



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**GREYSTONE APARTMENTS
90 East 2nd Avenue
Rome, Floyd County, Georgia 30161**

Effective Date: May 21, 2013

Report Date: June 7, 2013

Prepared For

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Prepared By

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June 7, 2013

Bruce Gerwig
Greystone Partners LP
2015 Felton Avenue, PO Box 4928
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Re: Market Study for Greystone Apartments in Rome, Floyd County, Georgia

Dear Mr. Gerwig:

At your request, Novogradac & Company LLP performed a market study of the senior and special needs rental market in the Rome, Floyd 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 LIHTC renovation of Greystone Apartments. Greystone Apartments is an existing Section 8 elderly (62 and older) and supportive housing (all ages) property in Rome, GA. The Subject had operated as a LIHTC property but its 15-year compliance period has passed. It currently operates with project-based rental assistance (PBRA) for 17 of the 71 units. Post renovations, the existing income-qualified tenants are projected to remain at the Subject as the Subject will retain its Section 8 subsidy for 17 of the 71 units for a period of seven years beginning in June 2012. In addition to the current PBRA units, the Subject will offer Shelter Plus Care (S+C) project-based rental assistance for another 15 units for a period of 10 years, which equates to a total of 32 units with long-term project-based rental assistance (PBRA). 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.

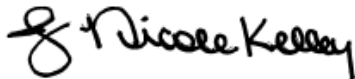
This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and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



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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.

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Greystone Apartments (the Subject) is located at 90 East 2nd Avenue in Rome, Floyd County, Georgia. The Subject was built in 1933, converted from a hotel into apartments in 1994, and is proposed for LIHTC renovation. Post renovations, the Subject will continue to operate with units restricted at 60 percent AMI and Section 8 subsidy for 17 of the units. These units are under a seven-year project-based rental assistance (PBRA) HAP contract that is effective as of June 2012. The Subject will also offer Shelter Plus Care (S+C) PBRA subsidy for another 15 units. These units will serve tenants who are formerly homeless with disabilities. The Subject currently targets seniors ages 62 and older as well as disabled tenants ages 18 and older. The Subject has maintained this mixed tenancy with high occupancy rates. Currently, the Subject is 100 percent occupied.

The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance. Because the Subject is a renovation of a historic building, the square footages of the units vary greatly. The following table lists all of the square footages.

PROPOSED RENTS

Unit Type	AMI	Number of Units	Size (SF)	Asking Rent	Utility Allowance (1)	2013 LIHTC Maximum Allowable Rent	2013 HUD Fair Market Rent
<i>50% and 60% AMI (Shelter Plus Care subsidy)</i>							
1BR/1BA	50% AMI	1	511	\$468	\$0	\$472	\$580
1BR/1BA	50% AMI	5	497	\$468	\$0	\$472	\$580
1BR/1BA	50% AMI	5	508	\$468	\$0	\$472	\$580
1BR/1BA	60% AMI	4	459	\$468	\$0	\$567	\$580
<i>60% AMI (Project Based Rental Assistance subsidy)</i>							
0BR/1BA	60% AMI	4	304	\$453	\$0	\$529	\$576
0BR/1BA	60% AMI	2	431	\$453	\$0	\$529	\$576
1BR/1BA	60% AMI	2	409	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	1	469	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	470	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	480	\$468	\$0	\$567	\$580
<i>60% AMI</i>							
1BR/1BA	60% AMI	1	545	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	1	593	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	5	677	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	2	637	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	2	550	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	2	595	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	511	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	523	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	518	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	572	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	4	500	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	2	573	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	2	595	\$468	\$0	\$567	\$580
1BR/1BA	60% AMI	2	597	\$468	\$0	\$567	\$580
Total		71					

Notes (1) Source of Utility Allowance provided by Developer

The weighted average square footages of the studio and one-bedroom units are 346 and 532, respectively. In total, 32 of the Subject's 71 units will operate with PBRA or S+C subsidy. Tenants in these units will pay 30 percent of their income towards the monthly rent. The tenancy at the property is mixed between seniors aged 62 and older and tenants who are physically or mentally disabled.

The Subject will offer the following amenities post renovations: blinds, carpeting, central air conditioning,

hand rails, pull cords, refrigerator, stove-top fire suppression units, fire sprinklers, community room, elevators, exercise facility, central laundry facility, off-street parking, on-site management, computer lab, ceiling fans, limited access to the building, and on-site supportive services. Highland Rivers Health will provide supportive services in an office at the Subject site. Services will include assistance with daily living skills, service coordination, and adult education.

2. Site Description/Evaluation:

The Subject is currently improved with an elevator-serviced six-story midrise building in downtown Rome. Immediate surrounding uses include small commercial uses (salon, bank, neighborhood stores) and churches. The Subject is accessed via East 2nd Avenue in Rome, GA, which is a main thoroughfare that travels northwest and southeast through Rome and connects to other main thoroughfares such as Shorter Avenue to the north and Cartersville Highway SE to the south. Overall, access and visibility of the site are considered excellent.

The Subject is located at the intersection of 1st Street and 2nd Avenue in Rome’s downtown area. The neighborhood includes Main Elementary School, East Rome High School, commercial uses, places of worship and municipal structures, including nearby proximity to City Hall, fire, police and library services. The Rome Transit Station is within 300 feet of the Subject. The Floyd Medical Center is located 0.6 miles from The Subject. All locational amenities are located within 1.5 miles of the Subject site with the exception of the nearest large retail establishment, a Wal-Mart Supercenter located 3.8 miles away.

Overall, the Subject has good visibility and prominence, being near the center of downtown Rome. The Subject’s renovations are projected to have a positive impact on the local neighborhood and will help the revitalization of the downtown area.

3. Market Area Definition:

The boundaries of the PMA are as follows:

North – Floyd-Chattooga county line and Highway 140

South – US-278

East – Floyd-Bartow county line

West – Georgia-Alabama state line

The PMA includes the majority of Floyd County and a portion of northern Polk County. Rome is the largest city in this area and therefore, per the gravity model, we believe that Rome will pull households from this area. Further, the Northwest Georgia Housing Authority covers Rome and Rockmart, indicating that these are similar markets. Only a portion of Rockmart is included in the PMA. Therefore, we expect demand to come from outside this area (leakage). However, per GA DCA 2013 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary from the Subject is 25 miles from the Subject site.

4. Community Demographic Data:

The Subject is located in a fairly stable PMA whose population is expected to have no growth through 2017, standing at 115,164 at the time of prospective market entry and projected to be 115,269 in 2017. However, senior household growth is projected to expand during this time at a rate of approximately 2.3 percent annually. In 2012, there were 26 percent senior renter households in the PMA, which is more than double the 13 percent national average. The percentage of senior renters in the PMA is projected to hold steady over the next five years. This strong presence of renter households bodes well for the Subject's units.

The average household size in the PMA is 2.6, a number that is also expected to remain stable into 2017. However, 57 percent of households in the PMA contained two people or less 2012, and amongst seniors that rate was 84 percent, numbers which are also expected to remain stable into 2017.

According to RealtyTrac.com, 16.2 percent of homes in the PMA are vacant, which is higher than the national average of 12.2 percent. However foreclosures occur for one in every 568 homes in Rome, GA, which is lower than the national average of one in every 418 homes. The median list price is \$115,000 as of March 2013, which represents a five percent year over year increase. The median sale price is \$70,000 as of March 2013, which represents a decline of seven percent year over year.

