Condo
3	876 Boulevard Ave SE	\$529,000	-	-	Multi-Family
4	215 Ormond St SE	\$525,000	1,718	\$305.59	House
5	245 Amal Dr SW	\$135,000	-	-	Condo
6	377 S Bend Ave SE	\$289,000	1,098	\$263.21	House
7	492 Robinson Ave SE	\$450,000	1,248	\$360.58	House
8	408 Pratt Dr SE	\$489,400	1,710	\$286.20	Condo
9	1050 Stacks Ave	\$401,900	1,710	\$235.03	Condo
10	300 Banberry Dr SE	\$170,000	1,160	\$146.55	House
11	585 Mcwilliams Rd SE	\$150,000	1,742	\$86.11	Townhome

Source: Redfin

FOR SALE HOUSING

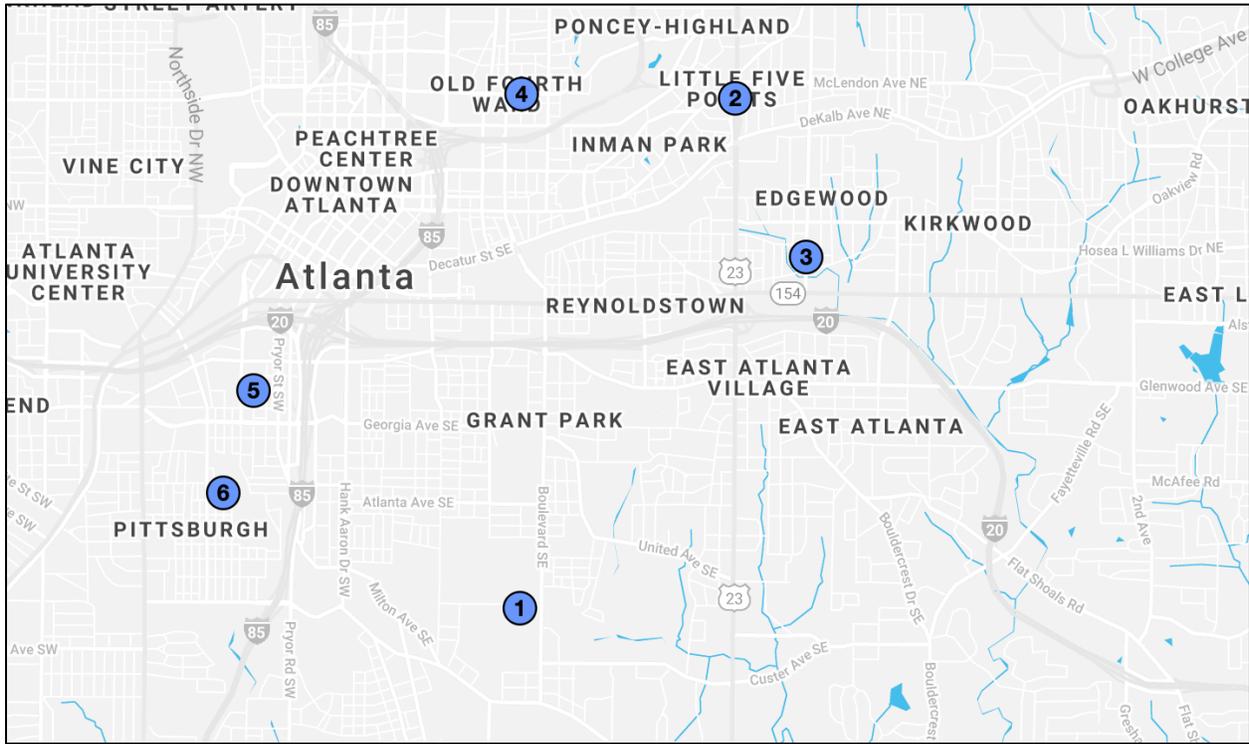
Below shows all available for-sale housing options in Atlanta, GA near the Subject property.



For June 2020, the average housing rate was \$260,000 increasing over an average of \$280,000 in 2021. There has been a steady increase in house sales since 2021, reaching the highest of 83 average houses sold.

