



# **A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF**

## **MERIWETHER REDEVELOPMENT PHASE I 426 South 15<sup>th</sup> Street Griffin, Spalding County, Georgia**

**Effective Date: May 20, 2013**

**Report Date: June 7, 2013**

*Prepared For*

**Mr. Mark Straub  
Pennrose Properties  
3914 St. Elmo Avenue, Suite A  
Chatanooga, TN 37410**

*Prepared By*

**Novogradac & Company LLP  
2325 Lakeview Parkway  
Suite 450  
Alpharetta, Georgia 30004  
678.867.2333**

June 7, 2013

Mr. Mark Straub  
Pennrose Properties  
3914 St. Elmo Avenue, Suite A  
Chatanooga, TN 37410

**Re: Market Study for Meriwether Redevelopment Phase I Apartments in Griffin, GA**

Dear Mr. Straub:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Griffin, Spalding County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Meriwether Redevelopment Phase I, the proposed construction of an 84-unit LIHTC development on the site of the existing Meriwether Homes. Meriwether Homes is a 120-unit public housing development that is currently 100 percent occupied. The existing Meriwether Homes will be demolished and current tenants will receive tenant protection vouchers. The proposed Meriwether Redevelopment Phase I will serve as replacement housing. Units will be restricted 50 and 60 percent of the AMI, or less. Additionally, the units at 50 percent of AMI will operate with a RAD PBRA subsidy, and all tenant rents will be based on income. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

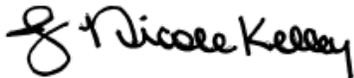
Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP



---

J. Nicole Kelley  
Manager  
Novogradac & Company LLP



---

Timothy Maller  
Real Estate Researcher  
Novogradac & Company LLP

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION ..... 1  
B. PROJECT DESCRIPTION ..... 10  
C. SITE EVALUATION ..... 14  
D. MARKET AREA ..... 26  
    Primary Market Area ..... 27  
E. COMMUNITY DEMOGRAPHIC DATA..... 31  
F. EMPLOYMENT TRENDS ..... 36  
G. PROJECT-SPECIFIC DEMAND ANALYSIS ..... 48  
H. COMPETITIVE RENTAL ANALYSIS ..... 58  
I. ABSORPTION AND STABILIZATION RATES..... 85  
J. INTERVIEWS..... 86  
K. CONCLUSIONS AND RECOMMENDATIONS ..... 103  
L. SIGNED STATEMENT REQUIREMENTS..... 109

Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSION**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Meriwether Redevelopment Phase I will consist of the construction of an 84-unit LIHTC development on the site of the existing Meriwether Homes, located in Griffin, GA. Meriwether Homes is a 120-unit public housing development that is currently 100 percent occupied. The Subject is located at 426 South 15<sup>th</sup> Street in Griffin, Spalding County, Georgia.

The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

**PROPOSED RENTS**

Unit Type	Number of Units	Square Footage	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI/RAD PBRA</i>							
2BR	24	1,042	BOI	\$0	BOI	\$746	\$874
3BR	18	1,321	BOI	\$0	BOI	\$862	\$1,158
<i>60% AMI</i>							
2BR	24	1,042	\$561	\$208	\$769	\$895	\$874
3BR	18	1,321	\$644	\$259	\$903	\$1,035	\$1,158
<b>Total</b>	<b>84</b>						

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

The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development. The Subject’s 42 units at 50 percent of AMI will all operate with a RAD PBRA subsidy and tenant rents for these units will be based on income (BOI).

The Subject will offer the following amenities: patios, blinds, cable/satellite/internet, carpeting, central air conditioning, coat closets, dishwashers, exterior storage, ceiling fans, ovens/stoves, refrigerators, washer/dryers, in-unit alarms, a business center/computer lab, a clubhouse, off-street parking, on-site management, and a picnic area. Overall, the Subject is considered superior to the LIHTC properties in terms of amenities, except St. Phillip Villas, which the Subject is considered slightly inferior to. The Subject is considered inferior to the market rate properties in terms of amenities except for Versailles Apartments,

which is considered similar to the Subject. The Subject's proposed amenities package will allow it to be competitive with the comparable properties.

**2. Site Description/Evaluation:**

The Subject is located on the eastern side of South 15<sup>th</sup> Street in a mixed use neighborhood. Adjacent to the west, north, and east are single-family uses in fair to average condition. Adjacent to the south are commercial uses in fair to average condition. Commercial uses in the Subject's immediate neighborhood appeared to be 90 percent occupied. Single-family and commercial uses to the north of the Subject, along Taylor Road, are in average to good condition and have a similar occupancy of 90 percent.

In the Subject's immediate neighborhood both single-family and commercial uses are in fair to average condition. We observed a number of vacant commercial uses in the neighborhood.

The site is located within walking distance of downtown Griffin, and within a mile of an elementary school, hospital, grocery store, pharmacy, and police department. The Subject will be located within two miles of a library, fire department, and high school. Finally, the Subject will be located 4.2 miles from the nearest middle school.

Three of the comparables are located within the Subject's neighborhood. Marian Point Apartments and Poplar Grove Apartments are LIHTC properties considered to be in average to good condition and are currently 91.7 and 94.4 percent occupied, respectively. Versailles Apartments, a market rate comparable, is considered to be in average condition and is 100 percent occupied. As will be illustrated in the vacancy discussion of this report, the LIHTC comparables in the Subject's PMA attributed their vacancy rates to rent increases and property condition. None of these comparables mentioned crime as a significant factor in terms of achievable rents or occupancy, and only Versailles Apartments has any security features (patrol). The Subject will offer an in-unit alarm. Based on the performance of comparables in the immediate neighborhood, we do not expect the condition of uses in the area or perception of crime to affect rents or occupancy at the Subject. It should be noted that the Subject is within the area marked for redevelopment by the City of Griffin. Overall, we believe that the Subject site is desirable for

LIHTC rental housing and that the Subject will fit well with the surrounding uses.

**3. Market Area Definition:**

The PMA is defined as the Spalding County line, Jackson Road, and Teamon Road to the north, East Milner Road, US Highway 41, and Hollonville Road to the south, the Spalding County line and Barnesville Road to the east, and Hollonville Road and the Spalding County line to the west. The area was defined based on interviews with property managers at comparable properties, interstate divides, our site and neighborhood inspection, and knowledge of the Griffin market gleaned from prior work in the area. We have drawn the northern boundary of the PMA at the county line as property managers indicated that they do not typically get tenants from Henry County as this is considered a separate market.

Although we believe that some demand for the Subject may originate from outside the PMA boundaries, per DCA guidelines we have not accounted for leakage in our demand analysis.

**4. Community Demographic Data:**

Overall, demographic indicators are strong for the Subject's units. Population and households in the PMA are projected to increase at a rate slightly less than the nation through market entry and 2016. In addition to the positive growth trends, the presence of more renter households in the PMA than the national average demonstrates demand for the Subject. The Subject's LIHTC units will target households with income between \$26,469 and \$43,020. Approximately 36.8 percent of households in the PMA earn incomes between \$20,000 and \$50,000. Households in these income cohorts are expected to create demand for the Subject's LIHTC units.

According to RealtyTrac, Griffin experienced a foreclosure rate of one in every 478 housing units in April 2013. Comparatively, the state of Georgia had a foreclosure rate of one in every 283 housing units, and the nation experienced a foreclosure rate of one in every 418 housing units. Per our site visit, there were a few vacant structures, both single family and commercial, within the Subject's neighborhood. It should be noted that the Subject's neighborhood is part of the area that has been marked for development by the City of Griffin. It is likely that those

structures that are vacant and abandoned in the area will be demolished as a part of the city's redevelopment efforts.

**5. Economic Data:**

Total employment in the MSA has been steadily increasing since 2011. As of September 2012, employment in the MSA is at its highest level since 2009. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US; however, the high rate of growth in total employment indicates a recovery in the MSA in line with the nation. The largest employers in the PMA are the accommodation/food services, health care/social assistance, and retail trade industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions. Despite the area's strong foundation in historically stable industries such as education and public administration, these sectors have also experienced layoffs as a result of the recession.

Like the MSA, total employment in Spalding County decreased significantly in 2008 and 2009 as a result of the national recession. Total employment in Spalding County increased in 2011, but has experienced a significant decline in the last 12 months of statistical data. There have been no WARN filings in Spalding County in 2012 and 2013 year to date. However, layoffs in the wider Atlanta area may have affected total employment in Spalding County. Additionally, property managers at a number of the comparables reported that the local economy is poor, and have mentioned layoffs and cutbacks in hours at Caterpillar, a major employer in the area.

For covered employment by industry in Spalding County, the largest sector in Spalding County, according to the Bureau of Labor Statistics, is the education and health services industry, followed by the trade/transportation/utilities industry. This deviates slightly from the industry trends in the PMA, where retail trade, manufacturing, educational services, and construction are the largest sectors. Retail trade, manufacturing, construction, and transportation and warehousing are overrepresented in the PMA when compared to the nation. By contrast, healthcare and social

services, finance and insurance, professional, scientific, and tech services, and information are underrepresented in the PMA when compared to the nation.

Expansions in the metropolitan Atlanta market have been in various industries ranging from manufacturing to insurance. Baxter International, a pharmaceutical and medicine manufacturer, announced in April 2012 its plan to construct a \$1.0 billion plant in Covington, Georgia, according to an *Atlantic Business Chronicle* article. The facility will support the firm’s production of plasma-based treatments and is projected to create 1,500 jobs. The plant is anticipated to open in 2018. Voestalpine, an automotive wholesaler, will also construct a plant within metropolitan Atlanta. The \$62.0 million manufacturing site will be located in Cartersville, Georgia and is projected to employ 220 workers.

While the MSA has shown positive growth in recent years, Spaulding County remains affected by poor economic conditions, as reported by property managers at market rate properties. However, the LIHTC comparables reported that they were less affected by this. Additionally, the poor economic conditions have meant more income-qualified renters in the PMA.

**6. Project-Specific Affordability And Demand Analysis:**

DCA guidelines indicate that units operating with an additional subsidy with rents based on income are considered leasable and are not to be included in the demand analysis. Therefore, our demand analysis only includes the 42 LIHTC units that will operate without any additional subsidy. Our demand analysis indicates that there are 809 income qualified renter households in the PMA, and 512 income qualified two and three-bedroom renter households. The following table illustrates the Subject’s capture rates.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
2BR @60%	\$26,366-\$43,020	24	271	0	271	8.8%
3BR @60%	\$30,960-\$43,020	18	240	0	240	7.5%
Overall @60%	\$26,366-\$43,020	42	512	0	512	8.2%

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level will range from 8.8 to 7.5 percent, with an overall capture rate of 8.2 percent. These capture

rates are considered low and are within DCA threshold requirements. Therefore, we believe there is adequate demand for the Subject.

**7. Competitive Rental Analysis:**

The availability of LIHTC data is considered adequate. There are four LIHTC properties in the PMA targeted to families, all of which have been included as comparables. We have also included four market rate properties located within 0.5 and 3.4 miles of the Subject. We consider the availability of market data to be good.

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

The following table compares the Subject’s proposed 60 percent AMI LIHTC rents to the market rents. We have not included the Subject’s proposed 50 percent AMI rents in the following table as all of these units will operate with an additional RAD PBRA subsidy and all tenants will pay 30 percent of their income towards rent.

**Subject Comparison To Market Rents**

Unit Type	Subject's Proposed 60% AMI Rents	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2 BR	\$561	\$276	\$651	\$576	3%
3 BR	\$644	\$535	\$934	\$682	6%

As the tables above depict, the Subject’s proposed 60 percent rents are slightly below the average of the market rate properties. The market rate comparables were constructed between 1972 and 1998 and will be in inferior condition to the Subject upon its completion. Two of the LIHTC comparables, Poplar Grove and St. Phillip Villas offer market rate units as well. The Subject is most similar to St. Phillip Villas. The Subject’s proposed LIHTC rents are \$20 below the conventional rents at this property and are similar to the current LIHTC rents. As previously stated, we do not believe that this property is testing maximum achievable rents. All of its 60 percent AMI and

market rate units are occupied, indicating that the property could likely achieve higher rents. Additionally, the Subject will offer a slightly superior location and condition when compared to this property, as the Subject will be new construction and will have better proximity to locational amenities. Surrounding uses are in generally similar condition at both the Subject and St. Phillip Villas. Overall, we believe that the Subject's proposed LIHTC rents offer value in the local market, as they are well within the observed range of market rents and are below the average market rents.

**8. Absorption/Stabilization Estimate:**

The proposed Subject will consist of the demolition and redevelopment of the existing Meriwether Homes, a 120-unit public housing development that is currently 100 percent occupied. Current tenants at Meriwether Homes will receive tenant protection vouchers so that they can move to other rental properties in the area. We have conservatively estimated that the Subject will have to lease all 42 RAD PBRA units following renovations given that many of those with tenant protection vouchers may not choose to move back to the Subject once construction is complete.

The Subject will also offer 42 units restricted to tenants earning 60 percent of the AMI or less. These units will operate without any additional subsidy and all 42 of these units will need to be leased following construction. One of the comparable properties, Walden Pointe Apartment Homes, reported an absorption rate of 18 units per month. However, this property was constructed in 1998, and is therefore not considered to be an accurate indicator of the current market. We were unable to obtain absorption information for other properties in Griffin, or for Spalding County as a whole, as most were constructed prior to 2004. However, given the healthy LIHTC vacancy rate of 2.8 percent and the Subject's new construction design, we believe that the Subject's units could reasonably expect to lease 13-15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

**9. Overall Conclusion:**

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the Subject as proposed. Overall vacancy in the market is slightly elevated, at 8.7 percent. However, the high vacancy rate can primarily be attributed to the area's market rate

properties. Property managers at the market rate comparables attributed the elevated vacancy rates to a number of factors, including competition from for sale housing and the poor economy. LIHTC vacancy in the market is low, at 2.8 percent. Management at several LIHTC comparables noted that the poor economy has affected them less, as many of the layoffs that have occurred have been amongst higher wage workers, whose incomes are above the range for the comparable properties. Additionally, the economic downturn has meant more income-eligible tenants for LIHTC properties, many of who are unable to obtain financing for owner occupied housing.

The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development which is currently 100 percent occupied. As a combined LIHTC and subsidized property, we expect the Subject to maintain a vacancy rate of five percent or less. The Subject's proposed rents are well below the maximum allowable levels, and are similar to the current 60 percent AMI rents at St. Phillip Villas. Of the LIHTC comparables, the Subject will be most similar to St. Phillip Villas, a 60 unit property which was built in 2002 and is in good condition. Upon completion the Subject will offer a superior location and condition to St. Phillip Villas, but smaller unit sizes and an inferior amenity package. St. Phillip Villas is currently 95 percent occupied, with zero vacancies amongst its units at 60 percent restriction. The strong performance at this property indicates that its rents have been accepted in the local market and higher 60 percent AMI rents are likely achievable. Therefore, we believe that the Subject's proposed two-and three-bedroom rents at 60 percent restriction, which are similar to those at St. Phillip Villas, are achievable.

### Summary Table:

(must be completed by the analyst and included in the executive summary)

Development Name:	<b>Meriwether Redevelopment Phase I</b>	Total # Units: <b>84</b>
Location:	426 South 15th Street, Griffin, GA 30224	# LIHTC Units: <b>84</b>
PMA Boundary:	North: Spaulding County line, Jackson Road, and Teamon Road; South: East Milner Road, US Highway 41, and Hollonville Road; East: Spaulding County Line and Barnesville Road; West: Hollonville Road and Spalding County line	
	Farthest Boundary Distance to Subject:	<b>13.1</b>

#### Rental Housing Stock (found on page 93)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	928	81	91.3%
Market-Rate Housing	4	680	74	89.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	4	248	7	97.2%
Stabilized Comps	8	928	81	91.3%
Properties in Construction & Lease Up	0	0	0	0.0%

\*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
24	2BR at 50% AMI / RAD PBRA	2	1,042	BOI	\$559	\$0.54	N/Ap	\$710	\$0.55
18	3BR at 50% AMI / RAD PBRA	2	1,321	BOI	\$677	\$0.51	N/Ap	\$944	\$0.87
24	2BR at 60% AMI	2	1,042	\$561	\$576	\$0.55	2%	\$710	\$0.55
18	3BR at 60% AMI	2	1,321	\$644	\$682	\$0.52	2%	\$944	\$0.87

#### Demographic Data (found on page 34, 54)

	2000		2011		2015	
Renter Households	8,529	35.9%	9,814	36.9%	9,956	36.6%
Income-Qualified Renter HHs (LIHTC)	2,047	24.00%	2,355	24.00%	2,389	24.00%

#### Targeted Income-Qualified Renter Household Demand (found on pages 54 )

Type of Demand	30%	50%	60%	Market-rate	Other:___	Overall*
Renter Household Growth	N/Ap	N/Ap	42	N/Ap	N/Ap	42
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	766	N/Ap	N/Ap	766
Homeowner conversion (Seniors)	N/Ap	N/Ap	N/ap	N/Ap	N/Ap	N/ap
Less Comparable/Competitive Supply	N/Ap	N/Ap	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	N/Ap	808	N/Ap	N/Ap	<b>808</b>

#### Capture Rates (found on page 55)

Targeted Population	30%	50%	60%	Market-rate	Other:___	Overall
Capture Rate:	N/Ap	N/Ap	8.20%	N/Ap	N/Ap	8.20%

\*Includes LIHTC and unrestricted (when applicable)

\*\*May differ slightly from demand analysis due to rounding

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

<b>Project Address and Development Location:</b>	The Subject site is located at 426 South 15 <sup>th</sup> Street in Griffin, Spalding County, Georgia.
<b>Construction Type:</b>	The Subject will consist of new construction on the site of the existing Meriwether Homes. The Subject will consist of 14 two story walk-up buildings of brick and cement board siding construction.
<b>Occupancy Type:</b>	Family.
<b>Special Population Target:</b>	None.
<b>Number of Units by Bedroom Type and AMI Level:</b>	See following property profile.
<b>Unit Size:</b>	See following property profile.
<b>Structure Type:</b>	See following property profile.
<b>Rents and Utility Allowances:</b>	See following property profile.
<b>Existing or Proposed Project Based Rental Assistance:</b>	The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development. The Subject's units at 50 percent of AMI will operate with a RAD PBRA subsidy, and all tenant rents will be based on income.
<b>Proposed Development Amenities:</b>	See following property profile.

# Meriwether Redevelopment Phase I, Griffin, GA; Market Study

Meriwether Redevelopment Phase I												
<b>Comp #</b>	<b>Subject</b>											
<b>Location</b>	426 South 15th Street Griffin, GA 30224 Spalding County											
<b>Distance</b>	n/a											
<b>Units</b>	84											
<b>Vacant Units</b>	N/A											
<b>Vacancy Rate</b>	N/A											
<b>Type</b>	Lowrise (2 stories)											
<b>Year Built / Renovated</b>	2015											
Market												
<b>Program</b>	@50% (Public Housing), @60%				<b>Leasing Pace</b>				n/a			
<b>Annual Turnover Rate</b>	N/A				<b>Change in Rent (Past Year)</b>				n/a			
<b>Units/Month Absorbed</b>	n/a				<b>Concession</b>							
<b>Section 8 Tenants</b>	N/A											
Utilities												
<b>A/C</b>	not included -- central				<b>Other Electric</b>				not included			
<b>Cooking</b>	not included -- electric				<b>Water</b>				not included			
<b>Water Heat</b>	not included -- electric				<b>Sewer</b>				not included			
<b>Heat</b>	not included -- electric				<b>Trash Collection</b>				included			
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	2	Lowrise (2 stories)	23	1,042	N/A	\$0	50% (RAD PBRA)	n/a	N/A	N/A	N/A	
2	2	Lowrise (2 stories)	25	1,042	\$561	\$0	60%	n/a	N/A	N/A	no	
3	2	Lowrise (2 stories)	17	1,321	N/A	\$0	50% (RAD PBRA)	n/a	N/A	N/A	N/A	
3	2	Lowrise (2 stories)	19	1,321	\$644	\$0	60%	n/a	N/A	N/A	no	
Amenities												
<b>In-Unit</b>	Balcony/Patio Blinds Cable/Satellite/Internet Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Oven Refrigerator Washer/Dryer				<b>Property</b>				Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area			
<b>Security Services</b>	In-Unit Alarm none				<b>Premium Other</b>				none none			
Comments												
The Subject will serve as replacement housing for the existing Meriwether Homes, a 120 unit public housing development. The existing Meriwether Homes is 100 percent occupied. Current tenants will receive tenant protection vouchers. The Subject's units at 50 percent of AMI will continue to operate with a public housing subsidy. Tenants will pay for all of their utilities except trash collection. The utility allowance will be \$208 and \$259 for two and three-bedrooms, respectively. Gross rents for the Subject's 60 percent units will equal \$769 and \$903, respectively.												

<b>Scope of Renovations:</b>	The Subject will be new construction.
<b>Current Rents:</b>	The current rents at the existing Meriwether Homes are subsidized, and based on income.
<b>Current Occupancy:</b>	The existing Meriwether Homes is 100 percent occupied.
<b>Current Tenant Income:</b>	The Subject will be new construction.
<b>Placed in Service Date:</b>	Construction is scheduled to be completed by July 2015.
<b>Conclusion:</b>	The Subject will be an excellent -quality brick and cement board siding two-story walk-up style apartment complex, comparable to superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**1. Date of Site Visit and Name of Site Inspector:**

Nicole Kelley visited the site on May 20, 2013.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

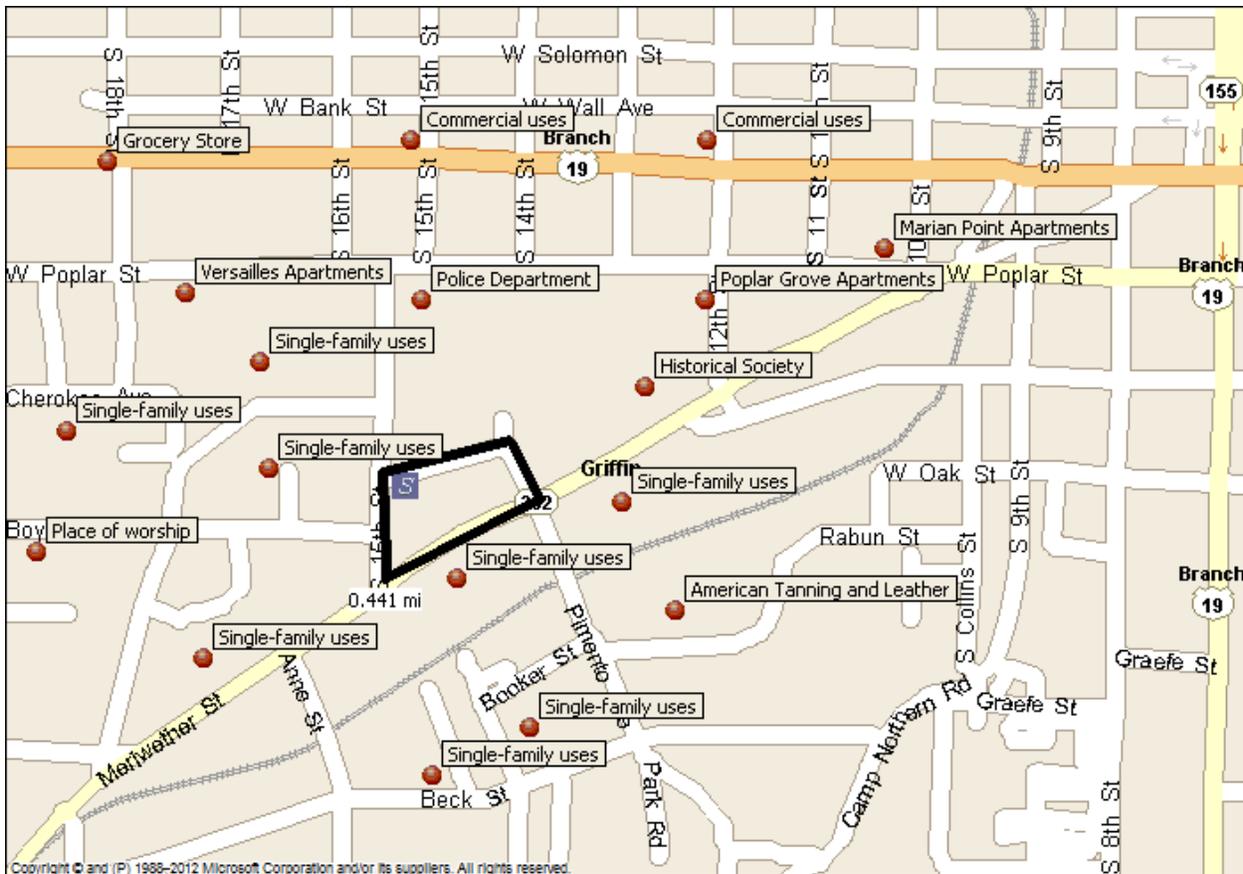
The Subject site has frontage along Sunshine Drive, Pimento Avenue, Meriwether Street, and 15<sup>th</sup> Street.