5. Economic Data:

Total employment in the MSA has been on a downward trend since 2008 and currently sits at 43,717 as of March 2013. The overall employment in the MSA is lower than it was even a decade ago. Similar to what occurred

throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.8 percent in 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, and the low rate of growth in total employment during this time indicates possible employment stagnation in the MSA. The largest employers in the PMA are the trade/transportation/utilities services, education/health services, and manufacturing. Lower skilled employees in these industries are likely to have incomes in line with the Subject’s income restrictions. However, the Subject will target seniors ages 62 and older and disabled tenants ages 18 and older; therefore, we anticipate that the majority of tenants will be retired or relying on fixed incomes.

6. Project-Specific Affordability And Demand Analysis:

Per GA DCA market study guidelines, the Demand Analysis does not need to include: units that operate with project-based subsidy; and, rehabilitation units whose tenants will remain at the Subject post renovations. The Subject is currently 100 percent occupied. Of the Subject’s existing tenants only one will not income-qualify post-renovations. Therefore, we anticipate that the Subject will not need to capture any additional households post-renovations in order to maintain a 93 percent, stabilized occupancy rate.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed*	Total Demand	Supply	Net Demand	Capture Rate
1BR at 60% AMI	1	203	13	190	0.5%
Overall	1	203	13	190	0.5%

*Units that need to be re-leased post renovations

7. Competitive Rental Analysis:

The availability of LIHTC data is considered adequate. We have included eight rental properties that comprise 798 units. All properties are located in Rome and in the PMA. There are two family LIHTC properties in the PMA and the one senior LIHTC property in Rome. We have excluded LIHTC and market rate properties that do not offer studios and/or one-bedroom units. We have included one property, Pine Ridge, that offers supportive housing studios that target adults of all ages. This property operates with 100 percent subsidy and therefore this property is not indicative of achievable supportive housing rents in the market. However, management reported that there is demand for additional supportive housing in Rome. There is a lack of studio units in the market. We attempted to obtain studio

classified listings in Rome; however, these are not common in the market.

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 not 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.

SUBJECT COMPARISON TO RENTS IN THE MARKET

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
0BR at 60% AMI	\$453	N/Av	N/Av	N/Av	N/Av
1BR at 60% AMI	\$468	\$514	\$1,089	\$667	30%

The Subject’s rents have an advantage over the surveyed average rents at the comparable properties.

8. Absorption/Stabilization Estimate:

The Subject is currently 100 percent occupied and of the 71 tenants, only one will not income-qualify at the Subject post-renovations per the Subject sponsor’s tenant relocation spreadsheet. Therefore, we do not anticipate that the Subject will need to undergo a re-absorption period.

If the Subject were to need to release units, we anticipate that the Subject would experience an absorption rate that is similar to or less than that of Etowah Terrace. Etowah Terrace is the only senior LIHTC property in Rome. It offers 77 one and two-bedroom units that are restricted at 50 and 60 percent AMI as well as unrestricted units and those that operate with PBRA. The property opened in June 2012 and reached 93 percent occupancy by October 2012, which yields an absorption rate of 18 units per month and an absorption period of four months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall LIHTC vacancy is low and the LIHTC properties are outperforming the market. The Subject is currently 100 percent occupied and 99 percent of its tenants will income-qualify for the Subject post renovations. The renovations will be extensive and are

projected to cost \$65,000 per unit. Given the extent of the renovations, we believe that the Subject's proposed rents are feasible as they represent a moderate increase (eight percent) over current rents. While the Subject's unit sizes are small and its in-unit amenities package is limited, the Subject will offer an extensive common area amenity package including services. Further, the Subject offers a highly visible location in a walkable neighborhood in downtown Rome. Overall, we believe that the Subject is feasible as proposed.

Summary Table:

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

Development Name:	Greystone Apartments	Total # Units: 71
Location:	90 East 2nd Avenue	# LIHTC Units: 71
	Rome, GA	
PMA Boundary:	North: Floyd-Chattoga county line and Highway 140; South: US-278; East: Floyd-Bartow county line; West: Georgia-Alabama state line	
	Farthest Boundary Distance to Subject:	<u>25 miles</u>

Rental Housing Stock (found on page 83)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	7	798	43	94.6%
Market-Rate Housing	4	419	30	92.8%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	1	30	1	96.7%
LIHTC	3	349	12	96.6%
Stabilized Comps	7	798	43	94.6%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	0BR at 60% (PBRA)	1	346	BOI*	\$500	N/Av	10%	N/Av	N/Av
11	1BR at 50% (S+C)	1	532	BOI*	\$667	\$1.25	N/Ap	\$775	\$0.96
4	1BR at 60% (S+C)	1	532	BOI*	\$667	\$1.25	N/Ap	\$775	\$0.96
11	1BR at 60% (PBRA)	1	532	BOI*	\$667	\$1.25	N/Ap	\$775	\$0.96
39	1BR at 60%	1	532	\$468	\$667	\$1.25	30%	\$775	\$0.96

*These units operate with subsidy and therefore the rents are based on income (BOI).

Demographic Data (found on page 26)

	2000		2012		2015	
Renter Households	2,699	23.40%	3,539	26.20%	3,698	26.10%
Income-Qualified Renter HHs (LIHTC)	772	28.60%	1,012	28.60%	1,058	28.60%

Targeted Income-Qualified Renter Household Demand (found on page 45)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	N/Ap	45	N/Ap	N/Ap	45
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	324	N/Ap	N/Ap	324
Homeowner conversion (Seniors)	N/Ap	N/Ap	4	N/Ap	N/Ap	4
Total Primary Market Demand	N/Ap	N/Ap	373	N/Ap	N/Ap	373
Less Comparable/Competitive Supply	N/Ap	N/Ap	13	N/Ap	N/Ap	13
Adjusted Income-qualified Renter HHs	N/Ap	N/Ap	360	N/Ap	N/Ap	360

Capture Rates (found on page 45)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	N/Ap	2.60%	N/Ap	N/Ap	2.60%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location: The Subject is located at 20th East 2nd Avenue in downtown Rome, Floyd County, Georgia.

Construction Type: The Subject will be a renovation of an existing six-story, elevator-serviced historic brick building. The property is listed on the National Historic Register.

Occupancy Type: Seniors ages 62 and older and special needs/disabled tenants ages 18 and older. Management reported that currently, the youngest tenant is age 24.

Special Population Target: The Subject will target seniors ages 62 and older as well as intellectually or physically disabled tenants who would benefit from supportive housing.

Number of Units by Bedroom Type and AMI Level: See following property profile.

Unit Size: See following property profile.

Structure Type: See following property profile.

Rents and Utility Allowances: See following property profile.

Existing or Proposed Project Based Rental Assistance: Of the Subject’s 71 units, 17 operate with project-based rental assistance. These units will retain their project-based subsidy post renovations and tenants in these units will pay 30 percent of their income towards the monthly rents. In addition to these units, 15 of the Subject’s units will operate with Shelter Plus Care (S+C) PBRA subsidy, for a total of 32 units with long-term PBRA.

Proposed Development Amenities: See following property profile.