FOR SALE HOUSING - FORECLOSURE

Below are the listed foreclosures near the Subject property.



source: realtytrac.com

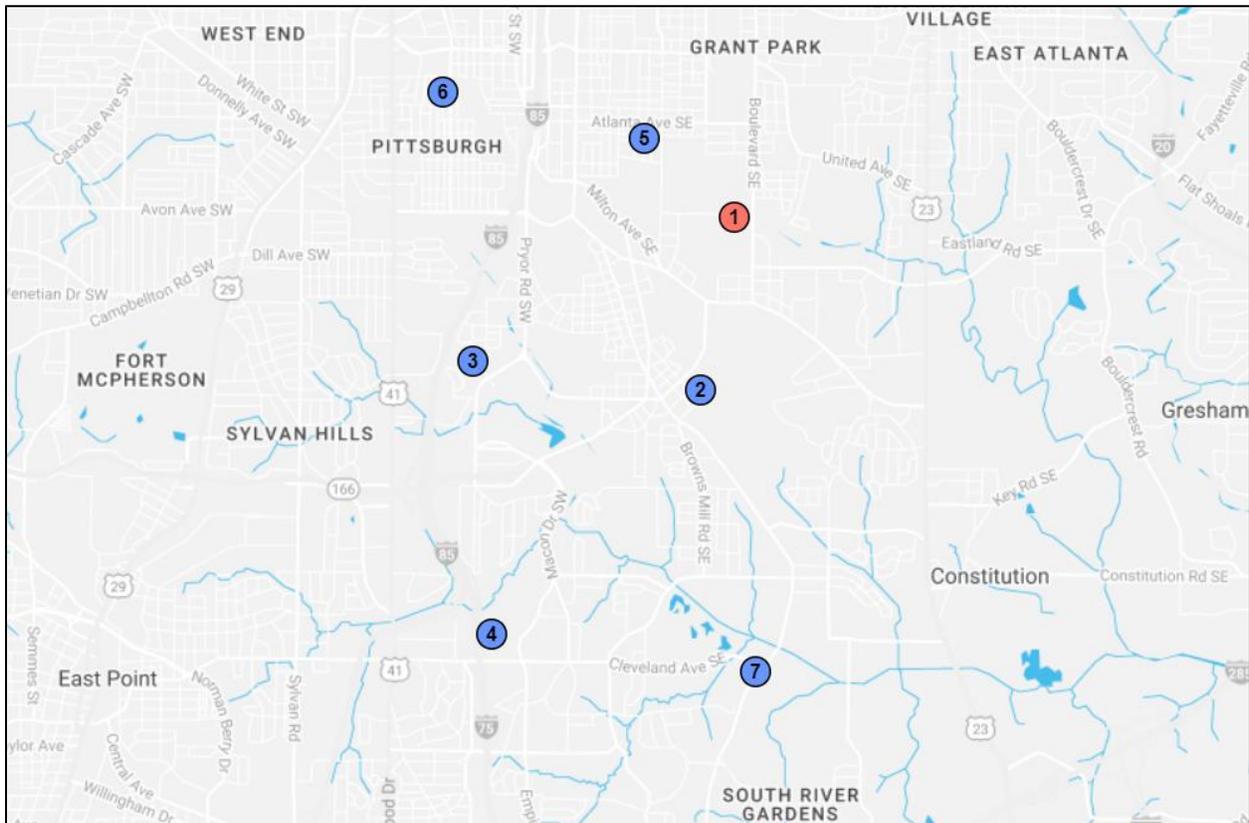
Map Order	Address	Price	Sq. Ft.	\$sq/ft
1	Subject Property	-	-	-
2	Moreland Ave NE	\$387,700	790	\$491.00
3	Whitefoord Ave SE	\$228,500	980	\$233.00
4	Ralph McGill Blvd NE	\$188,100	1,014	\$186.00
5	Cooper St SW	\$200,500	1,574	\$127.00
6	Ira St SW	\$102,000	1,132	\$90.00
7	Paxon St SE	\$742,700	3,186	\$233.00

Source: AreaProbe Inc.

Competitive Rental Analysis

I. LIHTC RENTAL ENVIRONMENT

AreaProbe researched and studied 10 properties (1,487 units) within the subject property area. The average rent for a one-bedroom apartment was \$829 (\$1.21/psf), two-bedroom LIHTC units rent for \$991 (\$1.00/psf), and three-bedroom floor plans rent for \$1,245 (\$0.96/psf).