*Visibility/Views:*

The Subject is located on the eastern side of South 15<sup>th</sup> Street and has good visibility and views.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject is located on the eastern side of South 15<sup>th</sup> Street in a mixed use neighborhood. Adjacent to the west, north, and east are single-family uses in fair to average condition. Adjacent to the south are commercial uses in fair to average condition. Further to the south and southwest are a city park and Spalding Medical Center. Commercial uses in the Subject's immediate neighborhood appeared to be 90

percent occupied. Single-family and commercial uses to the north of the Subject, along Taylor Road, are in average to good condition and similarly around 90 percent occupied.

Three of the comparables are located within the Subject's neighborhood. Marian Point Apartments and Poplar Grove Apartments are LIHTC properties considered to be in average to good condition and are currently 91.7 and 94.4 percent occupied, respectively. Versailles Apartments, a market rate comparable, is considered to be in average condition and is 100 percent occupied. As will be illustrated in the vacancy discussion of this report, the LIHTC comparables in the Subject's neighborhood attributed their vacancy rates to rent increases and property condition. The vacancy rates at these comparables are considered healthy, and suggest that the surrounding uses have not been a detrimental influence. Therefore, we do not expect them to impact the Subject once complete.

*Positive/Negative Attributes of Site:* In the Subject's immediate neighborhood both single-family and commercial uses are in fair to average condition. We observed a few commercial vacancies in the neighborhood.

Three of the comparables are located within the Subject's neighborhood. Marian Point Apartments and Poplar Grove Apartments are LIHTC properties considered to be in average to good condition and are currently 91.7 and 94.4 percent occupied, respectively. Versailles Apartments, a market rate comparable, is considered to be in average condition and is 100 percent occupied. None of these comparables mentioned crime as a significant factor in terms of achievable rents or occupancy, and only Versailles Apartments has any security features (patrol). The Subject will offer an in-unit alarm. We do not expect the condition of uses in the area or perception of crime to affect rents or occupancy.

Positive attributes of the Subject's site include its close proximity to locational amenities. The site is within walking distance to downtown Griffin. It is within a mile of an elementary school, hospital, grocery store, pharmacy, and police department. The Subject will be located within two miles of a library, fire department, and high school. Finally, the Subject will be located 4.2 miles from the nearest middle school. The Subject has a walk score of 51, indicating that some amenities are within walking distance.

**3. Physical Proximity to Locational Amenities:**

The Subject is located on the eastern side of South 15<sup>th</sup> Street and has good visibility and views.

The site is located within walking distance of downtown Griffin, and within a mile of an elementary school, hospital, grocery store, pharmacy, and police department. The Subject will be located within two miles of a library, fire department, and high school. Finally, the Subject will be located 4.2 miles from the nearest middle school.

The Spalding County and Griffin area do not have a fixed route transportation/bus system. They do however have demand response shuttle buses. Provided through a grant with 3 Rivers Regional Commission, residents must call 24 hours prior and it will take them anywhere within the five participating counties (Butts, Lamar, Pike, Spalding, and Upson Counties) for \$4.00 dollars round-trip.

**4. Pictures of Site and Adjacent Uses:**



Subject – existing structure to be demolished



Subject – existing structure to be demolished



View northeast on Meriwether Street



View southwest on Meriwether Street



Vacant commercial use, adjacent to the south



Convenience store, adjacent to the south



Commercial use to the south



Single-family use to the south



City park to the south



Single-family use to the west



Commercial uses to the north



Commercial uses to the north



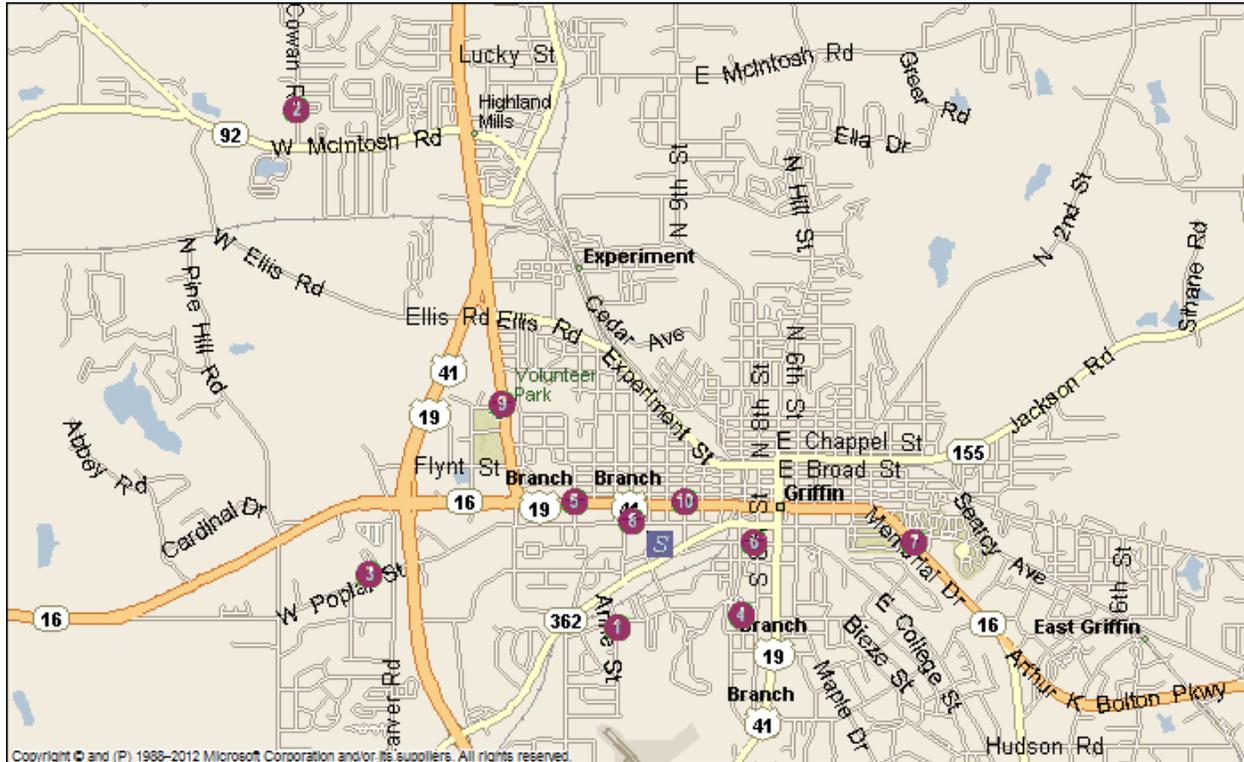
Poplar Grove Apartments, to the northeast



Spalding Medical Center, southeast of Subject site

**5. Proximity to Locational Amenities:**

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



**LOCALATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	Anne Street Elementary School	0.5 miles
2	Cowan Road Middle School	4.2 miles
3	Griffin High School	1.7 miles
4	Spalding Regional Medical Center	0.7 miles
5	Food Depot	1.0 miles
6	Hobbs Pharmacy	0.6 miles
7	Griffin-Spalding Library	1.6 miles
8	Griffin Police Department	0.4 miles
9	Griffin Fire Department	1.8 miles
10	Employment Center - Griffin Downtown	0.4 miles

**6. Description of Land Uses:**

The Subject is located on the eastern side of South 15<sup>th</sup> Street in a mixed use neighborhood. Adjacent to the west, north, and east are single-family uses in fair to average condition. Adjacent to the south are commercial uses in fair to average condition. Commercial uses in the Subject’s immediate neighborhood appeared to be 90 percent occupied. Single-family and commercial uses to the north of the Subject, along Taylor Road, are in average to good

condition and similarly around 90 percent occupied. Three of the comparables are located within the Subject’s neighborhood. Marian Point Apartments and Poplar Grove Apartments are LIHTC properties considered to be in average to good condition and are currently 91.7 and 94.4 percent occupied, respectively. Versailles Apartments, a market rate comparable, is considered to be in average condition and is 100 percent occupied.

Overall, we believe that the Subject site is desirable for rental housing and that the Subject will fit well with the surrounding uses.

**7. Multifamily Residential within Two Miles:**

There are a number of multifamily residential properties located within two miles of the Subject site. These properties are detailed in the table below.

**Properties Within Two Miles of Subject**

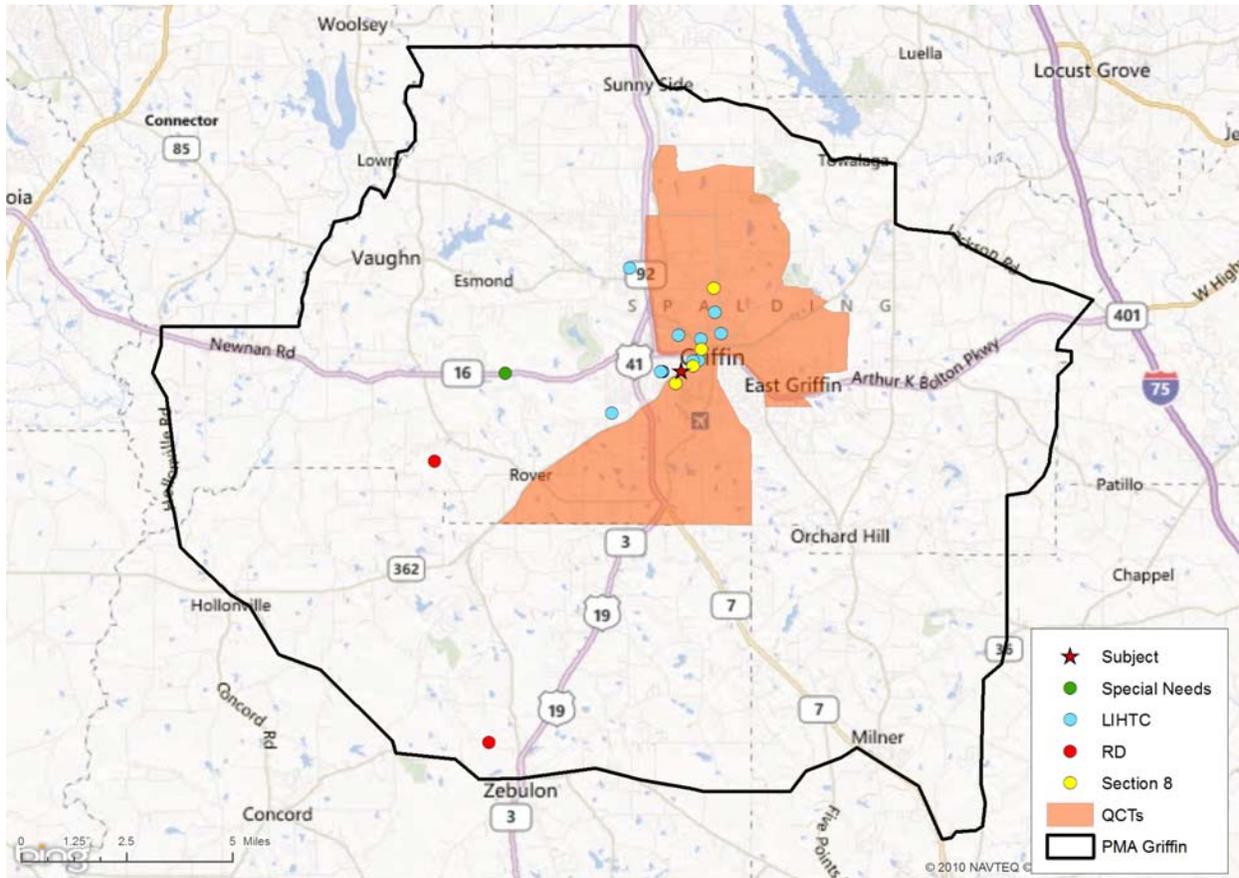
Property	Type	Tenancy	Occupancy*	Included/ Excluded	Reason for Exclusion	Distance from Subject
431 N. Fifth St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.5 miles
935 Ray St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.2 miles
412 W. Quilly St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.1 miles
1307 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1319 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1321 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1333 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
Marion Point	LIHTC/Market	Family	92%	Included	N/Av	0.5 miles
Poplar Grove	LIHTC/Market	Family	83%	Included	N/Av	0.3 miles
St. Philip Villa	LIHTC/Market	Family	95%	Included	N/Av	1.9 miles
Regency Apartments	Section 8	Family	99%	Excluded	All units are subsidized	0.2 miles
Heritage Apartments	Section 8	Family	98%	Excluded	All units are subsidized	0.7 miles
St Georges Court	Section 8	Senior	100%	Excluded	All units are subsidized	0.7 miles
Versailles Apartments	Market	Family	100%	Included	N/Av	0.5 miles
R Childers Apartments	Market	Family	N/Av	Excluded	More comparable properties utilize	1.0 mile

\*Within the last 12 months

**8. Existing Assisted Rental Housing  
Property Map:**

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

Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject	Map Color
431 N. Fifth St.	LIHTC	Family	Excluded	Only one unit	1.5 miles	Cyan
935 Ray St.	LIHTC	Family	Excluded	Only one unit	1.2 miles	
412 W. Quilly St.	LIHTC	Family	Excluded	Only one unit	1.1 miles	
1307 Edgewood Ave.	LIHTC	Family	Excluded	Only one unit	0.7 miles	
1319 Edgewood Ave.	LIHTC	Family	Excluded	Only one unit	0.7 miles	
1321 Edgewood Ave.	LIHTC	Family	Excluded	Only one unit	0.7 miles	
1333 Edgewood Ave.	LIHTC	Family	Excluded	Only one unit	0.7 miles	
Glenco Trace	LIHTC	Senior	Excluded	Tenancy not comparable	3.8 miles	
Marion Point	LIHTC/Market	Family	Included	N/Ap	0.5 miles	
Pine Hill	LIHTC	Family	Included	N/Ap	2.9 miles	
Poplar Grove	LIHTC/Market	Family	Included	N/Ap	0.3 miles	
St. Philip Villa	LIHTC/Market	Family	Included	N/Ap	1.9 miles	
Regency Apartments	Section 8	Family	Excluded	All units are subsidized	0.2 miles	
Northside Hills Apartments	Section 8	Family	Excluded	All units are subsidized	2.6 miles	
Heritage Apartments	Section 8	Family	Excluded	All units are subsidized	0.7 miles	
St Georges Court	Section 8	Senior	Excluded	All units are subsidized	0.7 miles	
Piedmont Ridge I	RD	Family	Excluded	All units are subsidized	10.7 miles	Red
Piedmont Ridge II	RD	Family	Excluded	All units are subsidized	11.6 miles	
Piedmont Ridge III	RD	Family	Excluded	All units are subsidized	15.5 miles	
Brightmoor Nursing Home	FHA	Special Needs	Excluded	Tenancy not comparable	5.8 miles	Green



Griffin, GA - Affordable Properties



**9. Road/Infrastructure**

**Proposed Improvements:**

According to our field work, there are no road/infrastructure improvements underway or planned in the Subject's immediate neighborhood.

**10. Access, Ingress/Egress and Visibility of site:**

The Subject will be accessed from Pimento Avenue, 15<sup>th</sup> Street, and Sunset Drive, all of which are lightly trafficked residential streets. Overall access and visibility are considered good.

**11. Environmental Concerns:**

None visible upon site inspection.

**Detrimental Influences:**

In the Subject's immediate neighborhood both single-family and commercial uses are in fair to average condition. We observed a number of vacant commercial uses in the neighborhood.

Three of the comparables are located within the Subject's neighborhood. Marian Point Apartments and Poplar Grove Apartments are LIHTC properties considered to be in average to good condition and are currently 91.7 and 94.4 percent occupied, respectively. Versailles Apartments, a market rate comparable, is considered to be in average condition and is 100 percent occupied. As will be illustrated in the vacancy discussion of this report, the LIHTC comparables in the Subject's PMA attributed their vacancy rates to rent increases and property condition. None of these comparables mentioned crime as a significant factor in terms of achievable rents or occupancy, and only Versailles Apartments has any security features (patrol). The Subject will offer an in-unit alarm. Given the healthy performance of multifamily properties in the Subject's neighborhood, we do not expect the condition of uses in the area or perception of crime to affect rents or occupancy. Additionally, it should be noted that the Subject's neighborhood has been marked for redevelopment by the City of Griffin.

**12. Conclusion:**

The Subject is located on the eastern side of South 15<sup>th</sup> Street in a mixed use neighborhood. Adjacent to the west, north, and east are single-family uses in fair to average condition. Commercial uses in the Subject's immediate neighborhood appeared to be 90 percent occupied. The Subject is located within walking distance of downtown Griffin, and within a mile of an elementary school, hospital, grocery store, pharmacy, and police department. The

Subject will be located within two miles of a library, fire department, and high school. Finally, the Subject will be located 4.2 miles from the nearest middle school.

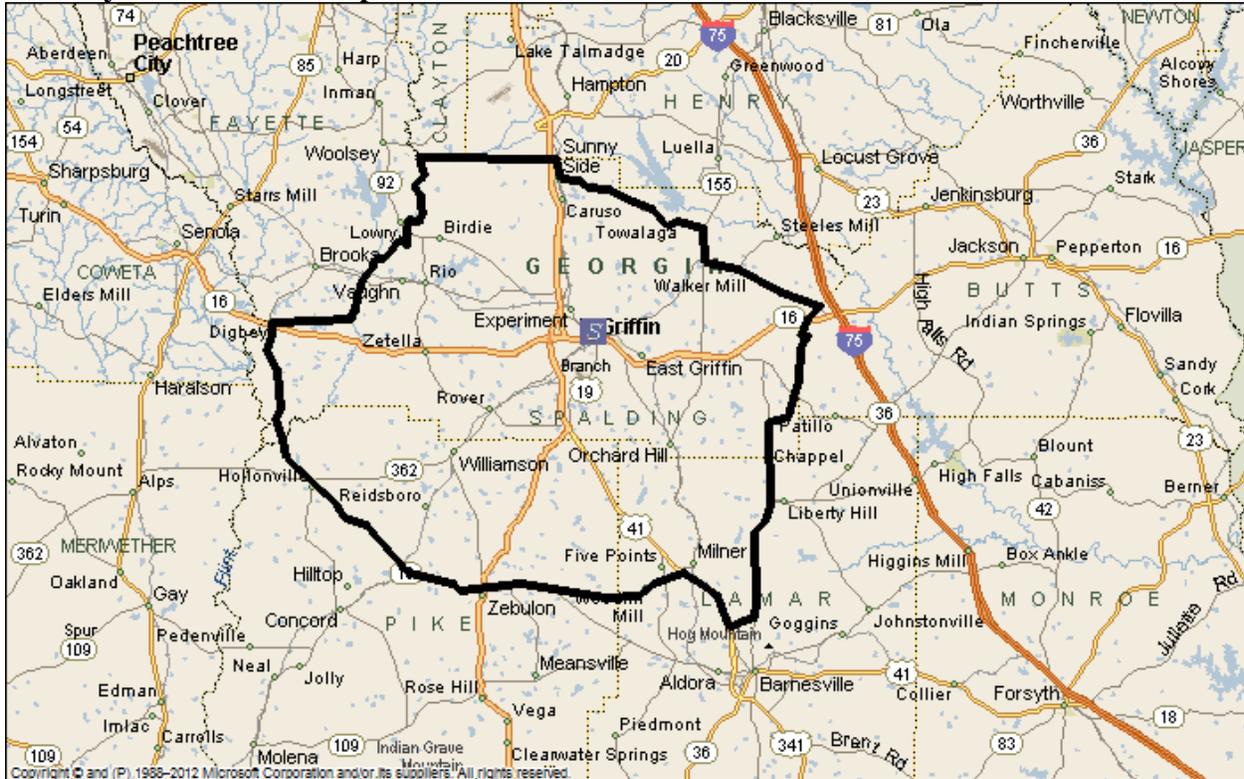
In the Subject's immediate neighborhood both single-family and commercial uses are in fair to average condition. We observed a number of vacant commercial uses in the neighborhood. Additionally, there was a notable police presence in the neighborhood. Three of the comparables are located within the Subject's neighborhood. These comparables have occupancy rates ranging from 91.7 to 100 percent. None of these comparables mentioned crime as a significant factor in terms of achievable rents or occupancy, and only one has any security features (patrol). The Subject will offer an in-unit alarm. Given the healthy performance of multifamily properties in the Subject's neighborhood, we do not expect the condition of uses in the area or perception of crime to affect rents or occupancy. Additionally, it should be noted that the Subject's neighborhood is part of the area that has been marked for redevelopment by the City of Griffin. Overall, we believe that the Subject site is desirable for rental housing and that the Subject will fit well with the surrounding uses.