Greystone Apartments (as Renovated)	
Comp #	Subject
Location	90 East 2nd Avenue Rome, GA 30161 Floyd County (verified)
Distance	n/a
Units	71
Vacant Units	N/A
Vacancy Rate	N/A
Type	Midrise (age-restricted) (6 stories)
Year Built / Renovated	1933/Ren. 1994/Proposed Ren. 2014
Marketing Began	n/a
Leasing Began	n/a
Last Unit Leased	n/a
Major Competitors	Heatherwood (Section 8).
Tenant Characteristics	Restricted to physically and mentally disabled and seniors ages 62 and older; All tenants are local.
Contact Name	Elaine
Phone	706-232-5798



Utilities			
A/C	included -- central	Other Electric	included
Cooking	included -- electric	Water	included
Water Heat	included -- gas	Sewer	included
Heat	included -- electric	Trash Collection	included

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
0	1	Midrise (6 stories)	6	346 (avg)	\$453 (BOI)	\$0	@60% (Section 8 - PBRA)	n/a	N/A	N/A	no
1	1	Midrise (6 stories)	11	532 (avg)	\$468 (BOI)	\$0	@50% (S+C)	n/a	N/A	N/A	no
1	1	Midrise (6 stories)	4	532 (avg)	\$468 (BOI)	\$0	@60% (S+C)	n/a	N/A	N/A	no
1	1	Midrise (6 stories)	11	532 (avg)	\$468 (BOI)	\$0	@60% (Section 8 - PBRA)	n/a	N/A	N/A	no
1	1	Midrise (6 stories)	39	532 (avg)	\$468	\$0	@60%	n/a	N/A	N/A	no

Amenities			
In-Unit	Blinds Carpeting Central A/C Hand Rails Oven Pull Cords Refrigerator	Security	Limited access and buzzer intercom
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Non-shelter Services Off-Street Parking On-Site Management Recreation Areas Service Coordination	Premium	none
Services	Adult Education Computer Tutoring	Other	Fire sprinklers, stovetop fire suppression units
Comments			
<p>The property was renovated in 1994 with tax credits and converted from a hotel to LIHTC apartments. The property is currently proposed for LIHTC renovation and currently operates under a HAP contract. Post renovations, the Subject will also operate with Shelter Plus Care (S+C) PBRA subsidy. The square footages above represent a weighted average of the square footages. The tenancy at the property is mixed between seniors aged 62 and older and tenants who are physically or mentally disabled. According to the contact, the youngest tenant at the property is 27. Management reported that the mixed tenancy works well, and that there are no issues between the two different tenancies. Supportive housing tenants are sometimes referred to the property by Highland Rivers and the Department of Family and Child Services. Highland Rivers offers counselling services to the supportive housing tenants once a week. All utilities are included in the rent; therefore, the rents listed are the net and gross rents and the utility allowance is \$0.</p>			

Scope of Renovations:

The Subject’s proposed renovations are projected to cost \$65,000 per unit and will include, but are not limited to, the following:

- Replace roof, plumbing fixtures, and common area flooring.
- Repair or replace windows per historic preservation guidelines.
- Install new plumbing fixtures (plumbing stops, new steel enameled tubs, tiles, Watersense toilets, Watersense faucets, showerheads)
- Replace electrical and HVAC systems with energy efficient ones.
- Structural improvements to the building.
- Refurbish elevator cabs.
- Replace communications systems and install new safety systems (smoke and carbon monoxide detectors) and emergency call systems.

- Replace cabinets, appliances, doors, hardware in the units.
- Replace and install common area doors, hardware, drywall, wood flooring, light fixtures.
- Refinish existing parkay floors and new recycled content vinyl plank in living room.
- Replace light fixtures with energy efficient fixtures.
- Resurface and restripe parking lot.
- Repaint all units.
- Replace window coverings, shelving, electrical coverplates.

Current Rents:

The Subject is currently achieving \$418 and \$433 for its studio and one-bedroom rents. The property is currently 100 percent occupied. Post-renovations, the rents are projected to increase by \$35, or approximately eight percent, which we believe is reasonable for a \$65,000 per unit renovation.

Current Occupancy:

The Subject is currently 100 percent occupied with a waiting list.

Current Tenant Income:

The Subject's current tenants are maintaining incomes that range from \$7,194 to \$25,091. Post renovations, the Subject's unsubsidized LIHTC units will target households earning between \$13,590 and \$24,180. Only one of the Subject's tenants is projected to turnover post renovations. The AMGI in the MSA declined by 4.7 percent from 2012 to 2013 and the maximum allowable income decreased; however, nearly all of the existing tenants will qualify for the Subject post renovations according to 2013 maximum allowable rents.

Placed in Service Date:

Renovations will occur with tenants in place in other units in the building. Renovations are projected to be complete by second quarter 2015.

Conclusion:

The Subject will be a good-quality, six-story midrise elevator-serviced building that is consistent with the historic uses in downtown Rome.

C. SITE EVALUATION

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

Kristina Garcia visited the site on May 21, 2013.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

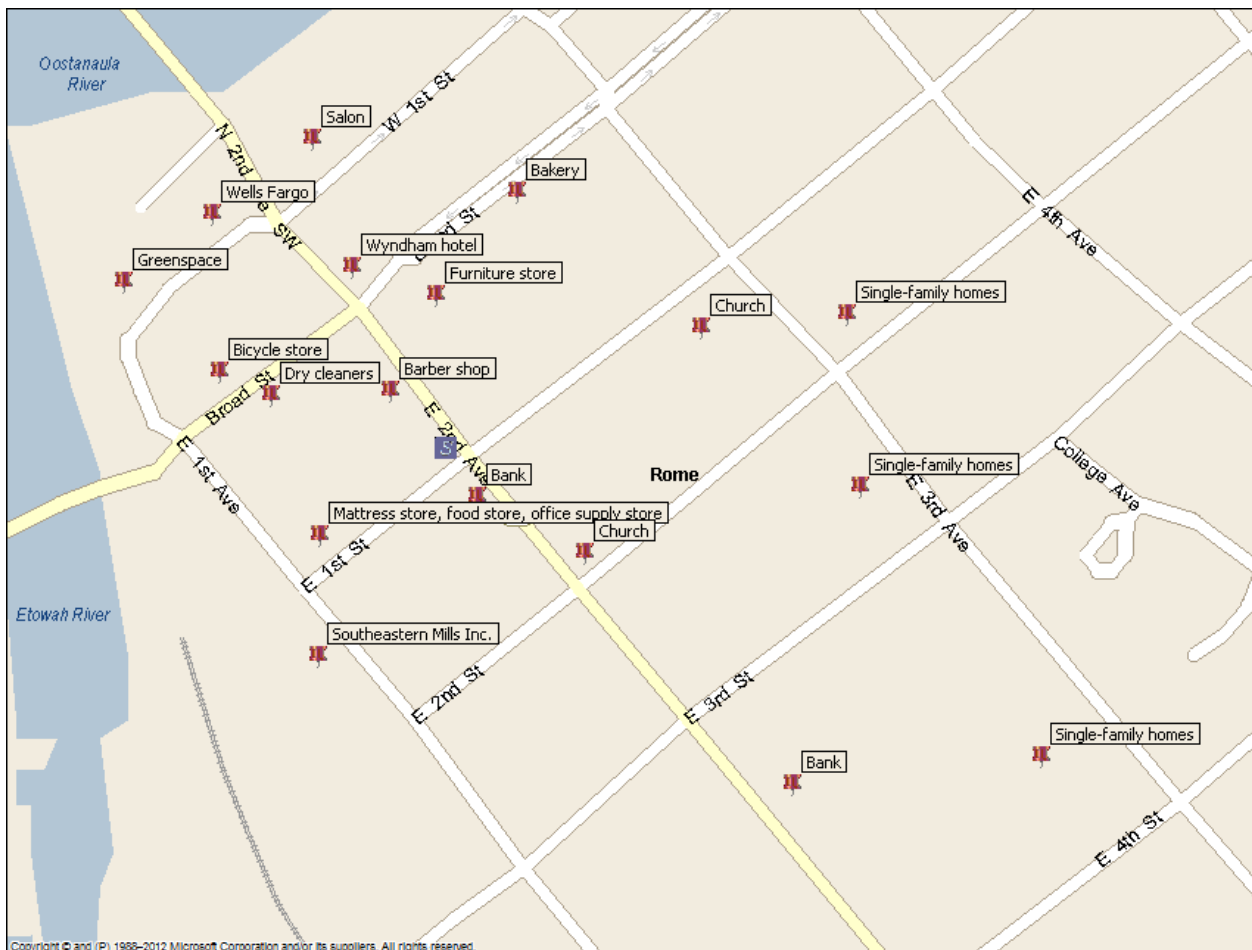
The Subject site has frontage along East 2nd Avenue and East 1st Street.