Source: AreaProbe Inc., BatchGeo

Map Order	Property Name	Address	City	Total Units	Year Built	Distance	Occupancy Rate	Type	AMI
1	Subject Property	535 Englewood Avenue SE	Atlanta	-	-	-	-	Family	Up to 60%
2	The Station at Richmond Hill	1770 Richmond Cir SE	Atlanta	181	1952	1.6 mi	100%	Family	Up to 60%
3	The Villas at Lakewood	1700 Giben Rd SW	Atlanta	192	1967	3.0 mi	98%	Family	Up to 60%
4	Colonial Square	2637 Old Hapeville Rd SW	Atlanta	192	1966	4.1 mi	100%	Family	Up to 60%
5	Columbia Peoplestown	222 Tuskegee St SE	Atlanta	99	2003	1.1 mi	100%	Family	Up to 60%
6	Heritage Station	765 McDaniel St SW	Atlanta	220	2007	3.4 mi	100%	Family	Up to 60%
7	Vineyards of Brown's Mill	2738 Vineyards Dr SE	Atlanta	211	2005	3.8 mi	100%	Family	Up to 60%

Source: AreaProbe Inc., ArcGIS

LIHTC RENTAL ENVIRONMENT

The LIHTC supply consist of older properties which could be the reason for lower rents in the immediate area. Occupancy rates were generally 99% across the properties surveyed which is a favorable indication of a healthy rental market. During our conversation with local property managers, we learned waitlists were between 1-6 years which illustrates pent-up demand.

Map Order	Property Name	1 BD Rent	1 BD SF	1 BD PSF	2 BD Rent	2 BD SF	2 BD PSF	3 BD Rent	3 BD SF	3 BD PSF
1	Subject Property	-	-	-	-	-	-	-	-	-
2	The Station at Richmond Hill	\$ 785	900	\$ 0.87	\$ 1,250	1200	\$ 1.04	-	-	-
3	The Villas at Lakewood	-	-	-	-	-	-	-	-	-
4	Colonial Square	-	-	-	\$ 775	950	\$ 0.82	-	-	-
5	Columbia Peoplestown	-	-	-	\$ 1,350	1103	\$ 1.22	-	-	-
6	Heritage Station	\$ 850	710	\$ 1.20	\$ 1,100	1058	\$ 1.04	\$ 1,250	1232	\$ 1.01
7	Vineyards of Brown's Mill	\$ 841	830	\$ 1.01	\$ 1,095	1119	\$ 0.98	\$ 1,240	1355	\$ 0.92
	Total / Average	\$ 825	813	\$ 1.03	\$ 1,114	1086	\$ 1.02	\$ 1,245	1294	\$ 0.96

Source: AreaProbe Inc. – Phone Surveys

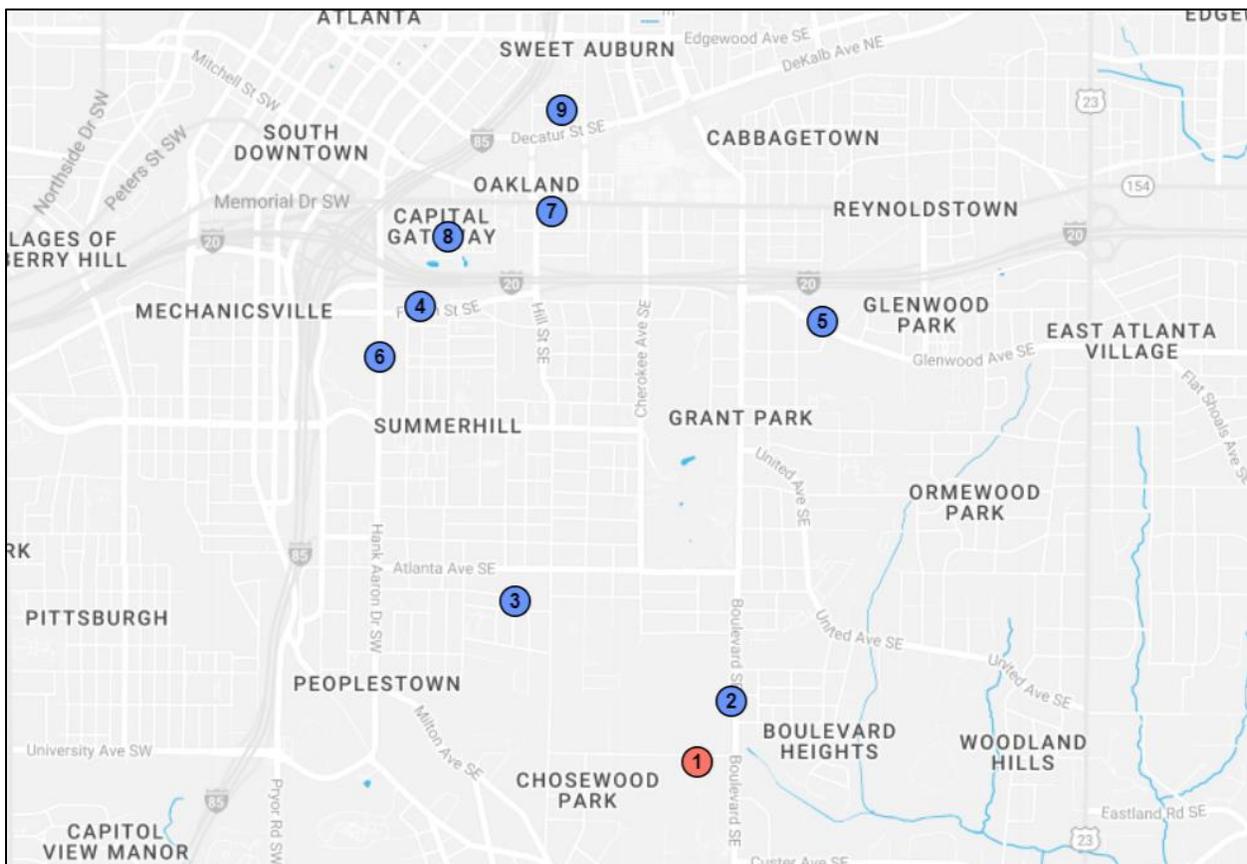
We suggest the Subject offer a fitness center, in-unit washer and dryer, and a community room to be competitive with the market.