## **D. MARKET AREA**

**PRIMARY MARKET AREA**

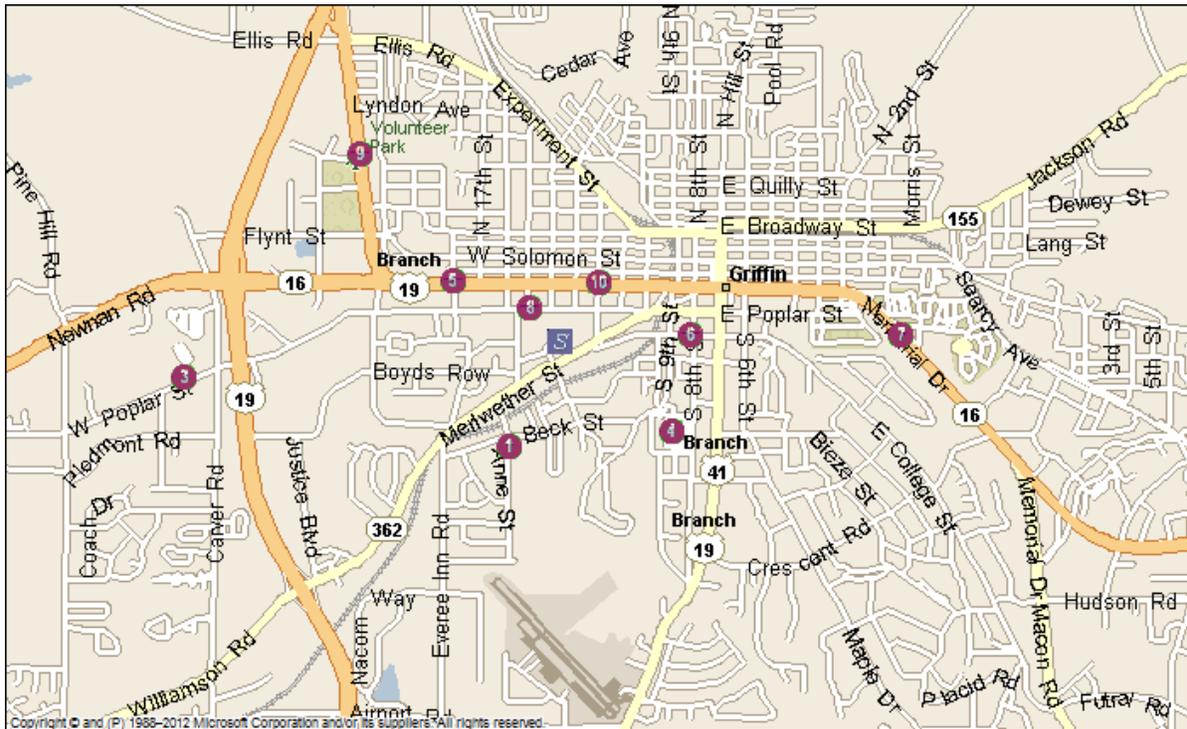
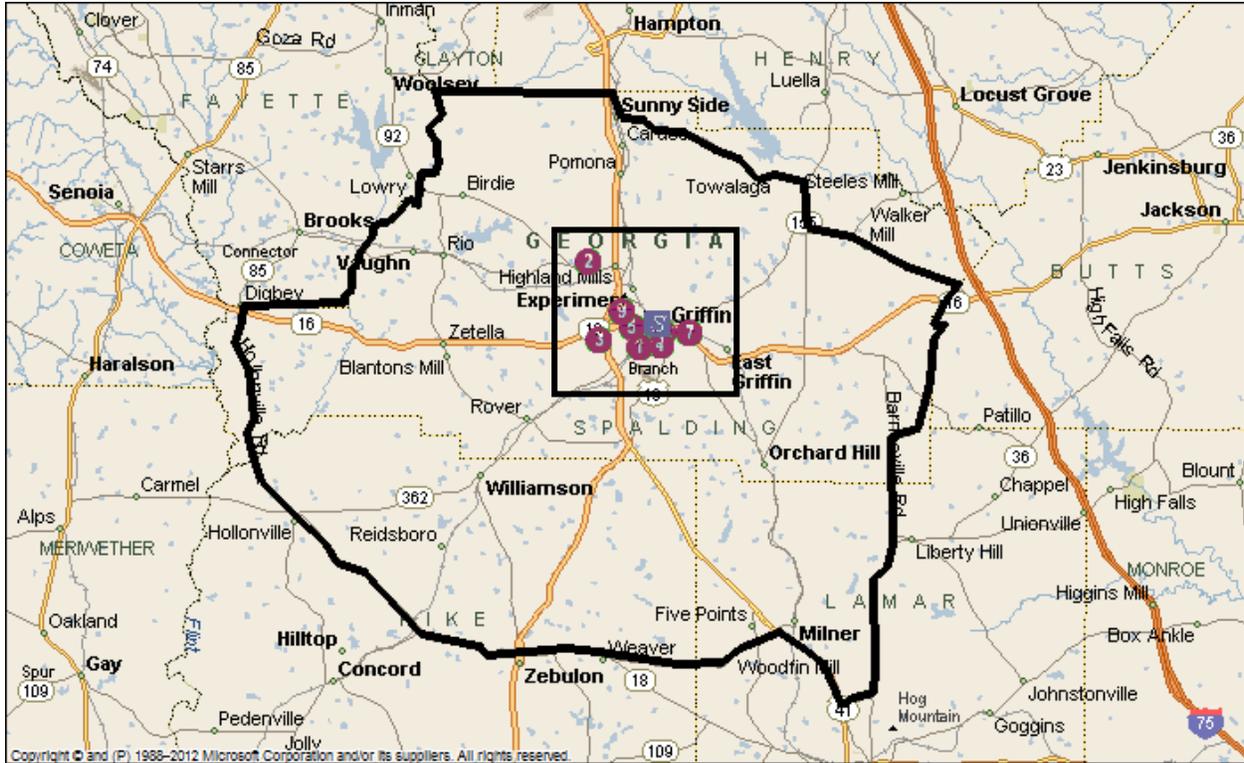
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In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

**Primary Market Area Map**





Locational Amenities



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

The boundaries of the PMA are as follows:

North – Spalding County line, Jackson Road, and Teamon Road,

South- East Milner Road, US Highway 41, and Hollonville Road

East-The Spalding County line and Barnesville Road

West- Hollonville Road and the Spalding County line

The area was defined based on interviews with property managers at comparable properties, interstate divides, our site and neighborhood inspection, and knowledge of the Griffin market gleaned from prior work done here. We have drawn the northern boundary of the PMA at the county line as property managers indicated that they do not typically get tenants from Henry County as this is considered a separate market. We believe that the majority of the Subject's units will come from within the PMA boundaries.

## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Atlanta-Sandy Springs-Marietta MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

**1. Population Trends**

The following tables illustrate (a) Total Population and (b) Population by Age Group within the MSA, the PMA, and nationally from 1990 through 2016.

**TOTAL POPULATION**

Year	Atlanta-Sandy Springs- Marietta, GA MSA					
	PMA		Marietta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	58,736	-	3,069,425	-	248,709,873	-
2000	64,300	0.9%	4,247,981	3.8%	281,421,906	1.3%
2011	72,590	1.1%	5,321,132	2.2%	310,307,156	0.9%
Projected Mkt Entry July 2015	74,259	0.6%	5,551,914	1.1%	318,781,470	0.7%
2016	74,676	0.6%	5,609,610	1.1%	320,900,049	0.7%

Source: ESRI Demographics 2011, Novogradac & Company LLP, March 2013

**POPULATION BY AGE IN 2011**

Age Cohort	Atlanta-Sandy Springs- Marietta, GA MSA					
	PMA		Marietta, GA MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	5,079	7.0%	378,227	7.1%	20,019,788	6.5%
5-9	5,185	7.1%	395,799	7.4%	20,383,237	6.6%
10-14	5,169	7.1%	392,920	7.4%	20,744,119	6.7%
15-19	4,961	6.8%	378,644	7.1%	22,017,390	7.1%
20-24	4,418	6.1%	345,428	6.5%	21,763,489	7.0%
25-29	4,694	6.5%	381,061	7.2%	21,263,098	6.9%
30-34	4,594	6.3%	391,196	7.4%	20,168,636	6.5%
35-39	4,893	6.7%	419,714	7.9%	20,210,615	6.5%
40-44	4,857	6.7%	414,929	7.8%	20,824,633	6.7%
45-49	5,127	7.1%	408,693	7.7%	22,495,742	7.2%
50-54	5,105	7.0%	366,250	6.9%	22,368,753	7.2%
55-59	4,627	6.4%	306,768	5.8%	19,980,582	6.4%
60-64	4,266	5.9%	257,326	4.8%	17,105,439	5.5%
65-69	3,353	4.6%	176,531	3.3%	12,840,199	4.1%
70-74	2,350	3.2%	117,050	2.2%	9,505,858	3.1%
75-79	1,689	2.3%	81,932	1.5%	7,381,354	2.4%
80-84	1,158	1.6%	56,912	1.1%	5,719,512	1.8%
85+	1,066	1.5%	51,752	1.0%	5,514,712	1.8%
<b>Total</b>	<b>72,591</b>	<b>100.0%</b>	<b>5,321,132</b>	<b>100.0%</b>	<b>310,307,156</b>	<b>100.0%</b>

Source: ESRI Demographics 2011, Novogradac & Company LLP, March 2013

Population in the PMA is projected to increase at a 0.6 percent annual rate over the next three years, below that of the Atlanta-Sandy Springs-Marietta MSA and slightly below that of the nation during the same period. A large concentration of the population in the PMA is at the lower end of the age spectrum, between zero and 14 years of age, indicating demand for properties targeting families, such as the Subject.

**2. Household Trends**

**2a. Total Number of Households, Average Household Size**

**TOTAL NUMBER OF HOUSEHOLDS**

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	21,000	-	1,140,843	-	91,947,410	-
2000	23,760	1.3%	1,561,114	3.7%	105,991,193	1.5%
2011	26,571	1.1%	1,956,690	2.3%	117,457,661	1.0%
Projected Mkt Entry July 2015	27,187	0.6%	2,044,852	1.1%	120,861,775	0.7%
2016	27,341	0.6%	2,066,892	1.1%	121,712,803	0.7%

Source: ESRI Demographics 2011, Novogradac & Company LLP, March 2013

**AVERAGE HOUSEHOLD SIZE**

Year	PMA		Atlanta-Sandy Springs-Marietta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.67	-	2.67	-	2.58	-
2011	2.68	0.1%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry July 2015	2.68	0.0%	2.67	0.0%	2.58	0.0%
2016	2.68	0.0%	2.67	0.0%	2.57	0.0%

Source: ESRI Demographics 2011, Novogradac & Company LLP, March 2013

Similar to population trends, annual household growth in the PMA is projected to increase between 2011 and 2016 at a 0.6 percent annual rate, below that of the Atlanta-Sandy Springs-Marietta MSA and slightly below that of the nation during the same period. Average household size in the PMA is projected to remain the same for all areas of analysis through 2016. The PMA’s average household size is slightly larger than that of the MSA, and 0.1 percentage points larger than the national average.

**2b. Households by Tenure**

The table below depicts household growth by tenure from 2000 through 2016.

**TENURE PATTERNS PMA**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	15,231	64.1%	8,529	35.9%
2011	16,757	63.1%	9,814	36.9%
Projected Mkt Entry				
July 2015	17,231	63.4%	9,956	36.6%
2016	17,350	63.5%	9,991	36.5%

Source: ESRI Demographics 2011, Novogradac & Company LLP, March 2013

As the table illustrates, the PMA is an owner oriented market, with 63.1 percent of households owning in 2011. Nationally approximately one third of households are renters. Therefore, the PMA's percentage of renter occupied units is slightly larger than the national average.

**2c. Households by Income**

The following table depicts household income in 2011, 2015 and 2016 for the PMA.

**HOUSEHOLD INCOME DISTRIBUTION - PMA**

Income Cohort	2011		Projected Mkt Entry July 2015		2016	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,035	11.4%	3,326	12.2%	3,399	12.4%
\$10,000-19,999	4,171	15.7%	4,385	16.1%	4,439	16.2%
\$20,000-29,999	3,495	13.2%	3,767	13.9%	3,835	14.0%
\$30,000-39,999	3,537	13.3%	3,605	13.3%	3,622	13.2%
\$40,000-49,999	2,724	10.3%	2,804	10.3%	2,824	10.3%
\$50,000-59,999	2,315	8.7%	2,275	8.4%	2,266	8.3%
\$60,000-74,999	2,423	9.1%	2,383	8.8%	2,372	8.7%
\$75,000-99,999	2,543	9.6%	2,467	9.1%	2,448	9.0%
\$100,000-124,999	1,150	4.3%	1,058	3.9%	1,036	3.8%
\$125,000-149,999	449	1.7%	427	1.6%	421	1.5%
\$150,000-199,999	456	1.7%	426	1.6%	419	1.5%
\$200,000+	274	1.0%	263	1.0%	260	1.0%
<b>Total</b>	<b>26,571</b>	<b>100.0%</b>	<b>27,187</b>	<b>100.0%</b>	<b>27,341</b>	<b>100.0%</b>

Source: Ribbon Demographics 2013, Novogradac & Company LLP, March 2013

The Subject's LIHTC units will target households with income between \$26,366 and \$43,020. Approximately 36.8 percent of households in the PMA earn incomes between \$20,000 and \$50,000. Households in these income cohorts are expected to create demand for the Subject's LIHTC units.

**2d. Renter Households by Number of Persons in the Household**

The following table illustrates the number of persons per household among renter households.

**RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA**

	2000		2011		Projected Mkt Entry July 2015		2016	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,396	28.1%	2,654	27.0%	2,702	27.1%	2,714	27.2%
With 2 Persons	2,086	24.5%	2,426	24.7%	2,452	24.6%	2,458	24.6%
With 3 Persons	1,636	19.2%	1,811	18.5%	1,848	18.6%	1,857	18.6%
With 4 Persons	1,337	15.7%	1,496	15.2%	1,504	15.1%	1,506	15.1%
With 5+ Persons	1,074	12.6%	1,427	14.5%	1,450	14.6%	1,456	14.6%
Total Renter Households	8,529	100.0%	9,814	100.0%	9,956	100.0%	9,991	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, March 2013

The largest renter household cohort has remained a one person household since the year 2000, a trend which is projected to continue through 2016. There are a significant number of renter households in the two through five household cohorts as well, which bodes well for the Subject's two and three-bedroom units.

**CONCLUSION**

Overall, demographic indicators are strong for the Subject's units. Population and households in the PMA are projected to increase at a rate slightly less than the nation through market entry and 2016. In addition to the positive growth trends, the presence of more renter households in the PMA than the national average demonstrates demand for the Subject. The Subject's LIHTC units will target households with income between \$26,366 and \$43,020. Approximately 36.8 percent of households in the PMA earn incomes between \$20,000 and \$50,000. Households in these income cohorts are expected to create demand for the Subject's LIHTC units.

## **F. EMPLOYMENT TRENDS**

**Employment Trends**

In this section of the report we will provide an assessment of current and forecasted economic conditions and employment characteristics, including an analysis of recent trends and how they relate to demand for additional new rental housing. Economic data will focus on the Atlanta–Sandy Springs–Marietta, GA Metropolitan Statistical Area and Spalding County, Georgia. Examining economic data will provide a picture of the general health of the community and its ability to support new multifamily construction.

Consistent with national trends, the greater MSA and PMA areas underwent economic contractions as a result of the national recession. However, the MSA displayed strong growth in total employment in 2011 and over the past 12 months of statistical data. By contrast, data for Spalding County, as well as interviews from local property managers, indicate that the area continues to suffer in the wake of the national recession. The large number of layoffs in the past year, as well as an unemployment rate which continues to lag the nation, illustrates that the MSA as a whole has yet to recover from the effects of the recession.

**1. Total Jobs**

The following table illustrates the total jobs (also known as “covered employment”) in Spalding County.

<b>COVERED EMPLOYMENT</b>		
<b>Spalding County</b>		
<b>Year</b>	<b>Total Employment</b>	<b>% Change</b>
2002	22,801	
2003	22,510	-1.29%
2004	23,572	4.51%
2005	23,997	1.77%
2006	23,268	-3.13%
2007	23,297	0.12%
2008	22,259	-4.66%
2009	20,662	-7.73%
2010	20,650	-0.06%
2011	20,866	1.04%
2012 YTD Average*	20,534	-1.62%
Sep-11	20,874	-
Sep-12	20,351	-2.57%

Source: U.S. Bureau of Labor Statistics

\*YTD as of Sept 11

Spalding County posted strong employment growth in 2004 and 2005 but total employment decreased significantly in 2008 and 2009 as a result of the national recession. Total employment in Spalding County increased in 2011, but has experienced a significant decline in the last 12 months of statistical data. As will be illustrated in the WARN filings shown on the following

pages, there have been no reported layoffs in Spalding County in 2012 and 2013 year to date. However, layoffs in the wider Atlanta area may have affected total employment in Spalding County. Additionally, property managers at a number of the comparables reported that the local economy is poor, and have mentioned layoffs and cutbacks in hours at Caterpillar, a major employer in the area.

**2. Total Jobs by Industry**

The following table illustrates the total jobs by employment sectors within the County as of September 2012.

**SEPT 2012 EMPLOYMENT JOBS BY INDUSTRY**

<b>Spalding County</b>		
<b>Industry</b>	<b>Number Employed</b>	<b>Percent Employed</b>
Education and Health Services	4,254	26.61%
Trade,Transportation, and Utilities	3,354	20.98%
Manufacturing	2,547	15.93%
Professional and Business Services	2,217	13.87%
Leisure and Hospitality	1,900	11.88%
Financial Activities	669	4.18%
Other Services	448	2.80%
Construction	428	2.68%
Information	99	0.62%
Unclassified	39	0.24%
Natural Resources and Mining	34	0.21%
Public Administration*	-	0.00%
<b>Total Employment</b>	<b>15,989</b>	<b>100.00%</b>

\*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2012. Covered Employment

The largest sector in Spalding County, according to the Bureau of Labor Statistics, is the education and health services industry, followed by the trade/transportation/utilities and manufacturing industries. Education and Health Services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The trade-transportation-utilities and manufacturing industries have historically proven unstable in times of recession. Management at several comparables reported layoffs and cutbacks in hours at Caterpillar, a major employer in the area. It should be noted that differences in the total jobs and total jobs by industry are due to rounding

The following table illustrates employment by industry in the PMA.

<b>2010 EMPLOYMENT BY INDUSTRY</b>				
<b>Occupation</b>	<b>PMA</b>		<b>USA</b>	
	<b>Number Employed</b>	<b>Percent Employed</b>	<b>Number Employed</b>	<b>Percent Employed</b>
Retail Trade	3,779	13.71%	15,464,986	11.37%
Manufacturing	3,723	13.51%	13,047,475	9.59%
Educational Services	2,843	10.31%	14,168,096	10.42%
Construction	2,783	10.10%	8,872,843	6.52%
Health Care/Social Assistance	2,507	9.10%	18,891,157	13.89%
Accommodation/Food Services	1,787	6.48%	9,114,767	6.70%
Transportation/Warehousing	1,721	6.24%	5,487,029	4.03%
Other Services (excl Publ Adm)	1,611	5.85%	6,679,783	4.91%
Public Administration	1,578	5.73%	6,916,821	5.09%
Admin/Support/Waste Mgmt Svcs	1,014	3.68%	5,114,479	3.76%
Finance/Insurance	921	3.34%	6,883,526	5.06%
Prof/Scientific/Tech Services	841	3.05%	8,520,310	6.26%
Wholesale Trade	739	2.68%	4,407,788	3.24%
Real Estate/Rental/Leasing	557	2.02%	2,825,263	2.08%
Arts/Entertainment/Recreation	368	1.34%	2,628,374	1.93%
Information	317	1.15%	3,158,778	2.32%
Utilities	233	0.85%	1,115,793	0.82%
Agric/Forestry/Fishing/Hunting	202	0.73%	1,790,318	1.32%
Mgmt of Companies/Enterprises	35	0.13%	202,384	0.15%
Mining	3	0.01%	723,991	0.53%
<b>Total Employment</b>	<b>27,562</b>	<b>100.0%</b>	<b>136,013,961</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2013

\*Industry data current as of 2010. Other projections current as of 2010.

The largest industries in the PMA are retail trade, manufacturing, educational services, and construction. Together, these four industries comprise 47.63 percent of employment in the PMA. Retail trade, manufacturing, construction, and transportation/warehousing are overrepresented in the PMA when compared to the nation. By contrast, healthcare/social services, finance/insurance, professional/scientific/tech services, and information are underrepresented in the PMA when compared to the nation.

### **3. Major Employers**

The diversification of the Atlanta economic base is indicated by the following list of the MSA's ten largest employers. Additionally, we have included information about major employers in Spaulding County.

The Atlanta area is generally considered the regional hub of the southeastern United States. Atlanta is the headquarters for several major corporations. Additionally, Atlanta's Hartsfield-Jackson International Airport is the hub of Delta Airlines, the largest employer in Atlanta, and of Airtran Airways.

**MAJOR EMPLOYERS**

**Atlanta Metropolitan Area**

<b>Rank</b>	<b>Employer</b>	<b>Industry</b>	<b>Number Employed</b>
1	Delta Airlines	Transportation	27,000
2	Wal-Mart Stores Inc.	Retail	26,000
3	Emory University/Emory Healthcare	Education/Healthcar	23,872
4	DeKalb County Government & Schools	Public	20,405
5	AT&T	Communications	18,000
6	Publix Supermarkets	Retail	17,765
7	Cobb County School District	Education	14,027
8	City of Atlanta Government & Schools	Public	13,628
9	United States Postal Service	Public	10,324
10	The Coca-Cola Company	Food Service	9,000
10	The Home Depot	Retail Trade	9,000

Source: Metro Atlanta Chamber of Commerce, 5/2013

**Spalding County Major Manufacturing Employers**

<b>Map Number</b>	<b>Company</b>	<b>Industry</b>	<b>Employees</b>
1	Caterpillar, Inc.	Manufacturing	900
2	1888 Mills/Southern Terry	Manufacturing	375
3	Norcom	Manufacturing	280
4	AEP Industries, Inc	Manufacturing	250
5	Supreme Corp	Manufacturing	200

Source: Griffin-Spalding Development Authority 05/2013

**Spalding County Major Non-Manufacturing Employers**

<b>Map Number</b>	<b>Company</b>	<b>Industry</b>	<b>Employees</b>
1	Griffin-Spalding County School System	Education	1,550
2	Spalding Regional Medical Center	Hospital	900
3	Spalding County	Government	611
4	City of Griffin	Government	490
5	University of Georgia - Griffin Campus	Education	405
6	Southern Crescent Technical College	Education/Research	360
7	AT&T	Utility	126

Source: Griffin-Spalding Development Authority 05/2013

As seen in the previous table, the top employers in the metropolitan area are concentrated in the transportation, retail, education, healthcare, communications, and food service industries. The largest employer in Atlanta, Delta Airlines, maintains its world headquarters in the city, in addition to operating its largest hub at Hartsfield Jackson Atlanta International Airport (ATL). Delta's revenues totaled \$35.1 million in 2012, and it is the 83<sup>rd</sup> largest Fortune 500 firm in the country. Other major employers include the majority of the countywide public education systems within the MSA.

The major employers in Spalding County concentrate heavily in Manufacturing, Education and Government, with a total manufacturer count of 115 companies, and the total number of employees in manufacturing totaling 5,472 according to recent information from the Griffin-

Spalding Development Authority. The education sector employees over 2,300 people and the Government sector employs over 1,100 people.

*Expansions/Contractions*

The following table lists business closures and layoffs in the Atlanta metropolitan area between 2012 and 2013 year to date, according to Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) notices.