Visibility/Views:

The Subject is located on the southwest side of East 2nd Avenue and the northwest side of East 1st Street. The Subject's views are of downtown commercial uses (barber shop, bank, hotel, mattress store) and are considered average. The Subject's visibility is considered excellent as it is located downtown.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject is located in a walkable neighborhood in downtown Rome. Uses in the Subject's neighborhood are

generally in average condition as they represent older commercial and single-family home uses that are typical to downtown.

Positive/Negative Attributes of Site: The Subject site is walkable to commercial uses in downtown Rome and the Subject has high visibility on Second Avenue. Per walkscore.com, the Subject's location is classified as "Very Walkable" with a score of 83 on a scale from zero to 100. There are no major detrimental influences. Southeastern Mills, Inc. is located southwest of the Subject site; however, the presence of this small facility has not impacted the Subject's current performance as it is 100 percent occupied. Further, Etowah Terrace has a view of Southeastern Mills and is currently 100 percent occupied.

3. Physical Proximity to Locational Amenities:

The Subject is located at the intersection of 1st Street and 2nd Avenue in Rome's downtown area. The neighborhood includes Main Elementary School, East Rome High School, commercial uses, places of worship and municipal structures, including nearby proximity to City Hall, fire, police and library services. The Rome Transit Station is located within 300 feet of the Subject. The Floyd Medical Center is located 0.6 miles from the Subject. All locational amenities are located within 1.5 miles of the Subject site with the exception of the nearest large retail establishment, a Wal-Mart Supercenter located 3.8 miles away.

Overall, the Subject has good visibility and prominence, being near the center of downtown Rome. The Subject's renovations are projected to have a positive impact on the local neighborhood and will help the revitalization of the downtown area.

4. Pictures of Site and Adjacent Uses:



Subject (Portion with red brick exterior)



Subject (Portion with white exterior)



Subject exterior



Subject lobby



View of Subject lobby and leasing office



View of entrance



Subject parking lot



View from Subject (commercial uses and parking lot)



Leasing office



Subject entrance



Central laundry facility



Game/Recreation room with TV, games, vending machine and exercise equipment



Table, microwave, vending machine, and TV in game room



Common area bathroom in lobby



Common area room with library area, community microwave, seating area, dining area, and large-screen TV



Common area room with library area, community microwave, seating area, dining area, and large-screen TV



Library area in second floor common area



Main elevator (one of two)



Stairwell



Typical hallway



Typical unit bathroom



Bedroom and living area



Unit kitchen



View of commercial uses across Subject



View of 2nd Ave and Broad Street (Commercial corridor)



Commercial uses (85-90 percent occupied)



SunTrust bank across from Subject (View from Subject)