Proposed Amenities:

- Englewood MF
- Community room
- Covered porch
- Washer/dryer hookups in each unit
- Media center
- Equipped playground
- Covered pavilion with picnic/bbq facility
- Equipped computer center
- Furnished exercise/fitness center
- Lounge
- Trash collection
- Leasing office
- Retail space
- Parking deck

MARKET RATE RENTAL MARKET – GENERAL OCCUPANCY

AreaProbe researched nine properties (2,411 units) to examine current rental rates and amenities. Market rate one-bedroom units rent for an average rate of \$1,601 (\$2.35/psf), two-bedroom units rent for \$1,983 (\$1.92/psf), and three-bedroom \$2,291. Based on our evaluation of the market rate properties, 97 percent of the units in the market were rented, meaning the local vacancy rate based on our sample group was 3 percent. This is an indication of a healthy rental market as most underwriting guidelines use a 5 percent variance for property vacancy.



Source: AreaProbe Inc., BatchGeo

As expected, the market rate amenities are superior to the LIHTC amenities previously discussed in this report. Most of the market rate apartments offer a pool, business center, fitness center, and in-unit washer and dryers.

MARKET RATE RENTAL MARKET – GENERAL OCCUPANCY

Market Rate Overview

Map Order	Property Name	Address	City	Total Units	Year Built	Distance	Occupancy
1	Subject Property	535 Englewood Avenue SE	Atlanta	-	-	-	-
2	The Skylark	1099 Boulevard SE	Atlanta	319	2020	0.2 mi	96%
3	Columbia Peoplestown	222 Tuskegee St SE	Atlanta	99	2003	1.1 mi	98%
4	The Victory at Summerhill	100 Fulton St SE	Atlanta	276	2021	2.2 mi	99%
5	Link Apartment Grant Park	730 Glenwood Ave	Atlanta	247	2021	1.7 mi	98%
6	565 Hank	565 Hank Aaron Dr	Atlanta	307	2021	2.2 mi	93%
8	The George & The Leonard	275 Memorial Dr SE	Atlanta	217	2017	2.2 mi	-
9	Capitol Gateway	89 Woodward Ave SE	Atlanta	421	2006	2.6 mi	99%
10	Ashley Auburn Pointe	357 Auburn Pointe Dr	Atlanta	304	2013	2.7 mi	99%
Total / Average				2190	2015		97%

Source: AreaProbe Inc.