## Meriwether Redevelopment Phase I, Griffin, GA; Market Study

### METROPOLITAN ATLANTA: 2012-2013 YTD WARN FILINGS

City	County	Company	# Jobs	Date
Chamble	Dekalb	Cenveo	44	3/21/2013
Douglasville	Douglas	Dawn Food Products, Inc.	70	3/18/2013
Atlanta	Fulton	Pinnacle Airlines, Inc.	391	3/6/2013
Atlanta	Fulton	Allstate Insurance Company	46	3/1/2013
Tucker	Dekalb	YP.com	32	2/28/2013
Atlanta	Fulton	Mercury Insurance Group	42	2/21/2013
Suwanee	Gwinnett	Avon	250	2/14/2013
Atlanta	Fulton	Georgia State University	30	2/5/2013
Atlanta	Fulton	Pinnacle Airlines, Inc.	31	1/10/2013
Marietta	Cobb	Lockheed Martin Corporation	500	1/9/2013
Lithonia	Dekalb	Bway Corporation	65	1/7/2013
Atlanta	Fulton	WebMD	62	12/11/2012
Lawrenceville	Gwinnett	HMS Host	92	12/4/2012
Conyers	Rockdale	Golden Living Southeast Billing Office	53	11/2/2012
Peachtree City	Fayette	Gardner Denver, Inc.	64	11/2/2012
Forest Park	Clayton	Jacobson Staffing Co.	90	10/30/2012
Atlanta	Fulton	SunTrust Bank	75	10/2/2012
College Park	Fulton	Bank of America	42	9/25/2012
Duluth	Gwinnett	Ricoh	76	9/10/2012
Suwanee	Gwinnett	Web Industries, Inc.	42	9/7/2012
Forest Park	Clayton	G4S Govt. Solutions (Ft. Gillem)	26	8/10/2012
Atlanta	Fulton	Siemens Healthcare Diagnostics	113	8/9/2012
Douglasville	Douglas	The Atlanta Journal - Constitution/COX Enterprises, Inc.	50	8/2/2012
Atlanta	Fulton	CBE Group	67	7/30/2012
Marietta	Cobb	Jackson National Life Insurance Co.	112	7/23/2012
Suwanee	Gwinnett	Video Products Distributors, Inc.	93	7/12/2012
Roswell	Fulton	The Atlanta Journal - Constitution/COX Enterprises, Inc.	110	7/10/2012
Marietta	Cobb	Meda Pharmaceuticals	22	7/2/2012
East Point	Fulton	South Fulton Medical Center	80	6/27/2012
Atlanta	Fulton	The Atlanta Journal - Constitution	108	6/12/2012
Lawrenceville	Gwinnett	CCS Medical/MP Total Care Medical	104	6/5/2012
Smyrna	Cobb	The Atlanta Journal Constitution	102	5/8/2012
Atlanta	Fulton	Eyewonder	17	5/7/2012
Alpharetta	Fulton	Waste Management	62	5/4/2012
Kennesaw	Cobb	The Atlanta Journal Constitution	150	4/17/2012
Fayetteville	Fayette	Best Buy	58	4/16/2012
Atlanta	Fulton	The Wendy's Co.	195	4/2/2012
Atlanta	Fulton	DAL Global Services (Delta Air Lines Co.)	170	3/20/2012
Alpharetta	Fulton	Grainger	68	3/16/2012
College Park	Fulton	Bank of America	57	3/16/2012
Atlanta	Fulton	Crescent Hotels & Resorts, LLC	42	3/2/2012
Atlanta	Fulton	CSC Applied Technology	78	3/1/2012
Atlanta	Fulton	Maximus	25	3/1/2012
Atlanta	Fulton	Seimens Healthcare	28	3/1/2012
Lithia Springs	Douglas	Medline Industries	40	3/1/2012
Conyers	Rockdale	The Atlanta Journal Constitution	80	2/9/2012
Atlanta	Fulton	Concessions International/Paschals	530	2/6/2012
Atlanta	Dekalb	COX Communications	133	1/27/2012
Fayetteville	Fayette	The Atlanta Journal Constitution	70	1/10/2012
Lawrenceville	Gwinnett	Ryder	34	1/9/2012
Atlanta	Dekalb	Bloomingsdale's	141	1/4/2012
<b>2012 Total</b>			<b>3,561</b>	
<b>2013 YTD* Total</b>			<b>1,501</b>	
<b>Total</b>			<b>5,062</b>	

\*Through 5/2013

Source: Georgia Department of Labor, Novogradac & Company LLP, May 2013

As seen in the previous table, there have been a total of 5,018 positions covered by WARN filings throughout 2012 and 2013 year to date. Notably, none of the layoffs reported above occurred in Spalding County. We have conducted additional research to determine recently announced business expansions within the MSA. The following table details recently announced expansions within the MSA.

**2012 BUSINESS EXPANSIONS\***

<b>Employer</b>	<b>Industry</b>	<b>County</b>	<b>Jobs**</b>
Baxter International	Pharmaceutical & Medicine Mfg.	Newton/Jasper/ Walton	1,500
Carter's, Inc.	Clothing Stores	Jackson	600
Infosys Technologies	Computer Systems Design & Related Svcs.	Cobb	250
Asurion Insurance Services	Insurance Agencies & Brokerages	Fulton - Atlanta	250
Voestalpine	Merchant Wholesalers, Durable Goods	Bartow	220
Mitsubishi Electric Cooling & Heating	Merchant Wholesalers, Durable Goods	Gwinnett	198
CHEP USA	Other Wood Product Manufacturing	DeKalb	173
Arkadin	Communications Equipment Mfg.	North Fulton	150
Streamline Health	Business Support Svcs.	Fulton - Atlanta	150
Fresenius Medical Care	Medical Equip. & Supplies Mfg.	Cobb	120
CBS Corp.	Radio & Television Broadcasting	North Fulton	101
Genesis 10	Computer Systems Design & Related Svcs.	North Fulton	100
Panasonic Automotive Systems Co. of America	Merchant Wholesalers, Durable Goods	Fulton - Atlanta	100
Continental Bakery / BakeRite	Food Mfg.	South Fulton	90
Davidson Hotels	Traveler Accommodation	DeKalb	90
Centene Corp.	Insurance Carriers	North Fulton	75
PointClear Solutions	Computer Systems Design & Related Svcs.	Cobb	75
CIS Biotech, Inc.	Scientific Research & Development Svcs.	DeKalb	70
Interroll Corp.	Merchant Wholesalers, Durable Goods	Paulding	65
GenAgain Technologies	Waste Collection	Douglas	60
Purac Biomaterials USA	Chemical Mfg.	DeKalb	50
<b>Total</b>			<b>4,487</b>

\*List includes expansions equal to or greater than 50 jobs

\*\* Projected number of jobs to be created over three years

Source: Georgia Department of Economic Development, Georgia Power Community & Economic Development Department, Metro Atlanta Chamber, Novogradac & Company LLP, May 2013

As the previous table demonstrates, expansions in the metropolitan Atlanta market have been in various industries ranging from manufacturing to insurance. Baxter International, a pharmaceutical and medicine manufacturer, announced in April 2012 its plan to construct a \$1.0 billion plant in Covington, Georgia, according to an *Atlantic Business Chronicle* article. The facility will support the firm's production of plasma-based treatments and is projected to create 1,500 jobs. The plant is anticipated to open in 2018. Voestalpine, an automotive wholesaler, will also construct a plant within metropolitan Atlanta. The \$62.0 million manufacturing site will be located in Cartersville, Georgia and is projected to employ 220 workers.

#### **4. Employment and Unemployment Trends**

The following table details employment and unemployment trends for the Atlanta-Sandy Springs- Marietta, GA MSA from 2001 to 2012 (through December).

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	Atlanta-Sandy Springs-Marietta, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	2,335,175	-	3.6%	-	136,933,000	-	4.7%	-
2002	2,330,487	-0.2%	4.9%	1.3%	136,485,000	-0.3%	5.8%	1.1%
2003	2,334,092	0.2%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	2,379,513	1.9%	4.7%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,456,221	3.2%	5.3%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	2,604,115	2.7%	4.6%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	2,582,627	-0.8%	6.2%	1.6%	145,362,000	-0.5%	5.8%	1.2%
2009	2,424,779	-6.1%	9.8%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	2,388,182	-1.5%	10.2%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	2,427,996	1.7%	9.6%	-0.6%	139,869,000	0.6%	8.9%	-0.7%
2012 YTD Average*	2,486,823	2.4%	10.2%	0.6%	142,469,083	1.9%	8.1%	-0.8%
Dec-2011	2,468,133	-	8.9%	-	140,681,000	-	8.3%	-
Dec-2012	2,523,624	2.2%	8.4%	-0.5%	143,060,000	1.7%	7.6%	-0.7%

Source: U.S. Bureau of Labor Statistics December 2012

\*2012 data is through Dec

Between 2010 and 2011, total employment in the MSA increased by 1.7 percent, causing the unemployment rate to decrease 0.6 percentage points. In 2011, the MSA’s unemployment rate was 9.6 percent, 0.7 percentage points higher than the national average. Between December 2011 and December 2012, total employment increased 2.2 percent, and the unemployment rate decreased 0.5 percent. As of December 2012, the unemployment rate stood at 8.4 percent, 80 basis points higher than in the nation as a whole; however, the higher rate of growth in total employment in 2011 and 2012 year-to-date indicates a recovery in the MSA in line with the nation. While the total employment levels in the MSA as of December 2012 are not above the pre-recession peak in 2007, total employment has continually experienced an increase since 2010.

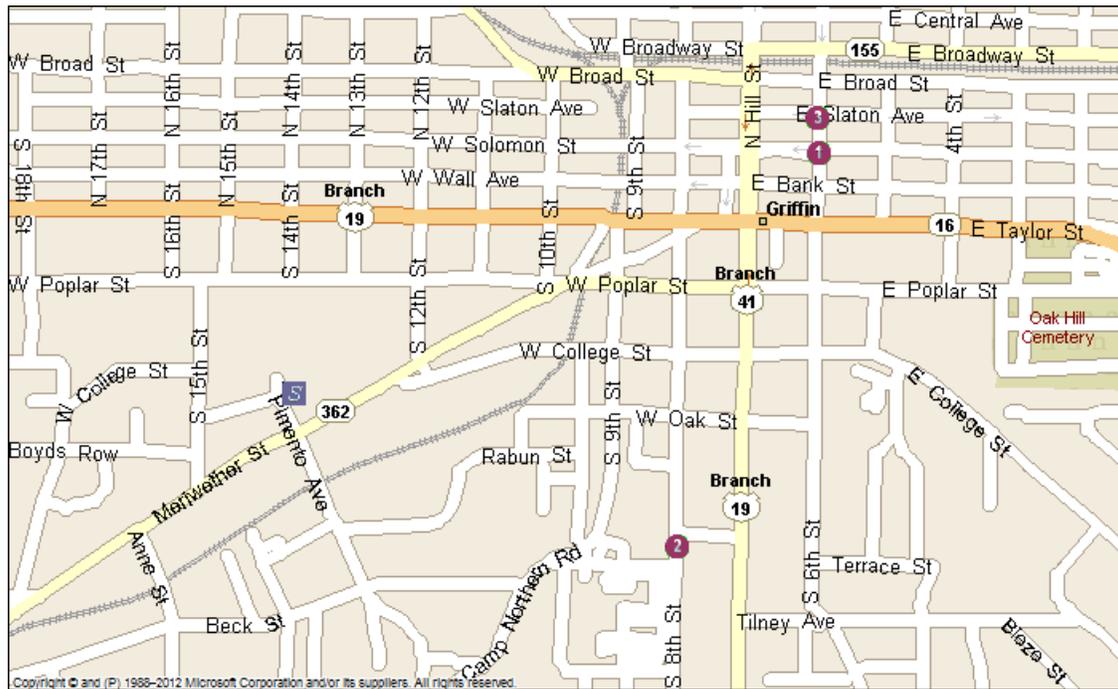
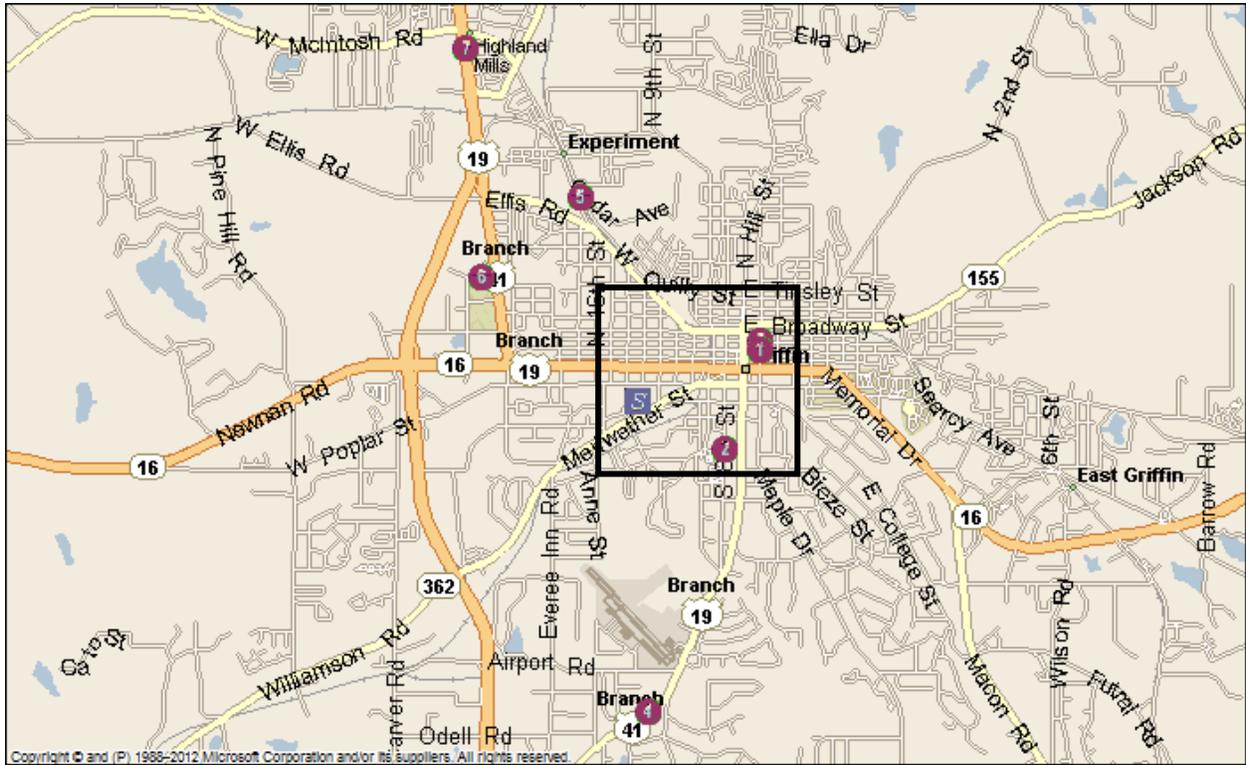
Historically, unemployment rate trends in the MSA have been similar to slightly below the national rate. However, in the wake of the nation recession, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.2 percent in 2010. By comparison, the national rate reached a peak of 9.6 percent in 2010. Both the MSA and the nation have experienced declining unemployment rates since the 2010 peak. The MSA appears to be recovering faster than the nation as a whole in terms of total employment, though the local unemployment rate continues to lag the nation.

**5. Map of Site and Major Employment Concentrations**

The following map and table details the largest employers in Spalding County.



# Meriwether Redevelopment Phase I, Griffin, GA; Market Study



**Spalding County Major Non-Manufacturing Employers**

<b>Map Number</b>	<b>Company</b>	<b>Industry</b>	<b>Employees</b>
1	Griffin-Spalding County School System	Education	1,550
2	Spalding Regional Medical Center	Hospital	900
3	Spalding County	Government	611
4	City of Griffin	Government	490
5	University of Georgia - Griffin Campus	Education	405
6	Southern Crescent Technical College	Education/Research	360
7	AT&T	Utility	126

Source: Griffin-Spalding Development Authority 05/2013

**Conclusion**

Total employment in the MSA has been steadily increasing since 2011. As of September 2012, employment in the MSA is at its highest level since 2009. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US; however, the high rate of growth in total employment indicates a recovery in the MSA in line with the nation. The largest employers in the PMA are the accommodation/food services, health care/social assistance, and retail trade industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject’s income restrictions. Despite the area’s strong foundation in historically stable industries such as education and public administration, these sectors have also experienced layoffs as a result of the recession.

Like the MSA, total employment in Spalding County decreased significantly in 2008 and 2009 as a result of the national recession. Total employment in Spalding County increased in 2011, but has experienced a significant decline in the last 12 months of statistical data. There have been no WARN filings in Spalding County in 2012 and 2013 year to date. However, layoffs in the wider Atlanta area may have affected total employment in Spalding County. Additionally, property managers at a number of the comparables reported that the local economy is poor, and have mentioned layoffs and cutbacks in hours at Caterpillar, a major employer in the area.

## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

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

### **1. INCOME RESTRICTIONS**

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

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

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

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

### **2. AFFORDABILITY**

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

### **3. DEMAND**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

#### **3A. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized 2015, the anticipated date of market entry, as the base year for the analysis. Therefore, 2011 household population estimates are inflated to 2015 by interpolation of the difference between 2011 estimates and 2016 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2015. This number takes the overall growth from 2000 to 2015 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. DEMAND FROM EXISTING HOUSEHOLDS**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

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

### **3C. SECONDARY MARKET AREA**

Per the 2013 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

### **3D. OTHER**

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

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2011 to the present.

### **ADDITIONS TO SUPPLY**

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated or constructed between 2011 to present and those that will be constructed through 2015 that are considered directly competitive.

There are no competitive properties in the PMA that have been built or allocated since 2011. Therefore we have not deducted any units from the demand analysis.

### **PMA OCCUPANCY**

Per DCA's guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

# Meriwether Redevelopment Phase I, Griffin, GA; Market Study

## GENERAL MARKET OVERVIEW

Property	Type	Tenancy	Occupancy*	Included/ Excluded	Reason for Exclusion	Distance from Subject
431 N. Fifth St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.5 miles
935 Ray St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.2 miles
412 W. Quilly St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.1 miles
1307 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1319 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1321 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1333 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
Glenco Trace	LIHTC	Senior	100%	Excluded	Tenancy not comparable	3.8 miles
Marion Point	LIHTC/Market	Family	92%	Included	N/Ap	0.5 miles
Pine Hill	LIHTC	Family	100%	Included	N/Ap	2.9 miles
Poplar Grove	LIHTC/Market	Family	83%	Included	N/Ap	0.3 miles
St. Philip Villa	LIHTC/Market	Family	95%	Included	N/Ap	1.9 miles
Regency Apartments	Section 8	Family	99%	Excluded	All units are subsidized	0.2 miles
Northside Hills Apartments	Section 8	Family	100%	Excluded	All units are subsidized	2.6 miles
Heritage Apartments	Section 8	Family	98%	Excluded	All units are subsidized	0.7 miles
St Georges Court	Section 8	Senior	100%	Excluded	All units are subsidized	0.7 miles
Piedmont Ridge I	RD	Family	N/Av	Excluded	All units are subsidized	10.7 miles
Piedmont Ridge II	RD	Family	N/Av	Excluded	All units are subsidized	11.6 miles
Piedmont Ridge III	RD	Family	N/Av	Excluded	All units are subsidized	15.5 miles
Brightmoor Nursing Home	FHA	Special Needs	N/Av	Excluded	Tenancy not comparable	5.8 miles
Willow Creek	Market	Family	96%	Excluded	More comparable properties utilized	3.3 miles
Walden Poine Apartments	Market	Family	91%	Included	N/Ap	2.8 miles
Versailles Apartments	Market	Family	100%	Included	N/Ap	0.5 miles
Ashford Place	Market	Family	90%	Included	N/Ap	2.3 miles
Garden Gate	Market	Family	N/Av	Excluded	More comparable properties utilized	3.4 miles
R Childers Apartments	Market	Family	N/Av	Excluded	More comparable properties utilized	1.0 mile
Griffin Crossing Apartments	Market	Family	84%	Included	N/Ap	3.4 miles
<b>Average</b>			<b>94%</b>			

\*Within the last 12 months

### Rehab Developments and PBRA

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

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates. Because all of the Subject's 50 percent AMI units will operate with an additional RAD PBRA subsidy, we have no included these units in our demand analysis, as they are assumed leasable by DCA guidelines.

### Capture Rates

The above calculations and derived capture rates are illustrated in the following tables.

## Meriwether Redevelopment Phase I, Griffin, GA; Market Study

Renter Household Income Distribution 2011 to Projected Market Entry July 2015					
Meriwether Redevelopment Phase I					
PMA					
	2011		Projected Mkt Entry July 2015		Percent
	#	%	#	%	Growth
\$0-9,999	1,805	18.4%	1,979	19.8%	8.8%
\$10,000-19,999	2,149	21.9%	2,199	22.0%	2.3%
\$20,000-29,999	1,617	16.5%	1,730	17.3%	6.5%
\$30,000-39,999	1,513	15.4%	1,502	15.0%	-0.7%
\$40,000-49,999	889	9.1%	878	8.8%	-1.3%
\$50,000-59,999	713	7.3%	676	6.8%	-5.5%
\$60,000-74,999	475	4.8%	449	4.5%	-5.7%
\$75,000-99,999	457	4.7%	419	4.2%	-9.1%
\$100,000-124,999	90	0.9%	72	0.7%	-25.6%
\$125,000-149,999	31	0.3%	23	0.2%	-33.1%
\$150,000-199,999	46	0.5%	39	0.4%	-19.6%
\$200,000+	27	0.3%	26	0.3%	-6.7%
Total	9,814	100.0%	9,991	100.0%	1.8%

Renter Household Income Distribution Projected Market Entry July 2015			
Meriwether Redevelopment Phase I			
	PMA		
	Projected Mkt Entry July 2015		Change 2011 to Prj Mkt Entry July 2015
	#	%	
\$0-9,999	1,979	19.8%	35
\$10,000-19,999	2,199	22.0%	39
\$20,000-29,999	1,730	17.3%	31
\$30,000-39,999	1,502	15.0%	27
\$40,000-49,999	878	8.8%	16
\$50,000-59,999	676	6.8%	12
\$60,000-74,999	449	4.5%	8
\$75,000-99,999	419	4.2%	7
\$100,000-124,999	72	0.7%	1
\$125,000-149,999	23	0.2%	0
\$150,000-199,999	39	0.4%	1
\$200,000+	26	0.3%	0
Total	9,991	100.0%	177

Tenure Prj Mkt Entry July 2015	
Renter	36.6%
Owner	63.4%
Total	100.0%

Renter Household Size for Prj Mkt Entry July 2015		
Size	Number	Percentage
1 Person	2,702	27.1%
2 Person	2,452	24.6%
3 Person	1,848	18.6%
4 Person	1,504	15.1%
5+ Person	1,450	14.6%
Total	9,956	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,396	28.1%
2 Person	2,086	24.5%
3 Person	1,636	19.2%
4 Person	1,337	15.7%
5+ Person	1,074	12.6%
Total	8,529	100.0%

**60% AMI**

**Calculation of Potential Household Demand by Income Cohort by % of AMI**

Percent of AMI Level		60%				
Minimum Income Limit		\$26,366				
Maximum Income Limit		\$43,020 Five				
Income Category	New Renter Households - Total Change in Households PMA 2011 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	\$0-9,999	35.06				19.8%
\$10,000-19,999	38.97	22.0%		0.0%	0	
\$20,000-29,999	30.64	17.3%	\$3,633	36.3%	11	
\$30,000-39,999	26.60	15.0%	\$9,999	100.0%	27	
\$40,000-49,999	15.55	8.8%	\$3,020	30.2%	5	
\$50,000-59,999	11.98	6.8%		0.0%	0	
\$60,000-74,999	7.96	4.5%		0.0%	0	
\$75,000-99,999	7.42	4.2%		0.0%	0	
\$100,000-124,999	1.27	0.7%		0.0%	0	
\$125,000-149,999	0.42	0.2%		0.0%	0	
\$150,000-199,999	0.69	0.4%		0.0%	0	
\$200,000+	0.45	0.3%		0.0%	0	
	177	100.0%			42	
Percent of renter households within limits versus total number of renter households					23.97%	

**Calculation of New Renter Household Demand by Income Cohort by % of AMI**

Percent of AMI Level		60%				
Minimum Income Limit		\$26,366				
Maximum Income Limit		\$43,020 Five				
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket	
	\$0-9,999	1,979				19.8%
\$10,000-19,999	2,199	22.0%	\$0	0%	0	
\$20,000-29,999	1,730	17.3%	\$3,633	36%	628	
\$30,000-39,999	1,502	15.0%	\$9,999	100%	1,502	
\$40,000-49,999	878	8.8%	\$3,020	30%	265	
\$50,000-59,999	676	6.8%	\$0	0%	0	
\$60,000-74,999	449	4.5%	\$0	0%	0	
\$75,000-99,999	419	4.2%	\$0	0%	0	
\$100,000-124,999	72	0.7%	\$0	0%	0	
\$125,000-149,999	23	0.2%	\$0	0%	0	
\$150,000-199,999	39	0.4%	\$0	0%	0	
\$200,000+	26	0.3%	\$0	0%	0	
	9,991	100.0%			2,395	
Percent of renter households within limits versus total number of renter households					23.97%	

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2011 Median Income

Change from 2011 to Prj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

Yes
Family
Urban
35%
\$36,919
\$46,005
\$9,086
19.7%
1.6%
1.6%
Two year adjustment
1,000
\$43,020
\$43,020
Five
60%
\$769
\$769.00

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

## Meriwether Redevelopment Phase I, Griffin, GA; Market Study

STEP 1 Please refer to text for complete explanation.