View of historic building adjacent to Subject



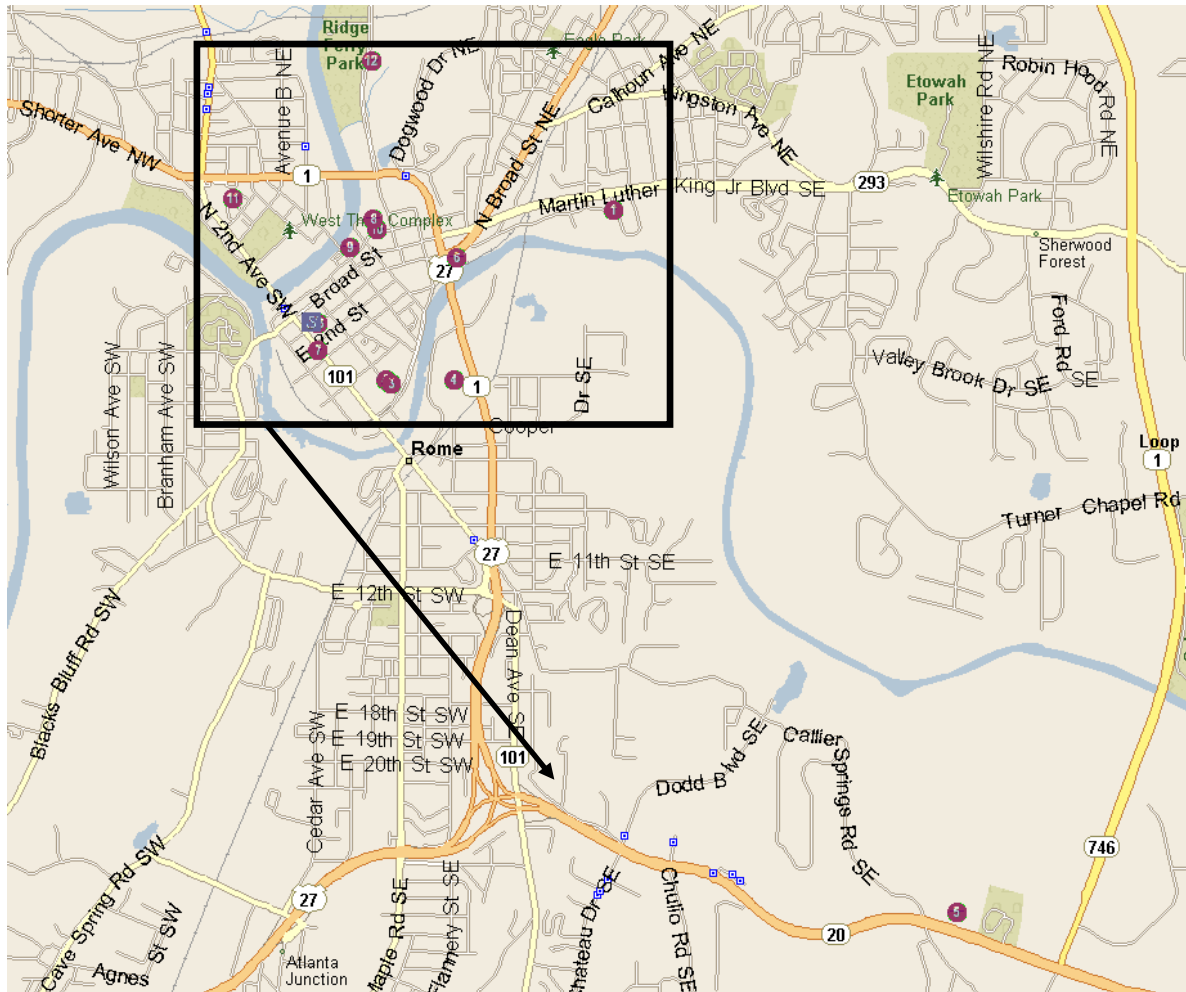
View of hotel across from Subject

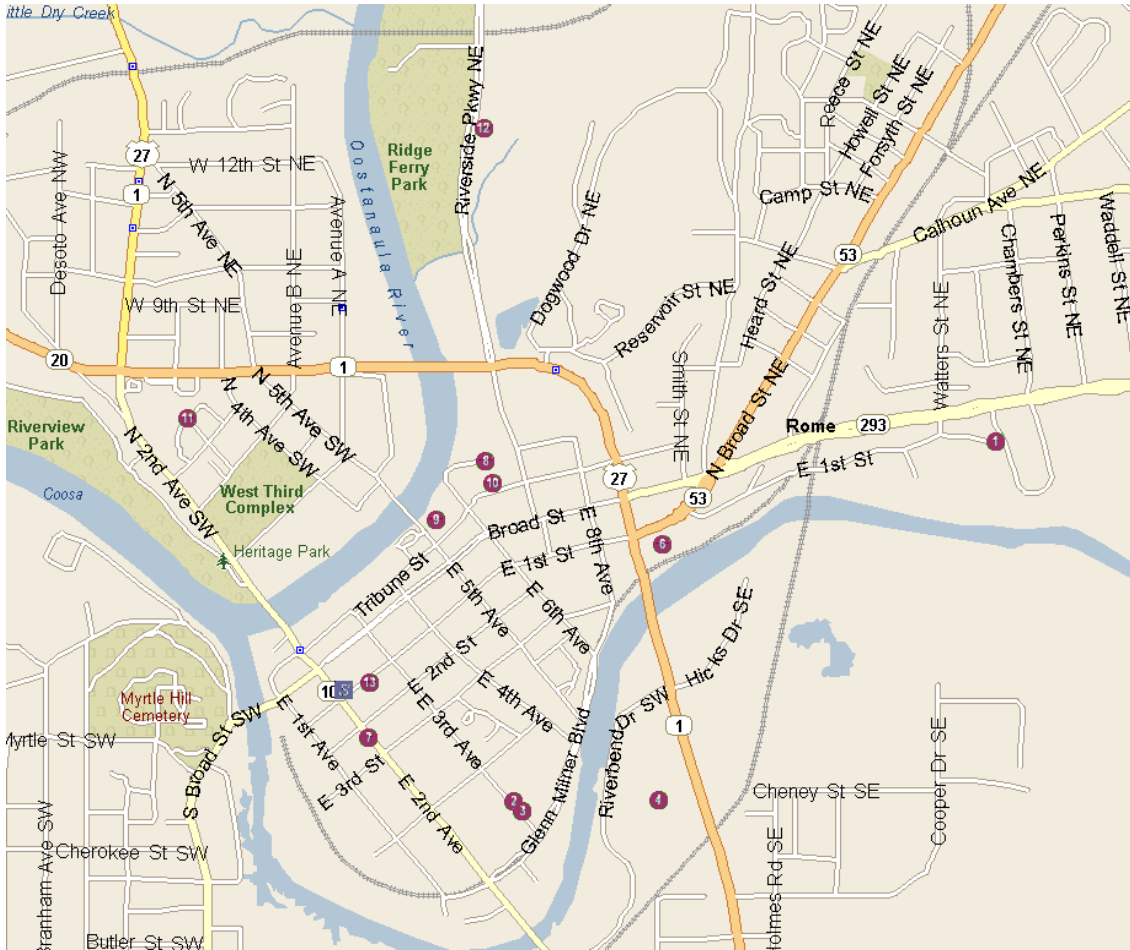


Subject on left (foreground); Law office and financial planner office in background

5. Proximity to Locational Amenities:

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





Distances from Local Services

Map#	Amenity	Type of Service	Distance from Subject
1	Main Elementary School	Elementary School	1.5 miles
2	East Rome High School	High School	0.5 miles
3	East Rome Junior High School	Middle School	0.5 miles
4	Kroger Supermarket	Grocery Store	1.0 miles
5	Wal-Mart Supercenter	Retail	3.8 miles
6	CVS Pharmacy	Pharmacy	0.8 miles
7	SunTrust Bank	Bank	0.1 miles
8	Rome Floyd County Library	Library	0.6 miles
9	Rome Police Department	Police	0.5 miles
10	Rome Fire Department	Fire	0.6 miles
11	Floyd Medical Center	Medical Center	0.6 miles
12	Rome Career Center	Employment Center	1.3 miles
13	Midtown Transit Station	Public Transportation	<300 feet

6. Description of Land Uses:

The Subject is located in downtown Rome where the majority of surrounding uses are in older structures. Immediate surrounding uses include small commercial buildings (salon, bank, stores) and churches. The Subject,

as an existing property, is consistent with land uses in its neighborhood.

7. Multifamily Residential within Two Miles:

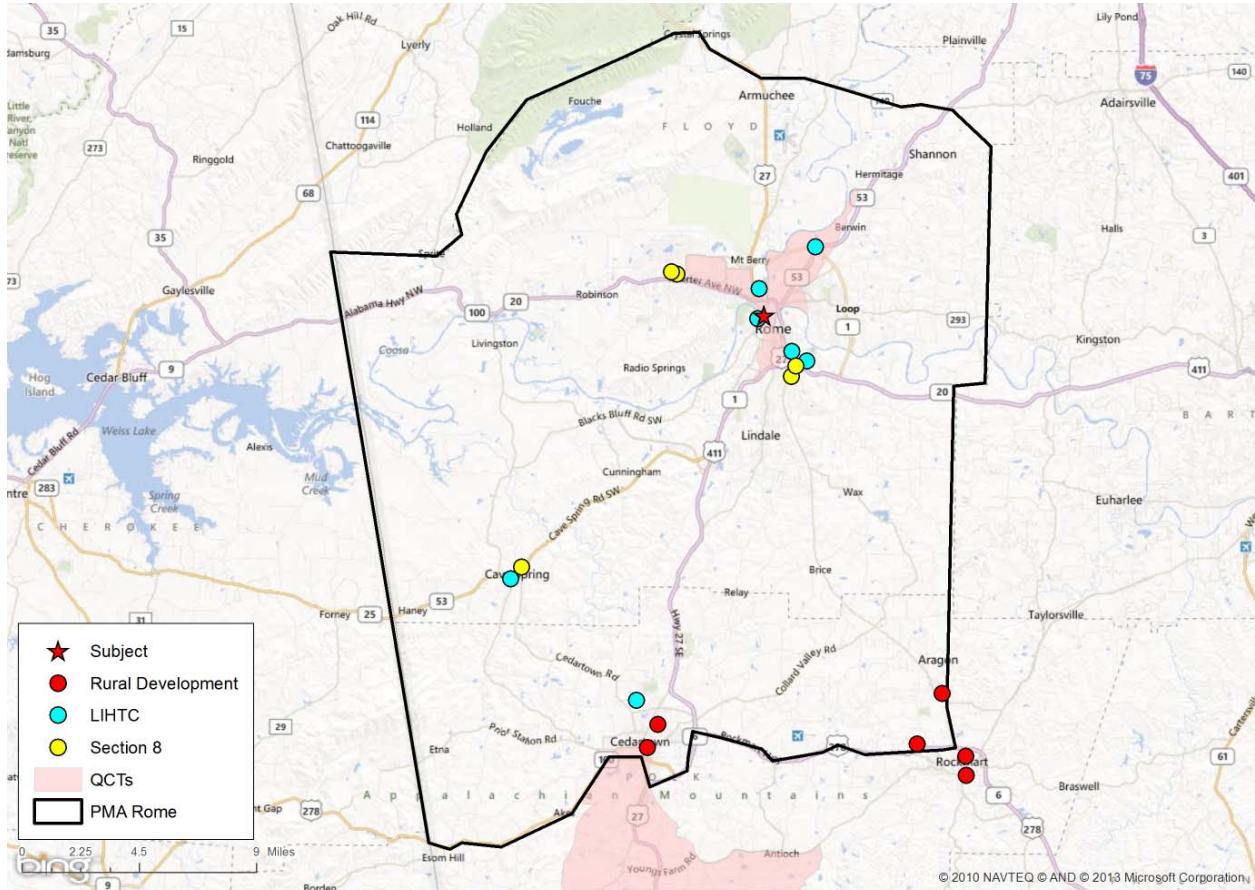
There are only two competitive properties located within two miles of the Subject: Etowah Terrace and Ashton Ridge. These properties are senior and family LIHTC properties, respectively. Etowah Terrace is in excellent condition as it was built in 2012 and Ashton Ridge is in good condition as it was built in 1999 and has been well maintained. These properties have been included as comparables in this report.