Map Order	Property Name	1 BD Rent	1 BD SF	1 BD PSF	2 BD Rent	2 BD SF	2 BD PSF	3 BD Rent	3 BD SF	3 BD PSF
1	Subject Property	-	-	-	-	-	-	-	-	-
2	The Skylark	\$ 1,652	722	\$ 2.29	\$ 1,834	1048	\$ 1.75	\$ 2,662	1408	\$ 1.89
3	Columbia Peoplestown	\$ 1,350	1103	\$ 1.22	\$ 1,550	1302	\$ 1.19	\$ 1,400	1302	\$ 1.08
4	Broadstone Summerhill	\$ 1,520	635	\$ 2.39	\$ 1,985	946	\$ 2.10	-	-	-
5	Link Apartment Grant Park	\$ 1,727	494	\$ 3.50	\$ 2,835	1107	\$ 2.56	-	-	-
6	565 Hank	\$ 2,125	749	\$ 2.84	\$ 2,450	1171	\$ 2.09	\$ 3,200	1553	\$ 2.06
7	The George & The Leonard	\$ 1,503	483	\$ 3.11	\$ 1,937	756	\$ 2.56	-	-	-
8	Capitol Gateway	\$ 1,369	708	\$ 1.93	\$ 1,520	1031	\$ 1.47	-	1258	-
9	Ashley Auburn Pointe	\$ 1,564	756	\$ 2.07	\$ 1,756	1079	\$ 1.63	\$ 1,900	1283	\$ 1.48
Total/Average		\$ 1,601	706	\$ 2.42	\$ 1,983	1055	\$ 1.92	\$ 2,291	1361	\$ 1.63

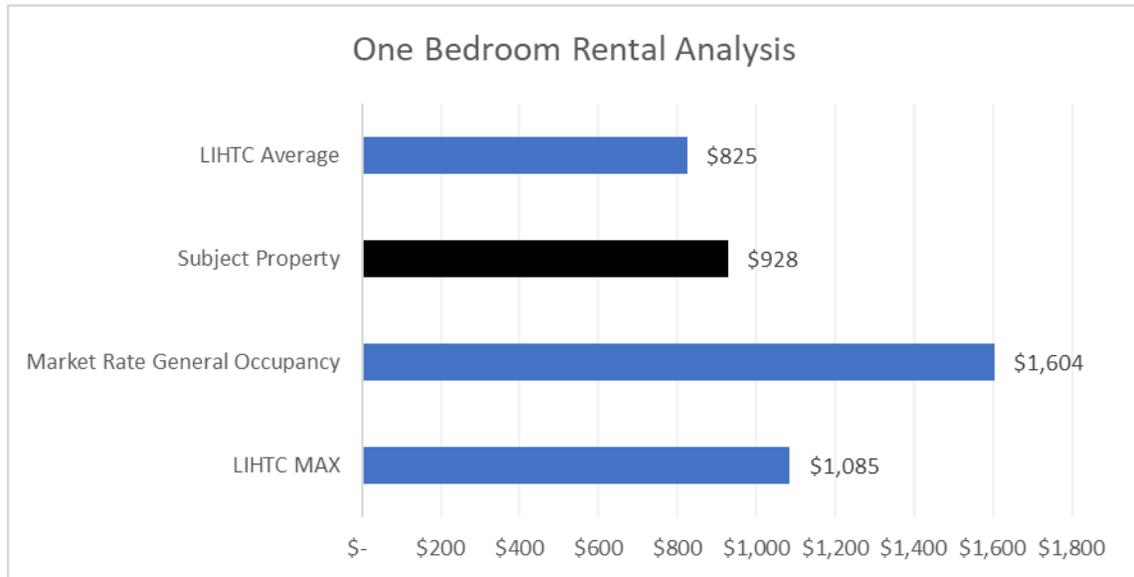
Source: AreaProbe Inc.