### Demand from New Renter Households 2011 to Prj Mrkt Entry July 2015

Income Target Population		60%
New Renter Households PMA		177
Percent Income Qualified		24.0%
New Renter Income Qualified Households		42

STEP 2a. Please refer to text for complete explanation.

### Demand from Existing Households 2011

#### Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		9,991
Income Qualified		24.0%
Income Qualified Renter Households		2,395
Percent Rent Overburdened Prj Mrkt Entry July 2015		31.1%
Rent Overburdened Households		744

STEP 2b. Please refer to text for complete explanation.

### Demand from Living in Substandard Housing

Income Qualified Renter Households		2,395
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		22

STEP 2c. Please refer to text for complete explanation.

### Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

#### Total Demand

Total Demand from Existing Households		766
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		766
Total New Demand		42
Total Demand (New Plus Existing Households)		809

#### By Bedroom Demand

One Person	27.1%	220
Two Persons	24.6%	199
Three Persons	18.6%	150
Four Persons	15.1%	122
Five Persons	14.6%	118
Total	100.0%	809

<u>To place Person Demand into Bedroom Type Units</u>		
Of one-person households in 1BR units	90%	198
Of two-person households in 1BR units	20%	40
Of one-person households in 2BR units	10%	22
Of two-person households in 2BR units	80%	159
Of three-person households in 2BR units	60%	90
Of three-person households in 3BR units	40%	60
Of four-person households in 3BR units	80%	98
Of five-person households in 3BR units	70%	82
Of four-person households in 4BR units	20%	24
Of five-person households in 4BR units	30%	35
<b>Total Demand</b>		<b>809</b>
Check		OK
<hr/>		
<u>Total Demand by Bedroom</u>		<u>60%</u>
2 BR		271
3 BR		240
<b>Total Demand</b>		<b>512</b>
<hr/>		
<u>Additions To Supply 2011 to Prj Mrkt Entry July 2015</u>		<u>60%</u>
2 BR		0
3 BR		0
<b>Total</b>		<b>0</b>
<hr/>		
<u>Net Demand</u>		<u>60%</u>
2 BR		271
3 BR		240
<b>Total</b>		<b>512</b>
<hr/>		
<u>Developer's Unit Mix</u>		<u>60%</u>
2 BR		24
3 BR		18
<b>Total</b>		<b>42</b>
<hr/>		
<u>Capture Rate Analysis</u>		<u>60%</u>
2 BR		8.8%
3 BR		7.5%
<b>Total</b>		<b>8.2%</b>

**Conclusions**

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 0.6 percent between 2011 and 2015.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
2BR @ 60%	\$26,366-\$43,020	24	271	0	271	8.8%	5-6 months	\$576	\$276-\$651	\$561
3BR @ 60%	\$30,960-\$43,020	18	240	0	240	7.5%	5-6 months	\$682	\$535-\$934	\$644
Overall @ 60%	\$26,366-\$43,020	42	512	0	512	8.2%	5-6 months	-	-	-

**Demand and Net Demand**

HH at 60% AMI (\$26,366 to \$43,020)	
Demand from New Households (age and income appropriate)	42
<b>PLUS</b>	+
Demand from Existing Renter Households - Substandard Housing	22
<b>PLUS</b>	+
Demand from Existing Renter Housholds - Rent Overburdened Households	744
<b>PLUS</b>	+
<b>Secondary Market Demand adjustment IF ANY Subject to 10% Limitation</b>	<b>0</b>
<b>Sub Total</b>	<b>809</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicatble)	0
<b>Equals Total Demand</b>	<b>809</b>
<b>Less</b>	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market between 2010 and the present	0
<b>Equals Net Demand</b>	<b>809</b>

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level will range from 8.8 to 7.5 percent, with an overall capture rate of 8.2 percent. Therefore, we believe there is adequate demand for the Subject.

## **H. COMPETITIVE RENTAL ANALYSIS**

**Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 928 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC is considered adequate. There are four LIHTC properties in the PMA targeted to families. We have included four market rate properties located within 0.5 and 3.4 miles of the Subject. We consider the availability of market data to be good.

**General Market Overview/Included/Excluded Properties**

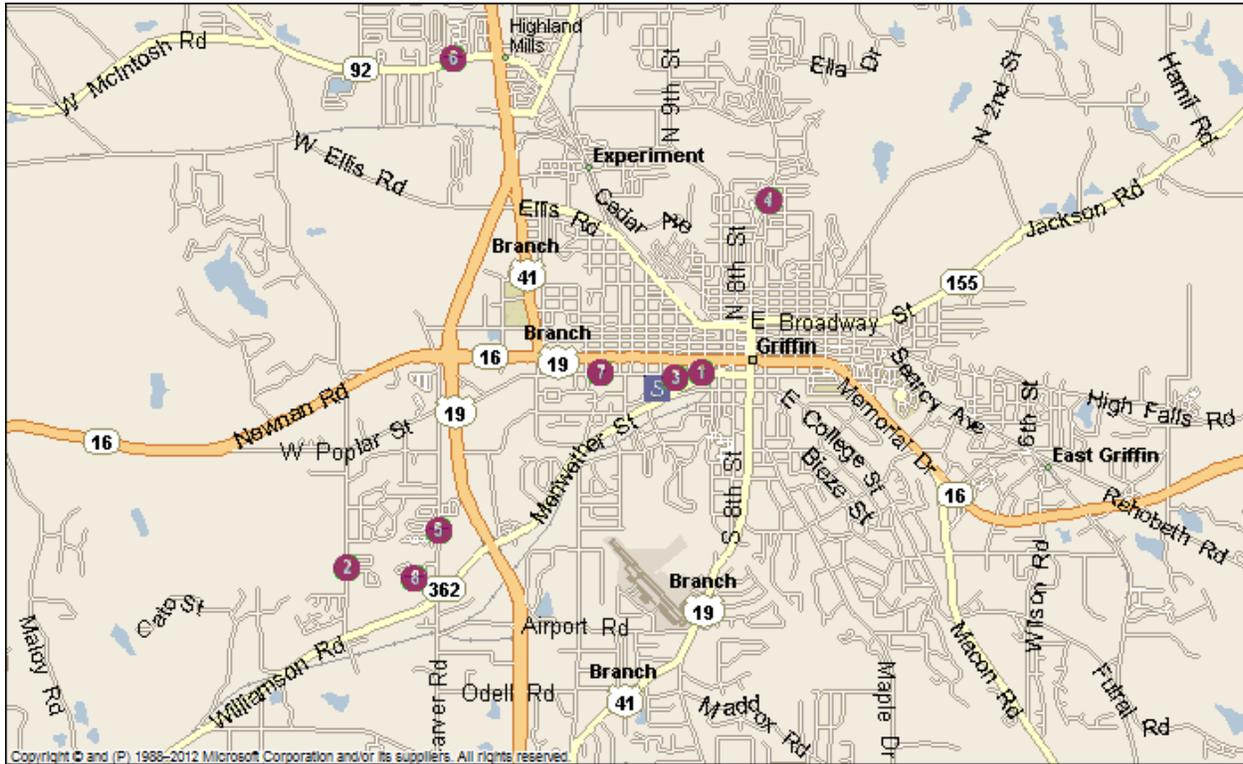
The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

GENERAL MARKET OVERVIEW

Property	Type	Tenancy	Occupancy*	Included/ Excluded	Reason for Exclusion	Distance from Subject
431 N. Fifth St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.5 miles
935 Ray St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.2 miles
412 W. Quilly St.	LIHTC	Family	N/Av	Excluded	Only one unit	1.1 miles
1307 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1319 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1321 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
1333 Edgewood Ave.	LIHTC	Family	N/Av	Excluded	Only one unit	0.7 miles
Glenco Trace	LIHTC	Senior	100%	Excluded	Tenancy not comparable	3.8 miles
Marion Point	LIHTC/Market	Family	92%	Included	N/Ap	0.5 miles
Pine Hill	LIHTC	Family	100%	Included	N/Ap	2.9 miles
Poplar Grove	LIHTC/Market	Family	83%	Included	N/Ap	0.3 miles
St. Philip Villa	LIHTC/Market	Family	95%	Included	N/Ap	1.9 miles
Regency Apartments	Section 8	Family	99%	Excluded	All units are subsidized	0.2 miles
Northside Hills Apartments	Section 8	Family	100%	Excluded	All units are subsidized	2.6 miles
Heritage Apartments	Section 8	Family	98%	Excluded	All units are subsidized	0.7 miles
St Georges Court	Section 8	Senior	100%	Excluded	All units are subsidized	0.7 miles
Piedmont Ridge I	RD	Family	N/Av	Excluded	All units are subsidized	10.7 miles
Piedmont Ridge II	RD	Family	N/Av	Excluded	All units are subsidized	11.6 miles
Piedmont Ridge III	RD	Family	N/Av	Excluded	All units are subsidized	15.5 miles
Brightmoor Nursing Home	FHA	Special Needs	N/Av	Excluded	Tenancy not comparable	5.8 miles
Willow Creek	Market	Family	96%	Excluded	More comparable properties utilized	3.3 miles
Walden Poine Apartments	Market	Family	91%	Included	N/Ap	2.8 miles
Versailles Apartments	Market	Family	100%	Included	N/Ap	0.5 miles
Ashford Place	Market	Family	90%	Included	N/Ap	2.3 miles
Garden Gate	Market	Family	N/Av	Excluded	More comparable properties utilized	3.4 miles
R Childers Apartments	Market	Family	N/Av	Excluded	More comparable properties utilized	1.0 mile
Griffin Crossing Apartments	Market	Family	84%	Included	N/Ap	3.4 miles
<b>Average</b>			<b>94%</b>			

\*Within the last 12 months

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Marian Point	Griffin	LIHTC/Market	0.5 miles
2	Pine Hill Apartments	Griffin	LIHTC	2.9 miles
3	Poplar Grove	Griffin	LIHTC/Market	0.3 miles
4	St Phillip Villas	Griffin	LIHTC/Market	1.9 miles
5	Ashford Place	Griffin	Market	2.3 miles
6	Griffin Crossing Apartments	Griffin	Market	3.4 miles
7	Versailles Apartments	Griffin	Market	0.5 miles
8	Walden Pointe Apartments Homes	Griffin	Market	2.3 miles

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

**SUMMARY MATRIX**

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate				
Subject	Meriwether Redevelopment Phase I 426 S 15th Street Griffin, GA 30224 Spalding County	n/a	Lowrise (2 stories) n/a / n/a	@ 50% (Public Housing), @ 60%	2BR / 2BA	24	28.57%	50% (RAD PBRA)	N/A	1,042	n/a		N/A	N/A				
					2BR / 2BA	24	28.57%	60%	\$561	1,042	n/a	N/A	N/A					
					3BR / 2BA	18	21.43%	50% (RAD PBRA)	N/A	1,321	n/a	N/A	N/A					
					3BR / 2BA	18	21.43%	60%	\$644	1,321	n/a	N/A	N/A					
					84	100%						N/A	N/A					
1	Marian Point 416 W Poplar St Griffin, GA 30224 Spalding County	0.5 mile	Lowrise (3 stories) 1930s / 2004	@ 30%, @ 50%, @ 60%, Market	1BR / 1BA	N/A	N/A	@ 30%	\$235	726	no	None	0	N/A				
					1BR / 1BA	N/A	N/A	@ 50%	\$241	726	no	None	0	N/A				
					1BR / 1BA	N/A	N/A	@ 60%	\$241	726	no	None	0	N/A				
					1BR / 1BA	N/A	N/A	Market	\$241	726	n/a	None	0	N/A				
					2BR / 1BA	N/A	N/A	@ 30%	\$274	843	no	None	0	N/A				
					2BR / 1BA	N/A	N/A	@ 50%	\$276	843	no	None	1	N/A				
					2BR / 1BA	N/A	N/A	@ 60%	\$276	843	no	None	1	N/A				
					2BR / 1BA	N/A	N/A	Market	\$276	843	n/a	None	0	N/A				
										24	100%						2	8.30%
2	Pine Hill Apartments 600 S Pine Hill Rd Griffin, GA 30224 Spalding County	2.9 miles	Various 1995 / n/a	LIHTC	3BR / 2BA (Garden)	8	6.20%	@ 60%	\$625	1,094	yes	Yes	0	0.00%				
					3BR / 2.5BA (Townhouse)	99	77.30%	@ 60%	\$599	1,196	yes	Yes	0	0.00%				
					3BR / 2.5BA (Townhouse)	20	15.60%	@ 60%	\$599	1,196	yes	Yes	0	0.00%				
					3BR / 2.5BA (Townhouse)	1	0.80%	Non-Rental	\$0	1,196	no	no	0	0.00%				
						128	100%									0	0.00%	
3	Poplar Grove 331 S 12th Street Griffin, GA 30224 Spalding County	0.3 miles	Garden n/a / 2003	@ 30%, @ 50%, @ 60%, Market	1BR / 1BA	16	44.40%	@ 30%	\$251	611	n/a	No	N/A	N/A				
					1BR / 1BA	N/A	N/A	@ 50%	\$424	611	n/a	No	N/A	N/A				
					1BR / 1BA	N/A	N/A	@ 60%	\$447	611	no	No	N/A	N/A				
					1BR / 1BA	N/A	N/A	Market	\$387	611	n/a	No	N/A	N/A				
					2BR / 1BA	20	55.60%	@ 30%	\$294	879	n/a	No	N/A	N/A				
					2BR / 1BA	N/A	N/A	@ 50%	\$486	879	n/a	No	N/A	N/A				
					2BR / 1BA	N/A	N/A	@ 60%	\$526	879	no	No	N/A	N/A				
					2BR / 1BA	N/A	N/A	Market	\$485	879	n/a	No	N/A	N/A				
						36	100%									2	5.60%	
4	St Phillip Villas 829 N Hill Street Griffin, GA 30223 Spalding County	1.9 miles	Garden (2 stories) 2002 / n/a	@ 50%, @ 60%, Market	1BR / 1BA	4	6.70%	@ 50%	\$451	975	no	Yes	1	25.00%				
					1BR / 1BA	4	6.70%	@ 60%	\$476	975	no	Yes	0	0.00%				
					1BR / 1BA	4	6.70%	Market	\$496	975	n/a	No	0	0.00%				
					2BR / 2BA	12	20.00%	@ 50%	\$536	1,175	no	Yes	1	8.30%				
					2BR / 2BA	20	33.30%	@ 60%	\$561	1,175	no	Yes	0	0.00%				
					2BR / 2BA	4	6.70%	Market	\$581	1,175	n/a	No	0	0.00%				
					3BR / 2BA	4	6.70%	@ 50%	\$619	1,350	no	Yes	1	25.00%				
					3BR / 2BA	4	6.70%	@ 60%	\$644	1,350	no	Yes	0	0.00%				
					3BR / 2BA	4	6.70%	Market	\$664	1,350	n/a	No	0	0.00%				
						60	100%									3	5.00%	
5	Ashford Place 657 Carver Road Griffin, GA 30224 Spalding County	2.3 miles	Garden (2 stories) 1989 / 2005	Market	1BR / 1BA	32	28.60%	Market	\$490	745	n/a	No	4	12.50%				
					2BR / 1BA	16	14.30%	Market	\$530	1,003	n/a	No	3	18.80%				
					2BR / 2BA	40	35.70%	Market	\$567	1,080	n/a	No	3	7.50%				
					3BR / 2BA	24	21.40%	Market	\$632	1,240	n/a	No	1	4.20%				
						112	100%									11	9.80%	
6	Griffin Crossing Apartments 1597 West McIntosh Road Griffin, GA 30223 Spalding County	3.4 miles	Garden (2 stories) 1986 / 2006	Market	1BR / 1BA	80	29.40%	Market	\$526	824	n/a	No	N/A	N/A				
					2BR / 2BA	168	61.80%	Market	\$591	944	n/a	No	N/A	N/A				
					3BR / 2BA	24	8.80%	Market	\$934	1,090	n/a	No	N/A	N/A				
						272	100%									44	16.20%	
7	Versailles Apartments 1110 W Poplar Street Griffin, GA 30224 Spalding County	0.5 miles	Garden (2 stories) 1972 / n/a	Market	2BR / 1BA	48	60.00%	Market	\$515	860	n/a	Yes	0	0.00%				
					3BR / 1.5BA	32	40.00%	Market	\$535	960	n/a	Yes	0	0.00%				
						80	100%									0	0.00%	
8	Walden Pointe Apartments 701 Carver Road Griffin, GA 30223 Spalding County	2.8 miles	Garden (3 stories) 1998 / n/a	Market	1BR / 1.5BA	72	33.30%	Market	\$590	998	n/a	Yes	N/A	N/A				
					1BR / 1.5BA	0	0.00%	Market	\$615	998	n/a	Yes	N/A	N/A				
					1BR / 1.5BA	0	0.00%	Market	\$565	998	n/a	Yes	N/A	N/A				
					2BR / 2BA	112	51.90%	Market	\$628	1,280	n/a	No	N/A	N/A				
					2BR / 2BA	0	0.00%	Market	\$651	1,280	n/a	No	N/A	N/A				
					2BR / 2BA	0	0.00%	Market	\$605	1,280	n/a	No	N/A	N/A				
					3BR / 2BA	32	14.80%	Market	\$756	1,480	n/a	No	N/A	N/A				
					3BR / 2BA	0	0.00%	Market	\$770	1,480	n/a	No	N/A	N/A				
	216	100%									19	8.80%						

**RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.**

Effective Rent Date:	Jun-13	Units Surveyed:	928	Weighted Occupancy:	90.40%
		Market Rate	680	Market Rate	87.90%
		Tax Credit	248	Tax Credit	97.20%

**Two Bedrooms Two Bath**

**Three Bedrooms Two Bath**

	Property	Average	Property	Average	Property	Average	
<b>RENT</b>	Walden Pointe Apartments Homes	\$660	Walden Pointe Apartments Homes	\$750			
	Walden Pointe Apartments Homes	\$650	Griffin Crossing Apartments	\$705			
	Walden Pointe Apartments Homes	\$640	Ashford Place	\$698			
	Griffin Crossing Apartments	\$629	St Phillip Villas * (M)	\$664			
	Ashford Place	\$625	<b>Meriwether Redevelopment Phase I * (60%)</b>	<b>\$644</b>			
	St Phillip Villas * (M)	\$581	St Phillip Villas * (60%)	\$644			
	<b>Meriwether Redevelopment Phase I * (60%)</b>	<b>\$561</b>	Pine Hill Apartments * (60%)	\$625			
	St Phillip Villas * (60%)	\$561	St Phillip Villas * (50%)	\$619			
	St Phillip Villas * (50%)	\$536	Versailles Apartments (1.5BA)	\$535			
	Poplar Grove * (1BA 60%)	\$526					
	Versailles Apartments (1BA)	\$515					
	Poplar Grove * (1BA 50%)	\$486					
	Poplar Grove * (1BA M)	\$485					
	Poplar Grove * (1BA 30%)	\$294					
	Marian Point * (1BA 50%)	\$276					
	Marian Point * (1BA 60%)	\$276					
	Marian Point * (1BA M)	\$276					
	Marian Point * (1BA 30%)	\$274					
	<b>SQUARE FOOTAGE</b>	Walden Pointe Apartments Homes	1,280	Walden Pointe Apartments Homes	1,480		
		Walden Pointe Apartments Homes	1,280	St Phillip Villas * (50%)	1,350		
Walden Pointe Apartments Homes		1,280	St Phillip Villas * (60%)	1,350			
St Phillip Villas * (50%)		1,175	St Phillip Villas * (M)	1,350			
St Phillip Villas * (60%)		1,175	<b>Meriwether Redevelopment Phase I * (60%)</b>	<b>1,321</b>			
St Phillip Villas * (M)		1,175	Ashford Place	1,240			
Ashford Place		1,080	Pine Hill Apartments * (60%)	1,094			
<b>Meriwether Redevelopment Phase I * (60%)</b>		<b>1,042</b>	Griffin Crossing Apartments	1,090			
Griffin Crossing Apartments		944	Versailles Apartments (1.5BA)	960			
Poplar Grove * (1BA 30%)		879					
Poplar Grove * (1BA 50%)		879					
Poplar Grove * (1BA 60%)		879					
Poplar Grove * (1BA M)		879					
Versailles Apartments (1BA)		860					
Marian Point * (1BA 30%)		843					
Marian Point * (1BA 50%)		843					
Marian Point * (1BA 60%)		843					
Marian Point * (1BA M)		843					
<b>RENT PER SQUARE FOOT</b>		Griffin Crossing Apartments	\$0.67	Griffin Crossing Apartments	\$0.65		
		Versailles Apartments (1BA)	\$0.60	Pine Hill Apartments * (60%)	\$0.57		
	Poplar Grove * (1BA 60%)	\$0.60	Ashford Place	\$0.56			
	Ashford Place	\$0.58	Versailles Apartments (1.5BA)	\$0.56			
	Poplar Grove * (1BA 50%)	\$0.55	Walden Pointe Apartments Homes	\$0.51			
	Poplar Grove * (1BA M)	\$0.55	St Phillip Villas * (M)	\$0.49			
	<b>Meriwether Redevelopment Phase I * (60%)</b>	<b>\$0.54</b>	<b>Meriwether Redevelopment Phase I * (60%)</b>	<b>\$0.49</b>			
	Walden Pointe Apartments Homes	\$0.52	St Phillip Villas * (60%)	\$0.48			
	Walden Pointe Apartments Homes	\$0.51	St Phillip Villas * (50%)	\$0.46			
	Walden Pointe Apartments Homes	\$0.50					
	St Phillip Villas * (M)	\$0.49					
	St Phillip Villas * (60%)	\$0.48					
	St Phillip Villas * (50%)	\$0.46					
	Poplar Grove * (1BA 30%)	\$0.33					
	Marian Point * (1BA 50%)	\$0.33					
	Marian Point * (1BA 60%)	\$0.33					
	Marian Point * (1BA M)	\$0.33					
	Marian Point * (1BA 30%)	\$0.33					

# PROPERTY PROFILE REPORT

## Marian Point

<b>Effective Rent Date</b>	4/11/2013
<b>Location</b>	416 W Poplar St Griffin, GA 30224 Spalding County
<b>Distance</b>	0.5 miles
<b>Units</b>	24
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	8.3%
<b>Type</b>	Lowrise (3 stories)
<b>Year Built/Renovated</b>	1910's / 2004
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	St. Phillip Villas
<b>Tenant Characteristics</b>	4% are seniors; most from Spalding County
<b>Contact Name</b>	Carla Hudson
<b>Phone</b>	770-229-5340/ 478-213-6439



### Market Information

<b>Program</b>	@30%, @50%, @60%, Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	16%
<b>Leasing Pace</b>	1 week
<b>Annual Chg. in Rent</b>	9% decrease on one-bedrooms at 50
<b>Concession</b>	Reduced Rents

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	N/A	726	\$294	\$0	@30%	None	0	N/A	no	None
1	1	Lowrise (3 stories)	N/A	726	\$500	\$200	@50%	None	0	N/A	no	None
1	1	Lowrise (3 stories)	N/A	726	\$500	\$200	@60%	None	0	N/A	no	None
1	1	Lowrise (3 stories)	N/A	726	\$600	\$300	Market	None	0	N/A	N/A	None
2	1	Lowrise (3 stories)	N/A	843	\$348	\$0	@30%	None	0	N/A	no	None
2	1	Lowrise (3 stories)	N/A	843	\$550	\$200	@50%	None	1	N/A	no	None
2	1	Lowrise (3 stories)	N/A	843	\$575	\$225	@60%	None	1	N/A	no	None
2	1	Lowrise (3 stories)	N/A	843	\$680	\$330	Market	None	0	N/A	N/A	None

## Marian Point, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$294	\$0	\$294	-\$59	\$235	1BR / 1BA	\$500	\$200	\$300	-\$59	\$241
2BR / 1BA	\$348	\$0	\$348	-\$74	\$274	2BR / 1BA	\$550	\$200	\$350	-\$74	\$276
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$500	\$200	\$300	-\$59	\$241	1BR / 1BA	\$600	\$300	\$300	-\$59	\$241
2BR / 1BA	\$575	\$225	\$350	-\$74	\$276	2BR / 1BA	\$680	\$330	\$350	-\$74	\$276

### Amenities

#### In-Unit

Balcony/Patio  
 Carpet/Hardwood  
 Coat Closet  
 Garbage Disposal  
 Refrigerator

Blinds  
 Central A/C  
 Dishwasher  
 Oven  
 Walk-In Closet

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
 Central Laundry  
 On-Site Management

Exercise Facility  
 Off-Street Parking  
 Picnic Area

#### Premium

None

#### Other

None

### Comments

According to management, the property has had to offer large concessions for all of the units except units set aside at 30 percent restriction due to a number of long-term vacant units at the property. Prior to the concession, the property had seven vacant units for a number of months. The property's current vacancies have been pre-leased.