8. Existing Assisted Rental Housing Property Map:

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

Property	Address	City	Map Color	Type	Tenancy	Included/Excluded	Reason for Exclusion	
Cedartown Commons	336 Herbert Street	Cedartown	Red	RD	Family	Excluded	Rent subsidized	
Cedarwood Village	501 E.Jule Peek Avenue	Cedartown		RD	Elderly	Excluded	Rent subsidized	
Calloway Apts	325 Calloway Court	Rockmart		RD	Family	Excluded	Rent subsidized	
Fairview Apts	840 Fairview Road	Rockmart		RD	Family	Excluded	Rent subsidized	
Oakview Apartments	100 Creek Bank Rd	Aragon		LIHTC/RD	Family	Excluded	Rent subsidized	
Tower Village	43 Tower Cir	Rockmart		LIHTC/RD	Family	Excluded	Rent subsidized	
Riverwood Park	525 W 13Th St Ne	Rome		LIHTC	Family	Excluded	Only offers 2BR and 3BR units	
Ashton Ridge (fka Windridge)	2522 Callier Springs Rd Se	Rome		LIHTC	Family	Included	N/Ap	
Spring Haven Apartments	7 Perry Farm Rd Sw	Cave Springs		LIHTC/HOME	Family	Excluded	Closer comparable properties and management unavailable	
Evergreen Village	110 Evergreen Ln	Cedartown		LIHTC	Family	Excluded	Closer comparable properties and management unavailable	
Ashland Park Apartments	100 Ashland Park Blvd Ne	Rome	Cyan	LIHTC/FHA	Family	Included	N/Ap	
Callier Forest Apartments	131 Dodd Blvd Se	Rome		LIHTC/PBRA/FHA	Family	Excluded	Rent subsidized	
Etowah Terrace	1 Etowah Terrace	Rome		LIHTC, PBRA	Senior	Included	N/Ap	
Steve Pettis Court Apts	B4 Stewart Circle	Cave Springs		Section 8/RD	N/Av	Excluded	Rent subsidized	
Heatherwood Apts	42 Chateau Dr	Rome		Section 8/FHA	Elderly	Excluded	Rent subsidized	
Meadow Lane Apts	22 Tammassee Ln	Rome		Section 8	Family	Excluded	Rent subsidized	
Tamassee Apartments	66 Lyons Dr	Rome		Section 8/FHA	Family	Excluded	Rent subsidized	
The Villas	1471 Dodd Blvd	Rome		Section 8	Elderly	Excluded	Rent subsidized	
Greystone Apartments (Subject)	90 E2nd Ave	Rome		Blue	LIHTC, PBRA	Elderly	SUBJECT	SUBJECT

We are aware of one existing public housing property (Willingham Village) that is applying for Rental Assistance Demonstration (RAD) funding. The property is located 2.7 miles from the Subject on 12 Brookwood Avenue NW in Rome and will provide supportive housing units with subsidy for families. Because this property will target families, we do not believe that it will directly compete with the Subject.



Rome, GA



9. Road/Infrastructure

Proposed Improvements:

There are no current road/infrastructure improvements based upon site inspection.

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

The Subject is accessed via East 2nd Avenue in Rome, GA, which is a main thoroughfare that travels northwest and southeast through Rome and connects to other main thoroughfares such as Shorter Avenue to the north and Cartersville Highway SE to the south. Overall, access and visibility of the site are considered excellent.

11. Environmental Concerns:

None visible upon site inspection.

Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

The Subject is located in a walkable neighborhood in downtown Rome. Uses in the Subject’s neighborhood are generally in average condition as they represent older commercial and single-family homes uses that are typical

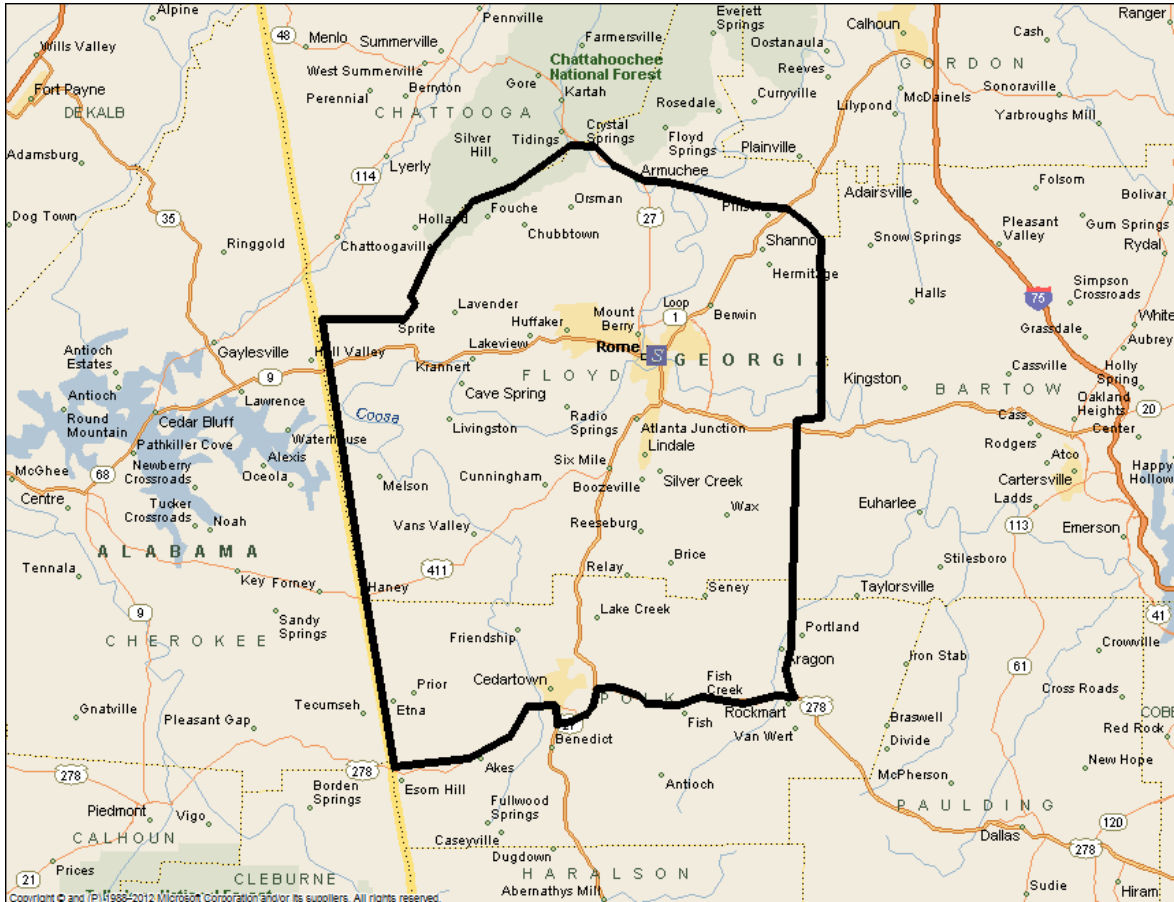
in age/condition to the downtown area. Overall, the Subject will be an improvement to the neighborhood post renovations.