Market Rate Property Amenities

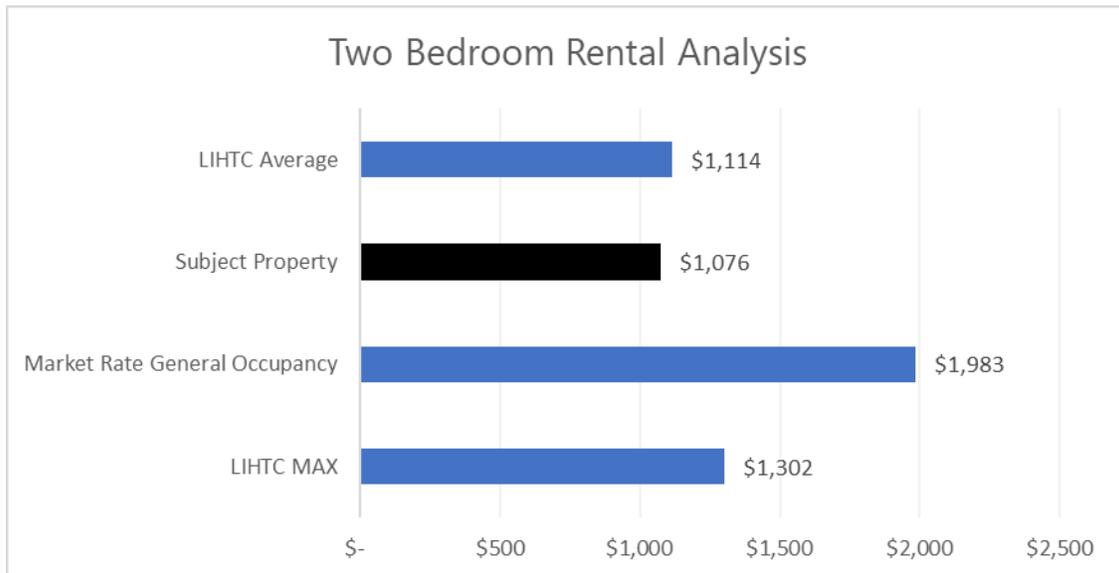
		Amenities					
Map Order	Property Name	Pool	Fitness Center	Business Center	Community Center	Laundry	Patio
1	Subject Property	-	-	-	-	-	-
2	The Skylark	Yes	Yes	Yes	Yes	In Unit	Yes
3	Columbia Peoplestown	No	Yes	No	Yes	Hookup	No
4	Broadstone Summerhill	Yes	Yes	No	Yes	In Unit	Yes
5	Link Apartment Grant Park	Yes	Yes	No	Yes	In Unit	Yes
6	565 Hank	Yes	Yes	No	Yes	-	No
7	Aspen Height	Yes	Yes	Yes	Yes	In Unit	Yes
8	The George & The Leonar	Yes	Yes	Yes	Yes	In Unit	Yes
9	Capitol Gateway	Yes	Yes	Yes	Yes	In Unit	Yes
10	Ashley Auburn Pointe	Yes	Yes	Yes	Yes	In Unit	No

Source: AreaProbe Inc.

RENTAL MARKET COMPARISON

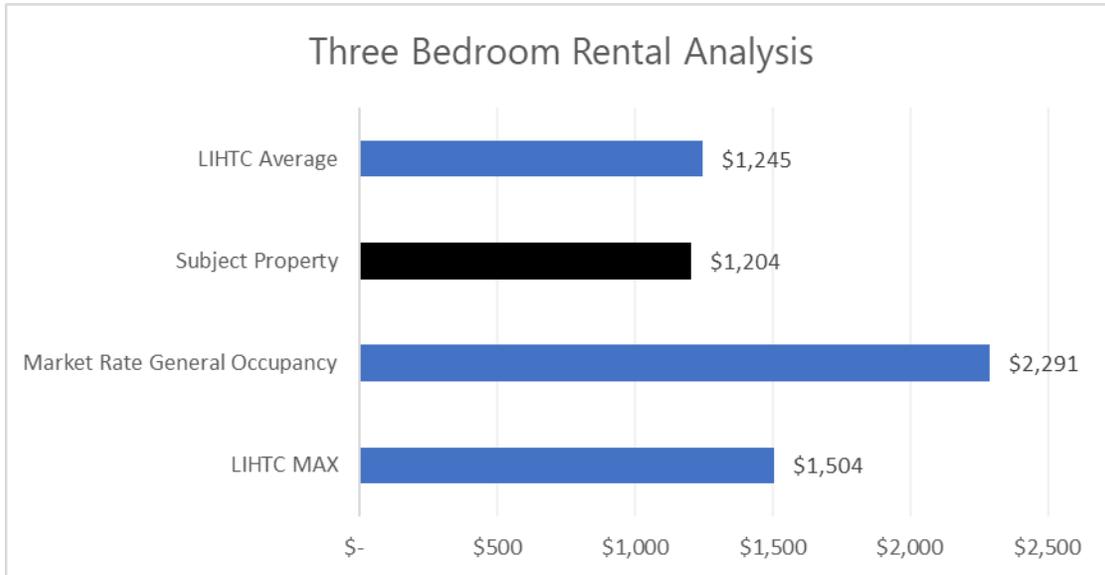


Source: AreaProbe Inc.
Note: LIHTC Max at 60% AMI



Source: AreaProbe Inc.
Note: LIHTC Max at 60% AMI

J. PROJECT IMPACT



The information displayed on the previous page indicate a significant difference between market rate rentals, and the existing LIHTC market. The results show the disparity between the product types are above the 20 percent threshold which signifies that the market rate rental product does not compete with the affordable housing supply in the local area.