The property manager attributed the property's high vacancy rate to the local economy, as well as the property's poor condition. The contact reported that many low-income tenants in the area prefer to live in newer LIHTC property's in the area, such as St. Phillip Villas. The contact was unaware of any specific employers in the area that have implemented layoffs.

# Marian Point, continued

## Trend Report

### Vacancy Rates

2Q12	3Q12	4Q12	2Q13
16.7%	8.3%	8.3%	8.3%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$294	\$0	\$294	\$235
2012	3	N/A	\$294	\$0	\$294	\$235
2012	4	N/A	\$294	\$0	\$294	\$235
2013	2	N/A	\$294	\$0	\$294	\$235

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$348	\$0	\$348	\$274
2012	3	N/A	\$348	\$0	\$348	\$274
2012	4	N/A	\$348	\$0	\$348	\$274
2013	2	N/A	\$348	\$0	\$348	\$274

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$550	\$0	\$550	\$491
2012	3	N/A	\$500	\$0	\$500	\$441
2012	4	N/A	\$500	\$0	\$500	\$441
2013	2	N/A	\$500	\$200	\$300	\$241

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$550	\$0	\$550	\$476
2012	3	N/A	\$550	\$0	\$550	\$476
2012	4	N/A	\$550	\$0	\$550	\$476
2013	2	N/A	\$550	\$200	\$350	\$276

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$550	\$0	\$550	\$491
2012	3	N/A	\$500	\$0	\$500	\$441
2012	4	N/A	\$500	\$0	\$500	\$441
2013	2	N/A	\$500	\$200	\$300	\$241

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$575	\$0	\$575	\$501
2012	3	N/A	\$575	\$0	\$575	\$501
2012	4	N/A	\$575	\$0	\$575	\$501
2013	2	N/A	\$575	\$225	\$350	\$276

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$600	\$0	\$600	\$541
2012	3	N/A	\$600	\$0	\$600	\$541
2012	4	N/A	\$600	\$0	\$600	\$541
2013	2	N/A	\$600	\$300	\$300	\$241

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$680	\$0	\$680	\$606
2012	3	N/A	\$680	\$0	\$680	\$606
2012	4	N/A	\$680	\$0	\$680	\$606
2013	2	N/A	\$680	\$330	\$350	\$276

## Trend: Comments

**2Q12** This property was formerly known as Poplar Point.

Tenant mix is mostly small families. Management indicated that the property will not have any trouble leasing the four vacant units as there have been several interested prospective tenants. Management stated they were confident that all four vacancies will be filled within the next few weeks.

**3Q12** Management had no additional comments.

**4Q12** N/A

**2Q13** According to management, the property has had to offer large concessions for all of the units except units set aside at 30 percent restriction due to a number of long-term vacant units at the property. Prior to the concession, the property had seven vacant units for a number of months. The property's current vacancies have been pre-leased.

The property manager attributed the property's high vacancy rate to the local economy, as well as the property's poor condition. The contact reported that many low-income tenants in the area prefer to live in newer LIHTC property's in the area, such as St. Phillip Villas. The contact was unaware of any specific employers in the area that have implemented layoffs.

# PROPERTY PROFILE REPORT

## Pine Hill Apartments

<b>Effective Rent Date</b>	3/28/2013
<b>Location</b>	600 S Pine Hill Rd Griffin, GA 30224 Spalding County
<b>Distance</b>	2.9 miles
<b>Units</b>	128
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Various
<b>Year Built/Renovated</b>	1995 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Heritage Apartments, Versailles
<b>Tenant Characteristics</b>	90% families
<b>Contact Name</b>	Pam
<b>Phone</b>	770-412-6400



### Market Information

<b>Program</b>	LIHTC
<b>Annual Turnover Rate</b>	35%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	6%
<b>Leasing Pace</b>	1 week
<b>Annual Chg. in Rent</b>	N/A
<b>Concession</b>	Reduced Rents

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- gas
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- gas
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Garden	8	1,094	\$675	\$50	@60%	Yes	0	0.0%	yes	None
3	2.5	Townhouse	99	1,196	\$630	\$31	@60%	Yes	0	0.0%	yes	None
3	2.5	Townhouse	20	1,196	\$650	\$51	@60%	Yes	0	0.0%	yes	None
3	2.5	Townhouse	1	1,196	\$0	\$0	Non-Rental	no	0	0.0%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$675	\$50	\$625	\$0	\$625	3BR / 2.5BA	N/A	\$0	N/A	\$0	N/A
3BR / 2.5BA	\$630 - \$650	\$31 - \$51	\$599	\$0	\$599						

### Amenities

#### In-Unit

Cable/Satellite/Internet  
Central A/C  
Exterior Storage  
Refrigerator  
Washer/Dryer hookup

Carpeting  
Dishwasher  
Oven  
Washer/Dryer

#### Security

None

#### Services

None

#### Property

Basketball Court  
Central Laundry  
On-Site Management  
Playground

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

#### Premium

None

#### Other

5 week summer lunch

**Pine Hill Apartments, continued**

**Comments**

The property is maintaining a waiting list of three households.

# Pine Hill Apartments, continued

## Trend Report

### Vacancy Rates

4Q07	1Q12	2Q12	1Q13
15.6%	5.5%	6.2%	0.0%

### Trend: @60%

#### 3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	5.9%	\$599 - \$655	\$0	\$599 - \$655	\$599 - \$655
2012	2	5.9%	\$630 - \$650	\$0	\$630 - \$650	\$630 - \$650
2013	1	0.0%	\$630 - \$650	\$31 - \$51	\$599	\$599

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$599 - \$669	\$0	\$599 - \$669	\$599 - \$669
2012	2	12.5%	\$675	\$0	\$675	\$675
2013	1	0.0%	\$675	\$50	\$625	\$625

### Trend: Non-Rental

#### 3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	N/A	\$0	N/A	N/A
2012	2	0.0%	N/A	\$0	N/A	N/A
2013	1	0.0%	N/A	\$0	N/A	N/A

## Trend: Comments

- 4Q07** The contact stated that the need for affordable housing is not being adequately met in this area.
- 1Q12** The contact stated that the need for affordable housing is not being adequately met in this area. Additionally, after new management/ownership took over in mid 2011, limited renovations have been done and washer and dryers have been added to approximately 50% of the units. As the current leases expire, washer and dryers will be added to the units at that point.
- 2Q12** The Property Manager stated there is only one rental for the 3x2 units at that 60% restriction. The 3x2 townhomes have some units that have been upgraded with washer/dryers which is why there have two figures there.
- She states they do not have many students on site because of the floor plans they offer and the rents are not what students are looking for. By this she means that most students opt for a 1-bedroom, but that they do not see many come looking for 3x2 units or townhomes.
- When we spoke with the Property Manager a second time, we asked her about the need for affordable housing and if it is or is not being adequately met in this area. She replied that the need for affordable housing is still not being met at this time.
- 1Q13** The property is maintaining a waiting list of three households.

# PROPERTY PROFILE REPORT

## Poplar Grove

<b>Effective Rent Date</b>	5/02/2013
<b>Location</b>	331 S 12th Street Griffin, GA 30224 Spalding County
<b>Distance</b>	0.3 miles
<b>Units</b>	36
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	5.6%
<b>Type</b>	Garden
<b>Year Built/Renovated</b>	N/A / 2003
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Families from a three county area
<b>Contact Name</b>	Kenya
<b>Phone</b>	678-688-5388



### Market Information

<b>Program</b>	@30%, @50%, @60%, Market
<b>Annual Turnover Rate</b>	50%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	One week
<b>Annual Chg. in Rent</b>	See comments
<b>Concession</b>	\$299 first month's rent for one-

### Utilities

<b>A/C</b>	not included -- wall
<b>Cooking</b>	not included -- gas
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- gas
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	16	611	\$311	\$1	@30%	No	N/A	N/A	N/A	None
1	1	Garden	N/A	611	\$500	\$17	@50%	No	N/A	N/A	N/A	None
1	1	Garden	N/A	611	\$525	\$19	@60%	No	N/A	N/A	no	None
1	1	Garden	N/A	611	\$459	\$13	Market	No	N/A	N/A	N/A	None
2	1	Garden	20	879	\$368	\$0	@30%	No	N/A	N/A	N/A	None
2	1	Garden	N/A	879	\$560	\$0	@50%	No	N/A	N/A	N/A	None
2	1	Garden	N/A	879	\$600	\$0	@60%	No	N/A	N/A	no	None
2	1	Garden	N/A	879	\$559	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$311	\$1	\$310	-\$59	\$251	1BR / 1BA	\$500	\$17	\$483	-\$59	\$424
2BR / 1BA	\$368	\$0	\$368	-\$74	\$294	2BR / 1BA	\$560	\$0	\$560	-\$74	\$486
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$525	\$19	\$506	-\$59	\$447	1BR / 1BA	\$459	\$13	\$446	-\$59	\$387
2BR / 1BA	\$600	\$0	\$600	-\$74	\$526	2BR / 1BA	\$559	\$0	\$559	-\$74	\$485

## Poplar Grove, continued

### Amenities

**In-Unit**

Blinds  
Garbage Disposal  
Refrigerator

Dishwasher  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Business Center/Computer Lab  
Off-Street Parking

Exercise Facility  
On-Site Management

**Premium**

None

**Other**

None

### Comments

Management reported that the property contains two vacant units. The contact stated that rents have declined overall and that the property has had at least three rent changes since January. Initially, rents increased over \$100 which led to turnover and rent decreases. The contact could not provide a precise percentage change for the overall rents. Since rents were lowered in early March, the property's vacant units were leased up at a pace of 1.5 units per week.

The contact has only been with the property since January, and said that the current occupancy rates have been typical since then.

# Poplar Grove, continued

## Trend Report

### Vacancy Rates

2Q10	1Q13	2Q13
27.8%	16.7%	5.6%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$320	\$0	\$320	\$261
2013	1	N/A	\$311	\$1	\$310	\$251
2013	2	N/A	\$311	\$1	\$310	\$251

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$378	\$0	\$378	\$304
2013	1	N/A	\$368	\$0	\$368	\$294
2013	2	N/A	\$368	\$0	\$368	\$294

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$440	\$0	\$440	\$381
2013	1	N/A	\$525	\$19	\$506	\$447
2013	2	N/A	\$525	\$19	\$506	\$447

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$515	\$0	\$515	\$441
2013	1	N/A	\$600	\$0	\$600	\$526
2013	2	N/A	\$600	\$0	\$600	\$526

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$440	\$0	\$440	\$381
2013	1	N/A	\$500	\$17	\$483	\$424
2013	2	N/A	\$500	\$17	\$483	\$424

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$515	\$0	\$515	\$441
2013	1	N/A	\$560	\$0	\$560	\$486
2013	2	N/A	\$560	\$0	\$560	\$486

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$440	\$0	\$440	\$381
2013	1	N/A	\$459	\$13	\$446	\$387
2013	2	N/A	\$459	\$13	\$446	\$387

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	N/A	\$550	\$0	\$550	\$476
2013	1	N/A	\$559	\$0	\$559	\$485
2013	2	N/A	\$559	\$0	\$559	\$485

## Trend: Comments

**2Q10** This property has 12 applicants for its 10 vacancies. Housing Choice Vouchers are accepted but no tenants currently utilizing assistance.

**1Q13** The contact could not provide a precise breakdown of vacancies by unit type, but stated that four of the property's vacant units are one-bedrooms, while two are two-bedrooms. Management reported that rents have declined overall and that the property has had at least three rent changes since January. Initially, rents increased over \$100 which led to turnover and rent decreases. The contact could not provide a precise percentage change for the overall rents.

The contact has only been with the property since January, and said that the current occupancy rates have been typical since then.

**2Q13** Management reported that the property contains two vacant units. The contact stated that rents have declined overall and that the property has had at least three rent changes since January. Initially, rents increased over \$100 which led to turnover and rent decreases. The contact could not provide a precise percentage change for the overall rents. Since rents were lowered in early March, the property's vacant units were leased up at a pace of 1.5 units per week.

The contact has only been with the property since January, and said that the current occupancy rates have been typical since then.

# PROPERTY PROFILE REPORT

## St Phillip Villas

<b>Effective Rent Date</b>	5/08/2013
<b>Location</b>	829 N Hill Street Griffin, GA 30223 Spalding County
<b>Distance</b>	1.9 miles
<b>Units</b>	60
<b>Vacant Units</b>	3
<b>Vacancy Rate</b>	5.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2002 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Griffin Crossing, Pine Hill Apts, and Marian Point
<b>Tenant Characteristics</b>	50% or more seniors; Majority generally from Griffin and surrounding areas
<b>Contact Name</b>	Melinda
<b>Phone</b>	770.229.4008



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	35%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	17%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	Increased 3-4%
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	4	975	\$510	\$0	@50%	Yes	1	25.0%	no	None
1	1	Garden (2 stories)	4	975	\$535	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	4	975	\$555	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	12	1,175	\$610	\$0	@50%	Yes	1	8.3%	no	None
2	2	Garden (2 stories)	20	1,175	\$635	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,175	\$655	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	4	1,350	\$710	\$0	@50%	Yes	1	25.0%	no	None
3	2	Garden (2 stories)	4	1,350	\$735	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,350	\$755	\$0	Market	No	0	0.0%	N/A	None

## St Phillip Villas, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$510	\$0	\$510	-\$59	\$451	1BR / 1BA	\$535	\$0	\$535	-\$59	\$476
2BR / 2BA	\$610	\$0	\$610	-\$74	\$536	2BR / 2BA	\$635	\$0	\$635	-\$74	\$561
3BR / 2BA	\$710	\$0	\$710	-\$91	\$619	3BR / 2BA	\$735	\$0	\$735	-\$91	\$644

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$555	\$0	\$555	-\$59	\$496
2BR / 2BA	\$655	\$0	\$655	-\$74	\$581
3BR / 2BA	\$755	\$0	\$755	-\$91	\$664

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Coat Closet  
 Exterior Storage  
 Oven  
 Walk-In Closet

Blinds  
 Central A/C  
 Dishwasher  
 Garbage Disposal  
 Refrigerator  
 Washer/Dryer hookup

#### Security

Perimeter Fencing

#### Services

None

#### Property

Basketball Court  
 Clubhouse/Meeting  
 Central Laundry  
 On-Site Management  
 Playground

Business Center/Computer Lab  
 Exercise Facility  
 Off-Street Parking  
 Picnic Area

#### Premium

None

#### Other

None

### Comments

None at this time.

# St Phillip Villas, continued

## Trend Report

### Vacancy Rates

3Q12	4Q12	1Q13	2Q13
3.3%	3.3%	5.0%	5.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$490	\$0	\$490	\$431
2012	4	0.0%	\$490	\$0	\$490	\$431
2013	1	25.0%	\$510	\$0	\$510	\$451
2013	2	25.0%	\$510	\$0	\$510	\$451

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$590	\$0	\$590	\$516
2012	4	0.0%	\$590	\$0	\$590	\$516
2013	1	8.3%	\$610	\$0	\$610	\$536
2013	2	8.3%	\$610	\$0	\$610	\$536

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$690	\$0	\$690	\$599
2012	4	0.0%	\$690	\$0	\$690	\$599
2013	1	25.0%	\$710	\$0	\$710	\$619
2013	2	25.0%	\$710	\$0	\$710	\$619

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$490	\$0	\$490	\$431
2012	4	0.0%	\$490	\$0	\$490	\$431
2013	1	0.0%	\$535	\$0	\$535	\$476
2013	2	0.0%	\$535	\$0	\$535	\$476

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$615	\$0	\$615	\$541
2012	4	0.0%	\$615	\$0	\$615	\$541
2013	1	0.0%	\$635	\$0	\$635	\$561
2013	2	0.0%	\$635	\$0	\$635	\$561

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$715	\$0	\$715	\$624
2012	4	0.0%	\$715	\$0	\$715	\$624
2013	1	0.0%	\$735	\$0	\$735	\$644
2013	2	0.0%	\$735	\$0	\$735	\$644

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$535	\$0	\$535	\$476
2012	4	0.0%	\$535	\$0	\$535	\$476
2013	1	0.0%	\$555	\$0	\$555	\$496
2013	2	0.0%	\$555	\$0	\$555	\$496

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	50.0%	\$635	\$0	\$635	\$561
2012	4	50.0%	\$635	\$0	\$635	\$561
2013	1	0.0%	\$655	\$0	\$655	\$581
2013	2	0.0%	\$655	\$0	\$655	\$581

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$735	\$0	\$735	\$644
2012	4	0.0%	\$735	\$0	\$735	\$644
2013	1	0.0%	\$755	\$0	\$755	\$664
2013	2	0.0%	\$755	\$0	\$755	\$664

## St Phillip Villas, continued

### Trend: Comments

- 3Q12** No additional comments.
- 4Q12** Management noted the property maintains a short waiting list of three to four households.
- 1Q13** Management indicated that the poor economy and competition from single-family homes, which has affected the market rate properties in the area, has also affected the property, but to a lesser degree. Management reported that the property is usually 100 percent occupied but its occupancy has gone as low as 95 percent in recent months.
- 2Q13** None at this time.

# PROPERTY PROFILE REPORT

## Ashford Place

<b>Effective Rent Date</b>	5/07/2013
<b>Location</b>	657 Carver Road Griffin, GA 30224 Spalding County
<b>Distance</b>	2.3 miles
<b>Units</b>	112
<b>Vacant Units</b>	13
<b>Vacancy Rate</b>	11.6%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1989 / 2005
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Walden Pointe, Griffin Crossing
<b>Tenant Characteristics</b>	Seniors, Singles, and Families; 50% Spalding County and the rest out of state
<b>Contact Name</b>	Ashley
<b>Phone</b>	770.229.5572



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	43%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	One week
<b>Annual Chg. in Rent</b>	Change frequently
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	745	\$599	\$0	Market	No	4	12.5%	N/A	None
2	1	Garden (2 stories)	16	1,003	\$659	\$0	Market	No	3	18.8%	N/A	None
2	2	Garden (2 stories)	40	1,080	\$699	\$0	Market	No	4	10.0%	N/A	None
3	2	Garden (2 stories)	24	1,240	\$789	\$0	Market	No	2	8.3%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$599	\$0	\$599	-\$59	\$540
2BR / 1BA	\$659	\$0	\$659	-\$74	\$585
2BR / 2BA	\$699	\$0	\$699	-\$74	\$625
3BR / 2BA	\$789	\$0	\$789	-\$91	\$698

## Ashford Place, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Fireplace  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Furnishing  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Sport Court  
Tennis Court

Exercise Facility  
Off-Street Parking  
Playground  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

None at this time.

## Ashford Place, continued

### Trend Report

#### Vacancy Rates

3Q12	4Q12	1Q13	2Q13
9.8%	8.0%	9.8%	11.6%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$630	\$25	\$605	\$546
2012	4	N/A	\$599	\$50	\$549	\$490
2013	1	12.5%	\$599	\$50	\$549	\$490
2013	2	12.5%	\$599	\$0	\$599	\$540

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$675	\$25	\$650	\$576
2012	4	N/A	\$649	\$54	\$595	\$521
2013	1	18.8%	\$659	\$55	\$604	\$530
2013	2	18.8%	\$659	\$0	\$659	\$585

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$715	\$25	\$690	\$616
2012	4	N/A	\$699	\$58	\$641	\$567
2013	1	7.5%	\$699	\$58	\$641	\$567
2013	2	10.0%	\$699	\$0	\$699	\$625

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$805	\$25	\$780	\$689
2012	4	N/A	\$799	\$67	\$732	\$641
2013	1	4.2%	\$789	\$66	\$723	\$632
2013	2	8.3%	\$789	\$0	\$789	\$698

### Trend: Comments

3Q12	Contact indicated that one of the vacant units has a pending application. Contact also stated that the one-bedroom units with a indoor sunroom rents for \$650 per month. Management would not comment on the high vacancy rate.
4Q12	Contact was unable to provide a breakdown of the vacant units at the time of the survey.
1Q13	Management indicated that the property's vacancy rate is usually lower, and attributed the elevated vacancy rate to the area's residential housing market. The property is facing competition from both for sale single-family houses, which are at historically low prices, and single-family houses for rent. However, the contact noted that leasing activity has picked up at the property recently, as nine units have been leased within the past month.
2Q13	None at this time.