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



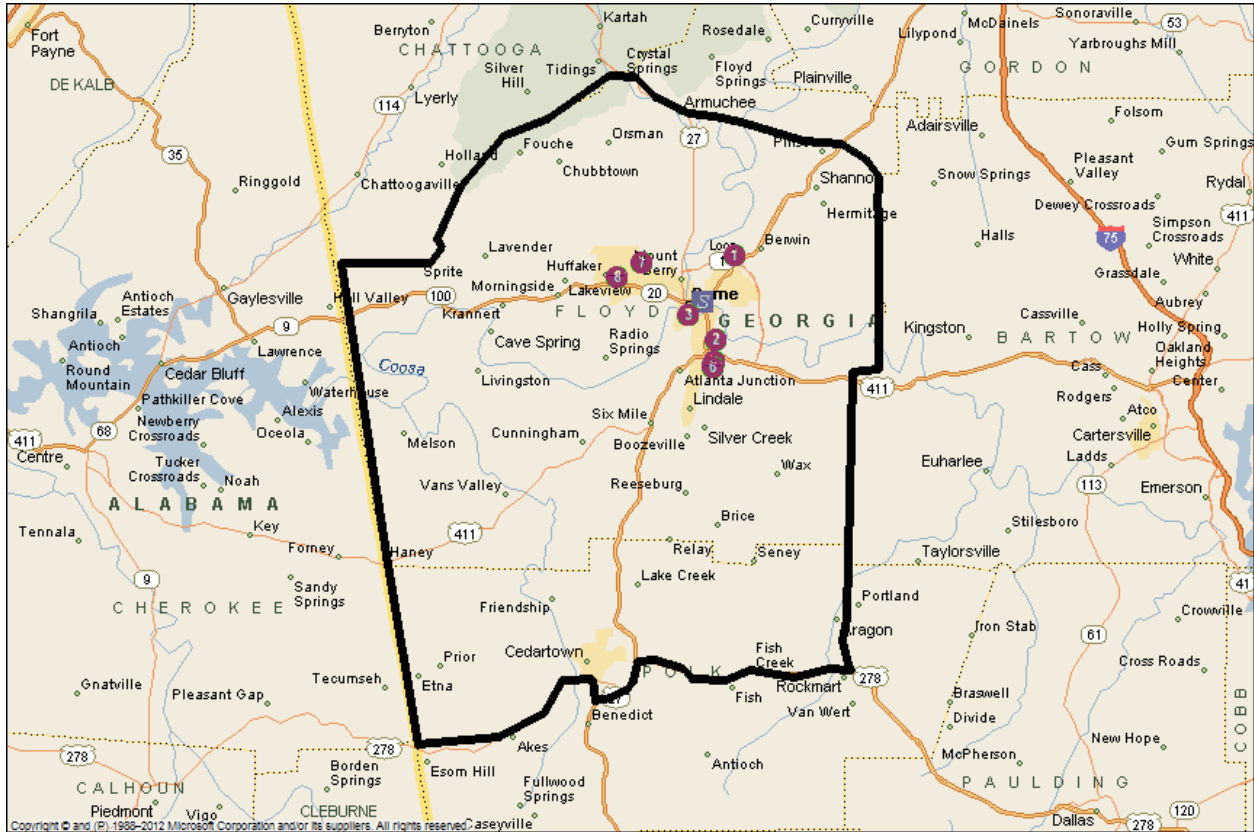
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Rome, GA MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

- North – Floyd-Chattooga county line and Highway 140
- South – US-278
- East – Floyd-Bartow county line
- West – Georgia-Alabama state line

The PMA includes the majority of Floyd County and a portion of northern Polk County. Rome is the largest city in this area and therefore, per the gravity model, we believe that Rome will pull households from this area. Further, the Northwest Georgia Housing Authority covers Rome and Rockmart, indicating that these are similar markets. Only a portion of Rockmart is included in the PMA. Therefore, we expect demand to come from outside this area (leakage). However, per GA DCA 2013 market study guidelines, GA DCA does not take into account leakage from the PMA.

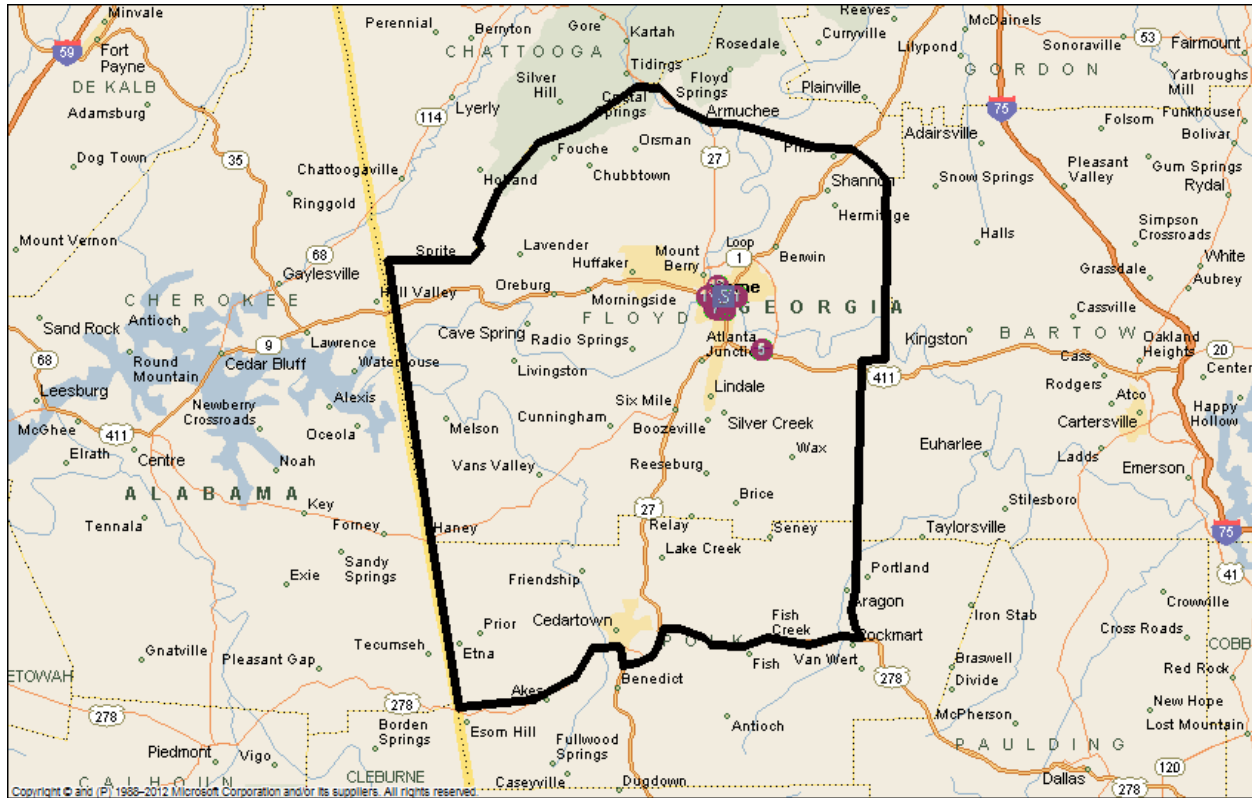
Primary Market Area Map – Comparable Properties