One Bedroom Floorplan			
Threshold Analysis	Rental Amount	\$ Diff	% Diff
Proposed Rents	\$ 928	-	-
Average Market Rate (Gen. Occ)	\$ 1,604	\$ (598)	73%
LIHTC Average	\$ 825	\$ 103	11%

Source: AreaProbe Inc.

Two Bedroom Floorplan			
Threshold Analysis	Rental Amount	\$ Diff	% Diff
Proposed Rents	\$ 1,076	-	-
Average Market Rate (Gen. Occ)	\$ 1,983	\$ (790)	84%
LIHTC Average	\$ 1,114	\$ (38)	4%

Source: AreaProbe Inc.

J. PROJECT IMPACT

Three Bedroom Floorplan			
Threshold Analysis	Rental Amount	\$ Diff	% Diff
Proposed Rents	\$ 1,204	-	-
Average Market Rate (Gen. Occ)	\$ 2,291	\$ (790)	90%
LIHTC Average	\$ 1,245	\$ (41)	3%

Source: AreaProbe Inc.

We expect the new affordable housing complex to be well accepted by the marketplace. Below is an absorption rate table that further support our professional opinion. We expect the property to full lease within 6 months of delivery.

Monthly Absorption Rate	
Timeframe	Number of Units Leased
Pre Lease	35
30 Days	30
60 Days	25
90 Days	22
120 Days	20
150 Days	18
180 Days	10

Source: AreaProbe Inc.

K. INTERVIEWS

Complex	Date	Rep
Somerby Sandy Springs	2/18/2022	Leasing Manager
Corso Atlanta	2/18/2022	Leasing Manager
Heatris Buckhead	2/18/2022	Leasing Manager
Coventry Place	2/18/2022	Leasing Manager
The Villas at Lakewood	2/18/2022	Leasing Manager
Colonial Square	2/18/2022	Leasing Manager
Columbia Senior Residences at Edgewood	2/18/2022	Leasing Manager
Columbia Peoplestown	2/18/2022	Leasing Manager
Heritage Station	2/18/2022	Leasing Manager
Wheat Street Towers Retirement Apartments	2/18/2022	Leasing Manager
Reynoldstown Senior Residences	2/18/2022	Leasing Manager
Ashton Browns Mill Senior Apartments	2/18/2022	Leasing Manager
Residence at Maggie	2/18/2022	Leasing Manager
Juniper & 10th	2/18/2022	Leasing Manager

L. CONCLUSION

AreaProbe toured the development site on two separate occasions to explore the market area, in addition to conducting roughly 24 phone surveys of local property managers. We believe this is a viable development project due to market demand, growing demographics, length of the waitlist for existing properties, and lack of newer housing options for senior households in this market. As mentioned on the previous page, we expect the project to fully lease within 6 months of delivery.

Strengths & Weaknesses

Strengths:

- Client has past development experience serving this target market
- Client has an in-house property management team with experience catering to this demographic
- Household demographic for seniors over the age of 65 is expected to grow rapidly
- New ground up development
- Proposed rents are significantly below market rents
- Site is situated across from a local park

Weaknesses:

- No immediate retail within walking distance
-

M. SIGNED STATEMENT

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.

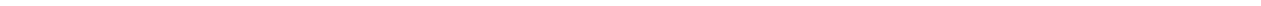
To the best of my knowledge, the market can (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship 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
CEO & Founder
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
1/1/2020 to 12/31/2020

A handwritten signature in black ink, appearing to read 'Curvin Leatham', located in the bottom right corner of the certificate.



Get to Know **Erica Renfro**

Erica Renfro Vice President

Erica is the Vice President of Market and Feasibility Studies at AreaProbe, Inc.

Prior to working as a housing market analyst, Erica served in multiple facets of education and community engagement, seeking to provide economic empowerment for marginalized populations through the teaching of English as a foreign language to adult immigrants, connecting families to existing resources, and education of our youngest generations as an educator.