# PROPERTY PROFILE REPORT

## Griffin Crossing Apartments

<b>Effective Rent Date</b>	5/07/2013
<b>Location</b>	1597 West McIntosh Road Griffin, GA 30223 Spalding County
<b>Distance</b>	3.4 miles
<b>Units</b>	272
<b>Vacant Units</b>	44
<b>Vacancy Rate</b>	16.2%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1986 / 2006
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Walden Point and Ashford Place
<b>Tenant Characteristics</b>	Mixed tenancy from different parts of the country
<b>Contact Name</b>	Millison
<b>Phone</b>	770.228.6994



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	44%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	30 days
<b>Annual Chg. in Rent</b>	Daily-Yield Star
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- gas
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- gas
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	80	824	\$514	\$0	Market	No	N/A	N/A	N/A	AVG*
1	1	Garden (2 stories)	0	824	\$576	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (2 stories)	0	824	\$452	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (2 stories)	168	944	\$609	\$0	Market	No	N/A	N/A	N/A	AVG*
2	2	Garden (2 stories)	0	944	\$724	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (2 stories)	0	944	\$493	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (2 stories)	24	1,090	\$685	\$0	Market	No	N/A	N/A	N/A	AVG*
3	2	Garden (2 stories)	0	1,090	\$705	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (2 stories)	0	1,090	\$665	\$0	Market	No	N/A	N/A	N/A	LOW

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$452 - \$576	\$0	\$452 - \$576	\$20	\$472 - \$596
<b>2BR / 2BA</b>	\$493 - \$724	\$0	\$493 - \$724	\$20	\$513 - \$744
<b>3BR / 2BA</b>	\$665 - \$705	\$0	\$665 - \$705	\$20	\$685 - \$725

## Griffin Crossing Apartments, continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

Carpeting  
Coat Closet  
Ceiling Fan  
Oven  
Walk-In Closet

#### Security

In-Unit Alarm  
Intercom (Phone)  
Perimeter Fencing

#### Services

None

#### Property

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Exercise Facility  
On-Site Management  
Playground  
Tennis Court

#### Premium

None

#### Other

None

### Comments

Contact stated the property utilizes a pricing system called Yieldstar. With Yieldstar the prices change daily depending on the lease terms, vacancy, and availability.

# Griffin Crossing Apartments, continued

## Trend Report

### Vacancy Rates

3Q12	4Q12	1Q13	2Q13
5.1%	4.0%	16.2%	16.2%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	2.5%	\$433 - \$533	\$0	\$433 - \$533	\$453 - \$553
2012	4	2.5%	\$498 - \$565	\$0	\$498 - \$565	\$518 - \$585
2013	1	N/A	\$469 - \$543	\$0	\$469 - \$543	\$489 - \$563
2013	2	N/A	\$452 - \$576	\$0	\$452 - \$576	\$472 - \$596

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	5.4%	\$507 - \$590	\$0	\$507 - \$590	\$527 - \$610
2012	4	4.2%	\$505 - \$629	\$0	\$505 - \$629	\$525 - \$649
2013	1	N/A	\$478 - \$664	\$0	\$478 - \$664	\$498 - \$684
2013	2	N/A	\$493 - \$724	\$0	\$493 - \$724	\$513 - \$744

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	12.5%	\$662 - \$813	\$0	\$662 - \$813	\$682 - \$833
2012	4	8.3%	\$636 - \$775	\$0	\$636 - \$775	\$656 - \$795
2013	1	N/A	\$883 - \$944	\$0	\$883 - \$944	\$903 - \$964
2013	2	N/A	\$665 - \$705	\$0	\$665 - \$705	\$685 - \$725

## Trend: Comments

**3Q12** Management had no additional comments.

**4Q12** No additional comments.

**1Q13** The property's occupancy rate has declined 12 percent since September 2012. The contact has only been with the property for two months and could not explain the property's elevated vacancy rate. Other area managers have attributed declines in occupancy to the area's economy and competition from single-family for sale and rental housing.

**2Q13** Contact stated the property utilizes a pricing system called Yieldstar. With Yieldstar the prices change daily depending on the lease terms, vacancy, and availability.



## **Versailles Apartments, continued**

### **Comments**

The property maintains a waiting list, but the contact was unable to state the length of the list.

## Versailles Apartments, continued

### Trend Report

#### Vacancy Rates

1Q12	4Q12	1Q13	2Q13
0.0%	2.5%	0.0%	0.0%

### Trend: Market

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$475	\$0	\$475	\$495
2012	4	2.1%	\$475	\$0	\$475	\$495
2013	1	0.0%	\$495	\$0	\$495	\$515
2013	2	0.0%	\$495	\$0	\$495	\$515

#### 3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$495	\$0	\$495	\$515
2012	4	3.1%	\$495	\$0	\$495	\$515
2013	1	0.0%	\$515	\$0	\$515	\$535
2013	2	0.0%	\$515	\$0	\$515	\$535

### Trend: Comments

1Q12 No additional comments.

4Q12 N/A

1Q13 The property is maintaining a waiting list of 20 households. The contact opined that the property is maintaining higher occupancy rates than other nearby market rate properties due to lower rents and less total units to lease.

2Q13 The property maintains a waiting list, but the contact was unable to state the length of the list.

# PROPERTY PROFILE REPORT

## Walden Pointe Apartments Homes

<b>Effective Rent Date</b>	5/08/2013
<b>Location</b>	701 Carver Road Griffin, GA 30223 Spalding County
<b>Distance</b>	2.3 miles
<b>Units</b>	216
<b>Vacant Units</b>	25
<b>Vacancy Rate</b>	11.6%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1998 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Ashford Place, Griffin Crossing
<b>Tenant Characteristics</b>	Singles, Students, Seniors, Families
<b>Contact Name</b>	Victoria
<b>Phone</b>	770-228-3366



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	22%
<b>Units/Month Absorbed</b>	18
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	2 weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	Yes, for two-bedroom units only

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	72	998	\$590	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	0	998	\$615	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	0	998	\$565	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	112	1,280	\$685	\$35	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	0	1,280	\$710	\$50	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	0	1,280	\$660	\$20	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	32	1,480	\$750	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$565 - \$615	\$0	\$565 - \$615	\$0	\$565 - \$615
<b>2BR / 2BA</b>	\$660 - \$710	\$20 - \$50	\$640 - \$660	\$0	\$640 - \$660
<b>3BR / 2BA</b>	\$750	\$0	\$750	\$0	\$750

## Walden Pointe Apartments Homes, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Oven  
Washer/Dryer hookup

Blinds  
Central A/C  
Ceiling Fan  
Microwave  
Refrigerator

#### Security

In-Unit Alarm  
Patrol

#### Services

None

#### Property

Clubhouse/Meeting  
Exercise Facility  
Central Laundry  
On-Site Management  
Swimming Pool

Courtyard  
Garage  
Off-Street Parking  
Picnic Area  
Tennis Court

#### Premium

None

#### Other

None

### Comments

The majority of the vacancies are in the two- and three-bedroom units. Contact mentioned the Caterpillar plant closed which has put hundreds of people out of jobs in the Griffin area.

# Walden Pointe Apartments Homes, continued

## Trend Report

### Vacancy Rates

3Q12	4Q12	1Q13	2Q13
2.3%	1.9%	8.8%	11.6%

## Trend: Market

### 1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$590	\$0	\$590	\$590
2012	4	0.0%	\$590	\$0	\$590	\$590
2013	1	N/A	\$565 - \$615	\$0	\$565 - \$615	\$565 - \$615

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$565 - \$615	\$0	\$565 - \$615	\$565 - \$615

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$685	\$0	\$685	\$685
2012	4	0.0%	\$685	\$0	\$685	\$685
2013	1	N/A	\$660 - \$710	\$55 - \$59	\$605 - \$651	\$605 - \$651
2013	2	N/A	\$660 - \$710	\$20 - \$50	\$640 - \$660	\$640 - \$660

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	15.6%	\$825	\$0	\$825	\$825
2012	4	12.5%	\$825	\$0	\$825	\$825
2013	1	N/A	\$810 - \$840	\$68 - \$70	\$742 - \$770	\$742 - \$770
2013	2	N/A	\$750	\$0	\$750	\$750

## Trend: Comments

3Q12 No additional comments.

4Q12 N/A

1Q13 Management attributed the property's elevated vacancy rate to the poor local economy. The contact mentioned a recent layoff at Caterpillar in particular. Additionally, the contact also reported that low home prices in the area have impacted demand for the property's two and three-bedroom units. There is a one household waiting list for one-bedroom units.

2Q13 The majority of the vacancies are in the two- and three-bedroom units. Contact mentioned the Caterpillar plant closed which has put hundreds of people out of jobs in the Griffin area.

**2. The following information is provided as required by DCA:**

**Housing Choice Vouchers**

**TENANTS WITH VOUCHERS**

Comparable Property	Type	Housing Choice Voucher Tenants
Marian Point	LIHTC/Market	21%
Pine Hill Apartments	LIHTC	6%
Poplar Grove	LIHTC/Market	0%
St Phillip Villas	LIHTC/Market	17%
Ashford Place	Market	0%
Griffin Crossing Apartments	Market	0%
Versailles Apartments	Market	0%
Walden Pointe Apartments Homes	Market	0%

As illustrated in the table above, three of the four LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 11 percent and the overall market average is six percent. The local market does not appear to be dependent on voucher tenants, and we anticipate that the Subject will maintain a voucher tenancy similar to the LIHTC average.

**Absorption History**

The proposed Subject will consist of the demolition and redevelopment of the existing Meriwether Homes, a 120-unit public housing development that is currently 100 percent occupied. Current tenants at Meriwether Homes will receive tenant protection vouchers so that they can move to other rental properties in the area. We have conservatively estimated that the Subject will have to lease all 42 RAD PBRA units following renovations given that many of those with tenant protection vouchers may not choose to move back to the Subject once construction is complete.

The Subject will also offer 42 units restricted to tenants earning 60 percent of the AMI or less. These units will operate without any additional subsidy and all 42 of these units will need to be leased following construction. One of the comparable properties, Walden Pointe Apartment Homes, reported an absorption rate of 18 units per month. However, this property was constructed in 1998, and is therefore not considered to be an accurate indicator of the current market. We were unable to obtain absorption information for other properties in Griffin, or for Spalding County as a whole, as most were constructed prior to 2004. However, given the healthy LIHTC vacancy rate of 2.8 percent and the Subject’s new construction design, we believe that the Subject’s units could reasonably expect to lease 13-15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

**Phased Developments**

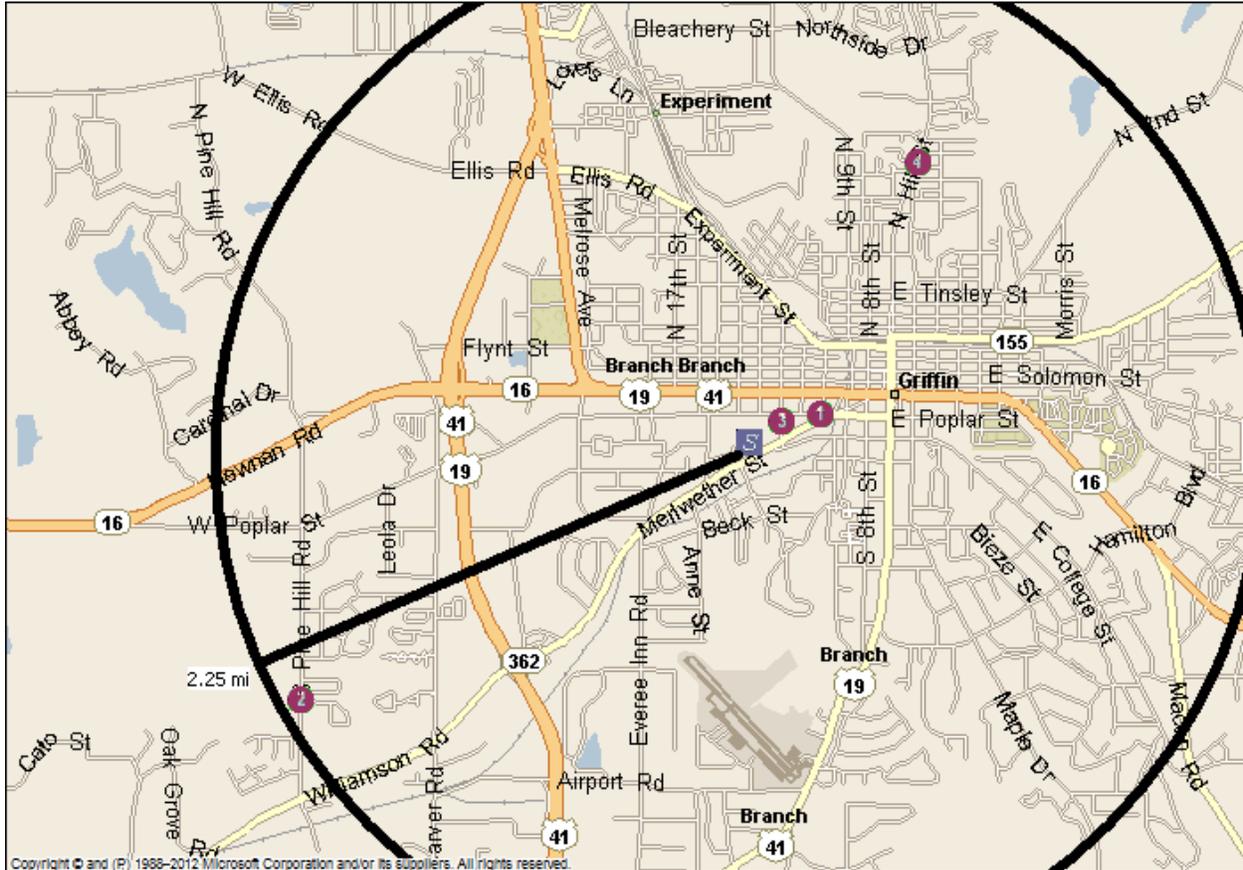
The Subject will be the first phase of the Meriwether Redevelopment project.

**Rural Areas**

The Subject is not located in a rural area.

**3. COMPETITIVE PROJECT MAP**

The following map and table indicate all competitive LIHTC and bond properties in the Subject’s PMA that are existing, proposed, or under construction.



Map #	Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
S	Meriwether Redevelopment	LIHTC/RAD PBRA	Family	Subject	N/Ap	-
1	Marion Point	LIHTC/Market	Family	Included	N/Ap	0.5 miles
2	Pine Hill	LIHTC	Family	Included	N/Ap	2.9 miles
3	Poplar Grove	LIHTC/Market	Family	Included	N/Ap	0.3 miles
4	St. Philip Villa	LIHTC/Market	Family	Included	N/Ap	1.9 miles

# Meriwether Redevelopment Phase I, Griffin, GA; Market Study

## 4. Amenities

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

**AMENITY MATRIX REPORT**

Comp #	Meriwether Redevelopment Phase I Subject	Marian Point 1	Pine Hill Apartments 2	Poplar Grove 3	St Phillip Villas 4	Ashford Place 5	Griffin Crossing Apartments 6	Versailles Apartments 7	Walden Pointe Apartments Homes 8
<b>Property Information</b>									
Property Type	Lowrise (2 stories)	Lowrise (3 stories)	Various	Garden	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)
Year Built / Renovated	n/a / n/a	1910s / 2004	1995 / n/a	n/a / 2003	2002 / n/a	1989 / 2005	1986 / 2006	1972 / n/a	1998 / n/a
Market (Conv./Subsidy Type)	@50% (Public Housing), @60%	@30%, @50%, @60%, Market	LIHTC	@30%, @50%, @60%, Market	@50%, @60%, Market	Market	Market	Market	Market
<b>Utility Adjustments</b>									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	yes	no	yes	yes	yes	no	no	no
Sewer	no	yes	no	yes	yes	yes	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	no	yes
<b>In-Unit Amenities</b>									
Balcony/Patio	yes	yes	no	no	yes	yes	no	no	yes
Blinds	yes	yes	no	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	yes	yes	no	no	no	no	no	no
Carpet/Hardwood	no	yes	no	no	no	no	no	no	no
Carpeting	yes	no	yes	no	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	yes	yes	no	no	yes	yes	yes	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	yes	no	yes	no	no	no	no
Ceiling Fan	yes	no	no	no	no	no	yes	yes	yes
Fireplace	no	no	no	no	no	yes	no	no	no
Furnishing	no	no	no	no	no	yes	no	no	no
Garbage Disposal	no	yes	no	yes	yes	yes	yes	yes	yes
Microwave	no	no	no	no	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	no	no	yes	no	yes	no	no
Washer/Dryer	yes	no	yes	no	no	no	no	no	no
Washer/Dryer hookup	yes	no	yes	yes	yes	yes	yes	no	yes
<b>Property Amenities</b>									
Basketball Court	no	no	yes	no	yes	no	no	no	no
Business Center/Computer Lab	yes	no	no	yes	yes	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	yes	yes	yes	no	yes
Courtyard	no	no	no	no	no	no	no	no	yes
Exercise Facility	no	yes	no	yes	yes	yes	yes	no	yes
Garage	no	no	no	no	no	no	no	no	yes
Central Laundry	yes	yes	yes	no	yes	yes	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	no	yes	no	yes	no	yes
Playground	no	no	yes	no	yes	yes	yes	no	no
Sport Court	no	no	no	no	no	yes	no	no	no
Swimming Pool	no	no	yes	no	no	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$50.00
<b>Services</b>									
<b>Security</b>									
In-Unit Alarm	yes	no	no	no	no	no	yes	no	yes
Intercom (Phone)	no	no	no	no	no	no	yes	no	no
Patrol	no	no	no	no	no	no	no	yes	yes
Perimeter Fencing	no	no	no	no	yes	no	yes	no	no
<b>Other Amenities</b>									
Other			5 week summer lunch program for children						
	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a

## Meriwether Redevelopment Phase I, Griffin, GA; Market Study

The Subject features several in-unit amenities, such as balconies, cable/satellite/internet, exterior storage, ceiling fans, and washers and dryers that are not offered at the comparables. However, many of the comparables offer walk-in closets and garbage disposals, which the Subject will not offer. The Subject's property amenities include a business center, which most of the comparables do not offer. Several comparables offer swimming pools and exercise facilities, which the Subject will not offer. Overall, the Subject is considered superior to the LIHTC properties in terms of amenities, except St. Phillip Villas, which the Subject is considered slightly inferior to. The Subject is considered inferior to the market rate properties in terms of amenities except for Versailles Apartments, which is considered similar to the Subject. The Subject's proposed amenities package will allow it to be competitive with the comparable properties.

5. The Subject will target family households. Therefore, per DCA's guidelines, senior properties were not included.

### 6. Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

#### OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Marian Point	LIHTC/Market	24	2	8.3%
Pine Hill Apartments	LIHTC	128	0	0.0%
Poplar Grove	LIHTC/Market	36	2	5.6%
St Phillip Villas	LIHTC/Market	60	3	5.0%
Ashford Place	Market	112	11	9.8%
Griffin Crossing Apartments	Market	272	44	16.2%
Versailles Apartments	Market	80	0	0.0%
Walden Pointe Apartments Homes	Market	216	19	8.8%
<b>Total - LIHTC</b>		<b>248</b>	<b>7</b>	<b>2.8%</b>
<b>Total - Market Rate</b>		<b>680</b>	<b>74</b>	<b>10.9%</b>
<b>Total</b>		<b>928</b>	<b>81</b>	<b>8.7%</b>

Overall vacancy in the market is slightly elevated, at 8.7 percent. However, the elevated vacancy rate can primarily be attributed to the area's market rate properties. LIHTC vacancy in the market is low, at 2.8 percent, while market rate vacancy in the area is high, at 10.9 percent. Property managers at the market rate comparables attributed the elevated vacancy rates to a number of factors. The property manager at Ashford Place indicated the property has faced competition from for-sale housing and small local landlords who are renting single-family homes. The contact reported that home prices in the area are at historic lows, and that a large proportion of the property's renter profile can now afford to buy. Management at Walden Pointe Apartment Homes cited competition from homeownership as well as the area's poor economy for the recent rise in vacancy rates. In particular, the contact cited recent cutbacks at Caterpillar, a major employer in the area. Notably, Versailles Apartments is currently 100 percent occupied. The property manager at Versailles Apartments stated that occupancy has remained high for the property due to its smaller unit mix and rents that are lower than the competition. Management at several LIHTC comparables noted that the poor economy has affected them less, as many of the layoffs that have occurred have been amongst higher wage workers, whose incomes are above

the range for the comparable properties. Additionally, the economic downturn has meant more income-eligible tenants for LIHTC properties, many of which are unable to obtain financing for owner occupied housing.

Of the LIHTC comparables, St. Phillip Villas and Pine Hill Apartments are both maintaining vacancy rates below five percent. Additionally, both properties are maintaining waiting lists of three households. Management at Pine Hill Apartments reported that the property's vacancy rate has not been above five percent over the past year. Marian Point is maintaining a vacancy rate of 8.3 percent, while Poplar Grove Apartments is maintaining a vacancy rate of 5.6 percent. Management at Marian Point Apartments reported that the property's occupancy has suffered due to the property's inferior condition in comparison to its LIHTC competition. The contact indicated that while the poor economy has meant more income eligible households, the majority of these households would rather live in newer tax credit properties, such as St. Phillip Villas. It should also be noted that the high vacancy rate at this property is due to economies of scale, as there are only 24 units in total, and two vacant units. Vacancy rates have fluctuated at this property between zero and 16.7 percent between 2009 and 2013. The contact at Poplar Grove reported that the property has had three rent changes since January, with an initial rent increase of over \$100 which led to elevated turnover. The contact has only been with the property since the beginning of the new year, and said that elevated vacancy rates have been typical during this time. Since rents were lowered in early March, the property's vacant units leased up at a pace of 1.5 units per week. The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development which is currently 100 percent occupied. As a combined LIHTC and subsidized property, we expect the Subject to maintain a vacancy rate of five percent or less. This vacancy rate is consistent with the overall LIHTC average.

#### **7. Properties Under Construction and Proposed**

There are no new LIHTC or market rate properties that have been proposed or under construction in the PMA.

#### **8. Rental Advantage**

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

## Meriwether Redevelopment Phase I, Griffin, GA; Market Study

**Similarity Matrix**

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Marian Point	LIHTC/Market	Similar	Inferior	Similar	Inferior	Inferior	-30
2	Pine Hill Apartments	LIHTC	Slightly Superior	Inferior	Inferior	Inferior	Inferior	-35
3	Poplar Grove	LIHTC/Market	Slightly Inferior	Inferior	Similar	Slightly Inferior	Inferior	-30
4	St Phillip Villas	LIHTC/Market	Slightly Superior	Similar	Inferior	Slightly Inferior	Slightly Superior	0
5	Ashford Place	Market	Superior	Slightly Inferior	Inferior	Slightly Inferior	Similar	-10
6	Griffin Crossing Apartments	Market	Superior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Inferior	-15
7	Versailles Apartments	Market	Inferior	Inferior	Similar	Inferior	Inferior	-40
8	Walden Pointe Apartments Homes	Market	Superior	Slightly Inferior	Inferior	Inferior	Superior	-5

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

The following table is a comparison of the Subject's and comparable properties' rents. For the purposes of this market study, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, we compared the Subject's rents to concessional rent levels at the comparable properties.

All 42 of the Subject's units at 50 percent AMI will operate with an additional public housing subsidy, and tenants in these units will pay 30 percent of their income towards rent. Therefore, these units are considered to be leasable.

The following table illustrates the proposed 60 percent AMI LIHTC rents at the Subject. None of the units at this AMI level will operate with an additional subsidy.

**LIHTC Rent Comparison - @60%**

Property Name	2BR	3BR
Meriwether Redevelopment Phase I (Subject)	\$561	\$644
<b>LIHTC Maximum (Net)</b>	<b>\$687</b>	<b>\$776</b>
St Phillip Villas	\$561	\$644
Pine Hill Apartments	-	\$599-\$625
Poplar Grove	\$526	-
Marian Point	\$501	-
<b>Average (excluding Subject)</b>	<b>\$529</b>	<b>\$617</b>

The Subject's proposed rents are well below the maximum allowable levels, and are similar to the current 60 percent AMI rents at St. Phillip Villas. Of the LIHTC comparables, the Subject will be most similar to St. Phillip Villas, a 60 unit property which was built in 2002 and is in good condition. Upon completion the Subject will offer a superior location and condition to St. Phillip Villas, but smaller unit sizes and an inferior amenity package. St. Phillip Villas is currently 95 percent occupied, with zero vacancies amongst its units at 60 percent restriction.

The strong performance at this property indicates that its rents have been accepted in the local market and higher 60 percent AMI rents are likely achievable. Therefore, we believe that the Subject’s proposed two-and three-bedroom rents at 60 percent restriction, which are similar to those at St. Phillip Villas, are achievable.

**Analysis of “Market Rents”**

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average market rent, we have only included its units at 60 percent restriction, as the units at 50 percent restriction will operate with subsidy.

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

**Subject Comparison To Market Rents**

Unit Type	Subject's	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
	Proposed 60% AMI Rents				
2 BR	\$564	\$485	\$651	\$576	2%
3 BR	\$687	\$535	\$934	\$704	2%

As the tables above depict, the Subject’s proposed 60 percent rents are slightly below the average of the market rate properties. The market rate comparables were constructed between 1972 and 1998 and will be in inferior condition to the Subject upon its completion. Two of the LIHTC comparables, Poplar Grove and St. Phillip Villas offer market rate units as well. The Subject is most similar to St. Phillip Villas. The Subject’s proposed LIHTC rents are \$20 below the conventional rents at this property and are similar to the current LIHTC rents. As previously stated, we do not believe that this property is testing maximum achievable rents. All of its 60 percent AMI and market rate units are occupied, indicating that the property could likely achieve higher rents. Additionally, the Subject will offer a slightly superior location and condition when compared to this property, as the Subject will be new construction and will have better proximity to locational amenities. Surrounding uses are in generally similar condition at both the Subject and St. Phillip Villas. Overall, we believe that the Subject’s proposed LIHTC rents offer value in the local market, as they are well within the observed range of market rents and are below the average market rents.

**9. LIHTC Competition – Recent Allocations within Two Miles**

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no family properties allocated in the PMA in the past two years.

**10. Rental Trends in the PMA**

The following table is a summary of the tenure patterns of the housing stock in the PMA.

**TENURE PATTERNS PMA**

<b>Year</b>	<b>Owner-Occupied Units</b>	<b>Percentage Owner-Occupied</b>	<b>Renter-Occupied Units</b>	<b>Percentage Renter-Occupied</b>
2000	15,231	64.1%	8,529	35.9%
2011	16,757	63.1%	9,814	36.9%
Projected Mkt Entry				
June 2015	17,222	63.37%	9,953	36.63%
2016	17,350	63.5%	9,991	36.5%

Source: ESRI Demographics 2011, Novogradac & Company LLP, March 2013

As the table illustrates, the PMA is an owner oriented market, with 63.1 percent of households owning in 2011. Nationally approximately one third of households are renters. Therefore, the PMA’s percentage of renter occupied units is slightly larger than the national average.

Management at several market rate comparables indicated that they are facing competition from for sale housing. However, many potential homeowners struggle to obtain financing or to make the large down payment required for homeownership. The barriers to homeownership remain high for low income individuals, which the Subject will target. Additionally, the LIHTC comparables did not report significant competition from for sale housing. Therefore, we expect the Subject to experience little competition from for sale housing.

*Historical Vacancy*

The following table illustrates the historical vacancy at the comparable properties when available.

**Historical Vacancy**

<b>Property Name</b>	<b>Rent Structure</b>	<b>Vacancy, 4th Quarter 2012</b>	<b>Current Vacancy</b>
Marian Point	LIHTC/Market	8.3%	8.3%
Pine Hill Apartments	LIHTC	N/A	0.0%
Poplar Grove	LIHTC/Market	N/A	5.6%
St Phillip Villas	LIHTC/Market	3.3%	5.0%
Ashford Place	Market	8.0%	9.8%
Griffin Crossing Apartments	Market	4.0%	16.2%
Versailles Apartments	Market	2.5%	0.0%
Walden Pointe Apartments Homes	Market	1.9%	8.8%
<b>Average</b>		<b>4.7%</b>	<b>6.7%</b>

As illustrated in the table, the average vacancy in the local market has increased over the last year. The greatest increase in vacancy rates can be seen in the comparable market rate units. Property managers at comparable properties attributed elevated vacancy rates to competition from for sale housing and the poor economy. As a combined LIHTC and subsidized property, we expect the Subject to maintain a vacancy rate of five percent or less. This vacancy rate is consistent with the overall LIHTC average.

*Change in Rental Rates*

The following table illustrates rental rate changes at the comparables over the past year.

<b>RENT GROWTH</b>		
<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Marian Point	LIHTC/Market	9% decrease on 1-bedroom at 50% and 60%
Pine Hill Apartments	LIHTC	N/A
Poplar Grove	LIHTC/Market	N/A
St Phillip Villas	LIHTC/Market	Increased 3-4%
Ashford Place	Market	Change frequently
Griffin Crossing Apartments	Market	Change daily - yieldstar
Versailles Apartments	Market	Increased 4%
Walden Pointe Apartments Homes	Market	1-3% increase on 1BR and 2BR

Three of the comparables reported rental increases, only one of which is a LIHTC comparable. Marian Point reported a nine percent decrease on one-bedrooms at 50 and 60 percent AMI and is offering concessions on most of its units. Management attributed the rent decreases and concessions to the need to fill a number of long term vacant units. The contact further reported that the property’s elevated vacancy is a result of its generally average condition and struggles in competing with newer LIHTC properties on the market. Management at Pine Hill Apartments and Poplar Grove was unable to specify the increase in rents over the past year. The contact at Poplar Grove further reported that the property’s rents have changed three times since the new year, with rents initially rising over \$100 and then subsequently falling due to turnover and vacancy as a result of these increases. St. Phillip Villas, the most similar LIHTC property to the Subject, reported rent increases, which bodes well for the Subject. The Subject’s proposed rents are well below the maximum allowable levels. Therefore, it is possible that the Subject will experience rental increases following stabilization; however, due to the area’s poor economy and relatively soft apartment market, we expect rent increases to be infrequent in the short term.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to RealtyTrac, Griffin experienced a foreclosure rate of one in every 478 housing units in April 2013. Comparatively, the state of Georgia had a foreclosure rate of one in every 283 housing units, and the nation experienced a foreclosure rate of one in every 418 housing units. Per our site visit, there were a few vacant structures, both single family and commercial, within the Subject’s neighborhood. It should be noted that the Subject’s neighborhood is part of the area that has been marked for development by the City of Griffin. It is likely that those structures that are vacant and abandoned in the area will be demolished as a part of the city’s redevelopment efforts.

**12. Primary Housing Void**

There are a number of LIHTC properties targeted to families in the market. LIHTC vacancy in the market is low at 2.8 percent, indicating a LIHTC housing void in the market. The Subject will serve as replacement housing for the existing Meriwether Homes, which will be razed. The addition of the Subject to the market will help fill the housing void in the market.

**13. Affect of Subject on Other Affordable Units in Market**

The Subject will serve as replacement housing for the existing Meriwether Homes, which will be razed. Current tenants at Meriwether Homes will receive tenant protection vouchers. In the short-term, affordable properties in the market may benefit from the demolition of Meriwether Homes. However, the majority of the current tenants at Meriwether Homes will income qualify for the Subject's 50 percent units. Therefore, we do not believe the Subject will affect other affordable units in the market in the long run.

### **Conclusions**

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the Subject as proposed. Overall vacancy in the market is slightly elevated, at 8.7 percent. However, the high vacancy rate can primarily be attributed to the area's market rate properties. Property managers at the market rate comparables attributed the elevated vacancy rates to a number of factors, including competition from for sale housing and the poor economy. LIHTC vacancy in the market is low, at 2.8 percent. Management at several LIHTC comparables noted that the poor economy has affected them less, as many of the layoffs that have occurred have been amongst higher wage workers, whose incomes are above the range for the comparable properties. Additionally, the economic downturn has meant more income-eligible tenants for LIHTC properties, many of who are unable to obtain financing for owner occupied housing.

The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development which is currently 100 percent occupied. As a combined LIHTC and subsidized property, we expect the Subject to maintain a vacancy rate of five percent or less. The Subject's proposed rents are well below the maximum allowable levels, and are similar to the current 60 percent AMI rents at St. Phillip Villas. Of the LIHTC comparables, the Subject will be most similar to St. Phillip Villas, a 60 unit property which was built in 2002 and is in good condition. Upon completion the Subject will offer a superior location and condition to St. Phillip Villas, but smaller unit sizes and an inferior amenity package. St. Phillip Villas is currently 95 percent occupied, with zero vacancies amongst its units at 60 percent restriction. The strong performance at this property indicates that its rents have been accepted in the local market and higher 60 percent AMI rents are likely achievable. Therefore, we believe that the Subject's proposed two-and three-bedroom rents at 60 percent restriction, which are similar to those at St. Phillip Villas, are achievable.

## **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

The proposed Subject will consist of the demolition and redevelopment of the existing Meriwether Homes, a 120-unit public housing development that is currently 100 percent occupied. Current tenants at Meriwether Homes will receive tenant protection vouchers so that they can move to other rental properties in the area. We have conservatively estimated that the Subject will have to lease all 42 RAD PBRA units following renovations given that many of those with tenant protection vouchers may not choose to move back to the Subject once construction is complete.

The Subject will also offer 42 units restricted to tenants earning 60 percent of the AMI or less. These units will operate without any additional subsidy and all 42 of these units will need to be leased following construction. One of the comparable properties, Walden Pointe Apartment Homes, reported an absorption rate of 18 units per month. However, this property was constructed in 1998, and is therefore not considered to be an accurate indicator of the current market. We were unable to obtain absorption information for other properties in Griffin, or for Spalding County as a whole, as most were constructed prior to 2004. However, given the healthy LIHTC vacancy rate of 2.8 percent and the Subject's new construction design, we believe that the Subject's units could reasonably expect to lease 13-15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

## **J. INTERVIEWS**

**Georgia Department of Community Affairs, Carrollton Regional Office**

According to Jacqueline Nuniz, Family Housing Counselor with Georgia Department of Community Affairs Eastman Regional Office, there are approximately 350 to 400 Housing Choice Vouchers issued in Spalding County. The waiting list for Spalding County has been closed since the end of 2011, and the waiting list is approximately three to five years in length. The current payment standards for two and three-bedrooms in Spalding County are \$912 and \$1,158, respectively. The Subject's gross rents are below the payment standard.

**Planning**

We interviewed Mr. Touissant Kirk, Principal Planner with the City of Griffin Planning Department. According to Mr. Kirk, there are no proposed, recently completed, or under construction multifamily or single-family developments in the area. Mr. Kirk reported that the Atlanta Heart Center, a medical office located 0.8 miles southeast of the Subject, just opened in the beginning of April. Additionally, Spalding Regional Hospital finished a \$4.3 million renovation within the past six months, and there are several other medical offices in the preliminary planning stages.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## **CONCLUSIONS**

- Overall, demographic indicators are strong for the Subject's units. Population and households in the PMA are projected to increase at a rate slightly less than the nation through market entry and 2016. In addition to the positive growth trends, the presence of more renter households in the PMA than the national average demonstrates demand for the Subject. The Subject's LIHTC units will target households with income between \$26,366 and \$43,020. Approximately 36.8 percent of households in the PMA earn incomes between \$20,000 and \$50,000. Households in these income cohorts are expected to create demand for the Subject's LIHTC units.

According to RealtyTrac, Griffin experienced a foreclosure rate of one in every 478 housing units in April 2013. Comparatively, the state of Georgia had a foreclosure rate of one in every 283 housing units, and the nation experienced a foreclosure rate of one in every 418 housing units. Per our site visit, there were a few vacant structures, both single family and commercial, within the Subject's neighborhood. It should be noted that the Subject's neighborhood is part of the area that has been marked for development by the City of Griffin. It is likely that those structures that are vacant and abandoned in the area will be demolished as a part of the city's redevelopment efforts.

- Total employment in the MSA has been steadily increasing since 2011. As of September 2012, employment in the MSA is at its highest level since 2009. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.2 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US; however, the high rate of growth in total employment indicates a recovery in the MSA in line with the nation. The largest employers in the PMA are the accommodation/food services, health care/social assistance, and retail trade industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions. Despite the area's strong foundation in historically stable industries such as education and public administration, these sectors have also experienced layoffs as a result of the recession.

Like the MSA, total employment in Spalding County decreased significantly in 2008 and 2009 as a result of the national recession. Total employment in Spalding County increased in 2011, but has experienced a significant decline in the last 12 months of statistical data. There have been no WARN filings in Spalding County in 2012 and 2013 year to date. However, layoffs in the wider Atlanta area may have affected total employment in Spalding County. Additionally, property managers at a number of the comparables reported that the local economy is poor, and have mentioned layoffs and cutbacks in hours at Caterpillar, a major employer in the area.

For covered employment by industry in Spalding County, the largest sector in Spalding County, according to the Bureau of Labor Statistics, is the education and health services industry, followed by the trade/transportation/utilities industry. This deviates slightly from the industry trends in the PMA, where retail trade, manufacturing, educational services, and construction are the largest sectors. Retail trade, manufacturing,

construction, and transportation/warehousing are overrepresented in the PMA when compared to the nation. By contrast, healthcare/social services, finance/insurance, professional/scientific/tech services, and information are underrepresented in the PMA when compared to the nation.

Expansions in the metropolitan Atlanta market have been in various industries ranging from manufacturing to insurance. Baxter International, a pharmaceutical and medicine manufacturer, announced in April 2012 its plan to construct a \$1.0 billion plant in Covington, Georgia, according to an *Atlantic Business Chronicle* article. The facility will support the firm's production of plasma-based treatments and is projected to create 1,500 jobs. The plant is anticipated to open in 2018. Voestalpine, an automotive wholesaler, will also construct a plant within metropolitan Atlanta. The \$62.0 million manufacturing site will be located in Cartersville, Georgia and is projected to employ 220 workers.

While the MSA has shown positive growth in recent years, Spalding County remains affected by poor economic conditions, as reported by property managers at market rate properties. However, the LIHTC comparables reported that they were less affected by this. Additionally, the poor economic conditions have meant more income-qualified renters in the PMA.

- The Subject's capture rates at the 60 percent AMI level will range from 8.8 to 7.5 percent, with an overall capture rate of 8.2 percent. These capture rates are considered low and are within DCA threshold requirements. Therefore, we believe there is adequate demand for the Subject.
- The proposed Subject will consist of the demolition and redevelopment of the existing Meriwether Homes, a 120-unit public housing development that is currently 100 percent occupied. Current tenants at Meriwether Homes will receive tenant protection vouchers. Following construction, all 42 of the Subject's units at 50 percent AMI will operate with a RAD PBRA subsidy and tenants in these units will pay 30 percent of their income towards rent. Subsidized units are in demand in the area and these units are considered leasable by DCA.
- Current tenants at Meriwether Homes will receive tenant protection vouchers so that they can move to other rental properties in the area. We have conservatively estimated that the Subject will have to lease all 42 RAD PBRA units following renovations given that many of those with tenant protection vouchers may not choose to move back to the Subject once construction is complete.

The Subject will also offer 42 units restricted to tenants earning 60 percent of the AMI or less. These units will operate without any additional subsidy and all 42 of these units will need to be leased following construction. One of the comparable properties, Walden Pointe Apartment Homes, reported an absorption rate of 18 units per month. However, this property was constructed in 1998, and is therefore not considered to be an accurate indicator of the current market. We were unable to obtain absorption information for other properties in Griffin, or for Spalding County as a whole, as most were constructed prior to 2004. However, given the healthy LIHTC vacancy rate of 2.8 percent and the Subject's new construction design, we believe that the Subject's units could reasonably

expect to lease 13-15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

- Overall vacancy in the market is slightly elevated, at 8.7 percent. However, the elevated vacancy rate can primarily be attributed to the area's market rate properties. LIHTC vacancy in the market is low, at 2.8 percent, while market rate vacancy in the area is high, at 10.9 percent. Property managers at the market rate comparables attributed the elevated vacancy rates to a number of factors. The property manager at Ashford Place indicated the property has faced competition from for-sale housing and small local landlords who are renting single-family homes. The contact reported that home prices in the area are at historic lows, and that a large proportion of the property's renter profile can now afford to buy. Management at Walden Pointe Apartment Homes cited competition from homeownership as well as the area's poor economy for the recent rise in vacancy rates. In particular, the contact cited recent cutbacks at Caterpillar, a major employer in the area. Notably, Versailles Apartments is currently 100 percent occupied. The property manager at Versailles Apartments stated that occupancy has remained high for the property due to its smaller unit mix and rents that are lower than the competition. Management at several LIHTC comparables noted that the poor economy has affected them less, as many of the layoffs that have occurred have been amongst higher wage workers, whose incomes are above the range for the comparable properties. Additionally, the economic downturn has meant more income-eligible tenants for LIHTC properties, many of which are unable to obtain financing for owner occupied housing.

Of the LIHTC comparables, St. Phillip Villas and Pine Hill Apartments are both maintaining vacancy rates below five percent. Additionally, both properties are maintaining waiting lists of three households. Management at Pine Hill Apartments reported that the property's vacancy rate has not been above five percent over the past year. Marian Point is maintaining a vacancy rate of 8.3 percent, while Poplar Grove Apartments is maintaining a vacancy rate of 5.6 percent. Management at Marian Point Apartments reported that the property's occupancy has suffered due to the property's inferior condition in comparison to its LIHTC competition. The contact indicated that while the poor economy has meant more income eligible households, the majority of these households would rather live in newer tax credit properties, such as St. Phillip Villas. It should also be noted that the high vacancy rate at this property is due to economies of scale, as there are only 24 units in total, and two vacant units. Vacancy rates at this property have fluctuated from zero to 16.7 percent from 2009 to 2013. The contact at Poplar Grove reported that the property has had three rent changes since January, with an initial rent increase of over \$100 which led to elevated turnover. The contact has only been with the property since the beginning of the new year, and said that elevated vacancy rates have been typical during this time. Since rents were lowered in early March, the property's vacant units leased up at a pace of 1.5 units per week. The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development which is currently 100 percent occupied. As a combined LIHTC and subsidized property, we expect the Subject to maintain a vacancy rate of five percent or less. This vacancy rate is consistent with the overall LIHTC average.

- Several of the comparables are maintaining waiting lists. Pine Hill Apartments and St. Phillip Villas, both LIHTC properties, are maintaining short waiting lists of three

households. Versailles Apartments, a market rate comparable, is maintaining a waiting list of 20 households while Walden Pointe Apartments, a market rate comparable, is maintaining a waiting list of one household. The Subject will be most similar to St. Phillip Villas upon completion. Therefore, it is possible that the Subject may maintain a small waiting list for its LIHTC units. We expect the Subject to maintain a waiting list for its subsidized units.

- Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the Subject as proposed. Overall vacancy in the market is slightly elevated, at 8.7 percent. However, the high vacancy rate can primarily be attributed to the area's market rate properties. Property managers at the market rate comparables attributed the elevated vacancy rates to a number of factors, including competition from for sale housing and the poor economy. LIHTC vacancy in the market is low, at 2.8 percent. Management at several LIHTC comparables noted that the poor economy has affected them less, as many of the layoffs that have occurred have been amongst higher wage workers, whose incomes are above the range for the comparable properties. Additionally, the economic downturn has meant more income-eligible tenants for LIHTC properties, many of which are unable to obtain financing for owner occupied housing.

The Subject will serve as replacement housing for the existing Meriwether Homes, a 120-unit public housing development which is currently 100 percent occupied. As a combined LIHTC and subsidized property, we expect the Subject to maintain a vacancy rate of five percent or less. The Subject's proposed rents are well below the maximum allowable levels, and are similar to the current 60 percent AMI rents at St. Phillip Villas. Of the LIHTC comparables, the Subject will be most similar to St. Phillip Villas, a 60 unit property which was built in 2002 and is in good condition. Upon completion the Subject will offer a superior location and condition to St. Phillip Villas, but smaller unit sizes and an inferior amenity package. St. Phillip Villas is currently 95 percent occupied, with zero vacancies amongst its units at 60 percent restriction. The strong performance at this property indicates that its rents have been accepted in the local market and higher 60 percent AMI rents are likely achievable. Therefore, we believe that the Subject's proposed two-and three-bedroom rents at 60 percent restriction, which are similar to those at St. Phillip Villas, are achievable.

**Recommendations**

- We recommend the Subject as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**

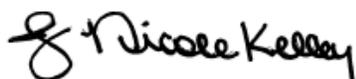
I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown 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.



---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

6-7-2013  
Date



---

J. Nicole Kelley  
Manager  
Novogradac & Company LLP

6-7-2013  
Date



---

Timothy Maller  
Real Estate Researcher  
Novogradac & Company LLP

6-7-2013  
Date

## **M. MARKET STUDY REPRESENTATION**

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



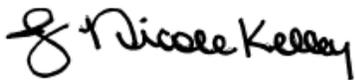
---

H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP

6-7-2013

---

Date



---

J. Nicole Kelley  
Manager  
Novogradac & Company LLP

6-7-2013

---

Date



---

Timothy Maller  
Real Estate Researcher  
Novogradac & Company LLP

6-7-2013

---

Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

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

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

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona  
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado  
Certified General Real Estate Appraiser, No 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

### III. Professional Experience

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

#### **IV. Professional Training**

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

#### **V. Real Estate Assignments – Examples**

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

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

**H. Blair Kincer**

**Qualifications**

**Page 3**

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## J. Nicole Kelley

### I. Education

Auburn University, Auburn, Alabama  
Bachelor of Science in Business Administration: International Business  
Auburn University, Auburn, Alabama  
Master of Business Administration (MBA)

### II. Professional Experience

Manager, Novogradac & Company LLP (July 2012-Present)  
Real Estate Analyst, Novogradac & Company LLP (October 2009-June 2012)  
Real Estate Researcher, Novogradac & Company LLP (May 2006-September 2009)

### III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Member, Women in Affordable Housing Network (WAHN)  
Successfully completed "Introduction to Commercial Real Estate Analysis" and  
"Financial Analysis for Commercial Real Estate Investment"

### IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Timothy Maller**

### **I. Education**

University of Delaware, Newark, DE  
Bachelor of Arts, History Education

### **II. Professional Experience**

Researcher, Novogradac & Company LLP, January 2012 – Present  
Intern, American Enterprise Institute, September 2011 – December 2011  
Student Teacher, John Dickinson High School, January 2011 – May 2011  
Applications Manager, UDEL Office of Admissions, January 2009 – January 2011

### **III. Research Assignments**

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

- Assisted in numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; physical inspection of site and market, unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.