With a background in education, social justice, and community liaison, Erica is pleased to focus her energies on providing data surrounding low income and affordable housing for families, the aging, and individuals with disabilities. She maintains that the best thing about serving as a Housing Market Analyst and Tax Credit Specialist is that she is able to serve the same demographic she worked with as a teacher, an ESL tutor, and Family & Community Engagement Specialist. Now, instead of providing knowledge and resources, Erica does her part to assist in creating access to thoughtfully planned affordable housing to marginalized populations.

Erica volunteers her time as an out-of-school-time facilitator for a girls STEM Program (the Dr. Betty Shabazz Academy) and as an ESL tutor online and at the local library. An outdoor enthusiast and a linguist, Erica enjoys camping, kayaking, and learning new languages. She loves playing piano, drawing, and cooking with family.

Erica received a certification as a Tax Credit Specialist from the National Center for Housing Management, is a certified Spanish teacher in Pennsylvania and holds a Bachelor's Degree from Clarion University of Pennsylvania (with a major in Spanish with minors in Economics and Art). Having served in Public Allies Pittsburgh and Teach for America Connecticut Corps, Erica is proud to be in the company of both Barack and Michelle Obama as an alumnus of AmeriCorps. She continues her education at Johns Hopkins University earning credits toward a Masters of Science in Education and Policy.

SPECIALTIES INCLUDE:

- ▶ **LOW INCOME HOUSING TAX CREDITS**
- ▶ **RAD CONVERSIONS**
- ▶ **HISTORIC TAX CREDITS**
- ▶ **MIXED INCOME HOUSING**
- ▶ **MIXED USE DEVELOPMENT**
- ▶ **MARKET RATE HOUSING**
- ▶ **MARKET FEASIBILITY STUDIES**
- ▶ **RETAIL ANALYSIS**
- ▶ **HEALTHCARE SERVICES ANALYSIS**
- ▶ **PUBLIC & PRIVATE EDUCATION**
- ▶ **COMPENSATION STUDIES**



Get to Know **Curvin Leatham, CRE**

Curvin Leatham, CRE Founder & Chief Executive officer

Curvin Leatham is the Founder and Chief Executive Officer of AreaProbe Inc. He gained over 10 years of commercial & corporate banking experience while working with a large national bank, and leveraged his experience analyzing companies and markets to build AreaProbe. He has since grown the firm to a client portfolio of close to 200 clients that has facilitated \$15BN worth of Real Estate transactions ranging from affordable and market rate housing, to retail, industrial and hospital centers.

Some of his projects include Barry Farms, Prince George's County Hospital, Northwestern Memorial Hospital in Chicago, Anacostia Retail District, City of Hartford Connecticut Redevelopment, Market North Public Housing to Mixed Income conversion in Wilmington, North Carolina, and 600-units of senior housing in Atlanta, GA.

In 2021, Curvin was inducted to the Counselor of Real Estate organization as the youngest member from a minority group to be admitted to the prestigious real estate society. Curvin is also on track to obtain the FRICS designation, and recently completed the Executive Meeting of the Minds Cohort where he participated in discussions to help solve challenges such as climate change, clean water, affordable housing, policy, and infrastructure development across the United States.

Curvin currently serves on the board of DCBIA (DC Building Industry Association), volunteers with the National Foundation for Teaching Entrepreneurship, and is a guest lecturer at Georgetown University McDonough School of Business. Curvin also volunteers at Georgetown University as an undergraduate admission committee member where he interviews high school seniors that are interested in pursuing a degree at Georgetown. Curvin lives in the Washington, DC area with his wife and daughter. He is a community and people oriented person with an innate desire to problem solve. He is intentional about what he does and the work he's involved in.

SPECIALTIES INCLUDE:

- ▶ **AFFORDABLE HOUSING**
- ▶ **MARKET RATE HOUSING**
- ▶ **INDUSTRIAL ASSETS**
- ▶ **HISTORIC TAX CREDITS**
- ▶ **HEALTHCARE**
- ▶ **RETAIL**
- ▶ **LOW INCOME HOUSING TAX CREDITS**
- ▶ **EB5 CAPITAL**
- ▶ **PRIVATE EQUITY**
- ▶ **REAL ESTATE PROP TECH**
- ▶ **INFRASTRUCTURE DEVELOPMENT**