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Ashland Park Apartments	Rome	@ 60%	Family	3.6 miles
2	Ashton Ridge	Rome	@ 30%, @ 50%, @ 60%	Family	1.9 miles
3	Etowah Terrace	Rome	@ 50%, @ 60%, PBRA Market	Senior	0.3 miles
4	Arbor Terrace Apartments	Rome	Market	Family	3.1 miles
5	Eastland Court	Rome	Market	Family	3.0 miles
6	Guest House Apartments	Rome	Market	Family	3.1 miles
7	Heritage Pointe	Rome	Market	Family	4.1 miles
8	Pine Ridge Apartments	Rome	Section 8 (DCA)	Supportive Housing	4.3 miles

Primary Market Area Map – Locational Amenities



Distances from Local Services

Map#	Amenity	Type of Service	Distance from Subject
1	Main Elementary School	Elementary School	1.5 miles
2	East Rome High School	High School	0.5 miles
3	East Rome Junior High School	Middle School	0.5 miles
4	Kroger Supermarket	Grocery Store	1.0 miles
5	Wal-Mart Supercenter	Retail	3.8 miles
6	CVS Pharmacy	Pharmacy	0.8 miles
7	SunTrust Bank	Bank	0.1 miles
8	Rome Floyd County Library	Library	0.6 miles
9	Rome Police Department	Police	0.5 miles
10	Rome Fire Department	Fire	0.6 miles
11	Floyd Medical Center	Medical Center	0.6 miles
12	Rome Career Center	Employment Center	1.3 miles
13	Midtown Transit Station	Public Transportation	<300 feet

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 Rome, GA 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, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 1990 through 2017.

TOTAL POPULATION

Year	PMA		Rome, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	96,423	-	81,249	-	248,709,873	-
2000	107,618	1.2%	90,563	1.1%	281,421,906	1.3%
2012	115,164	0.6%	96,312	0.5%	313,129,017	0.9%
Projected Mkt Entry	115,157	0.0%	96,299	0.0%	312,405,203	0.7%
2017	115,269	0.0%	96,514	0.0%	323,986,227	0.7%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

TOTAL SENIOR POPULATION (62+)

Year	PMA		Rome, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	16,920	-	14,179	-	37,611,531	-
2000	17,725	0.5%	14,947	0.5%	41,475,021	1.0%
2012	20,871	1.4%	17,650	1.5%	53,191,094	2.3%
Projected Mkt Entry	21,267	2.3%	17,986	2.3%	54,483,617	2.9%
2017	23,248	2.3%	19,666	2.3%	60,946,232	2.9%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

POPULATION BY AGE GROUP

Age Cohort	PMA				
	1990	2000	2012	Projected Mkt Entry May 2013	2017
0-4	6,476	7,230	8,116	7,995	8,082
5-9	6,444	7,436	8,007	7,631	7,932
10-14	6,393	7,619	7,628	8,122	7,643
15-19	7,583	7,903	8,182	7,861	7,824
20-24	7,389	8,090	7,962	7,246	7,358
25-29	7,282	7,307	7,241	7,207	7,273
30-34	7,474	7,489	7,205	7,210	7,214
35-39	6,937	7,976	7,157	7,230	7,474
40-44	6,524	7,944	7,348	7,418	6,640
45-49	5,480	7,124	7,512	7,732	6,949
50-54	4,859	6,525	7,839	7,434	7,195
55-59	4,808	5,409	7,402	6,798	7,592
60-64	4,634	4,599	6,735	5,509	7,113
65-69	4,408	4,218	5,337	4,212	6,368
70-74	3,719	3,732	4,079	3,147	4,875
75-79	2,948	3,164	3,098	2,214	3,390
80-84	1,872	2,112	2,224	2,107	2,166
85+	1,193	1,740	2,092	115,182	2,181
Total	96,423	107,617	115,164	222,253	115,269

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Rome, GA MSA		
	Total Population	Non-Elderly	Elderly (62+)	Total Population	Non-Elderly	Elderly (62+)
1990	96,423	79,503	16,920	81,251	67,072	14,179
2000	107,617	89,892	17,725	90,565	75,618	14,947
2012	115,164	94,293	20,871	96,312	78,662	17,650
Projected Mkt Entry July 2015	115,227	92,930	22,297	96,433	77,573	18,860
2017	115,269	92,021	23,248	96,514	76,848	19,666

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Annual population growth in the PMA and MSA has been significant in previous years. At the time of proposed market entry the total population level is expected to level off and remain fairly flat. However, senior population is projected to grow significantly during this time period, which bodes well for the Subject property.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Rome, GA MSA	
	Number	Annual Change	Number	Annual Change
1990	36,265	-	30,517	-
2000	40,500	0.6%	34,245	0.5%
2012	42,862	0.0%	36,012	0.0%
Projected Mkt Entry July 2015	42,805	0.0%	35,957	0.0%
2017	42,767	0.0%	35,920	0.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

TOTAL NUMBER OF SENIOR HOUSEHOLDS (62+)

Year	PMA		Rome, GA MSA	
	Number	Annual Change	Number	Annual Change
1990	-	-	-	-
2000	11,545	-	9,778	-
2012	13,527	1.4%	11,363	1.3%
Projected Mkt Entry July 2015	14,176	0.0%	13,840	0.0%
2017	14,608	1.6%	15,492	7.3%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

AVERAGE HOUSEHOLD SIZE

Year	PMA		Rome, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.53	-	2.58	-
2012	2.60	0.1%	2.57	0.1%	2.58	0.0%
Projected Mkt Entry July 2015	2.60	0.1%	2.58	0.1%	2.58	0.0%
2017	2.60	0.1%	2.58	0.1%	2.58	0.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Similar to population trends, annual household growth is projected to increase at a rate that is comparable to the MSA and national average as a whole. Due to household growth, average household size is projected to remain fairly stable in the PMA to 2017.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2017.

PMA TENURE PATTERNS OF SENIORS 62+

Year	Renter-Occupied		Occupied-	
	Units	Percentage Renter-Occupied	Occupied Units	Percentage Occupied-Occupied
2000	2,699	23.4%	8,846	76.6%
2012	3,539	26.2%	9,988	73.8%
Projected Mkt Entry				
May 2013	3,583	26.1%	10,124	73.9%
2017	3,803	26.0%	10,805	74.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

As the tables illustrate, both senior and non-senior households within the PMA reside in predominately owner-occupied residences. However, the proportion of seniors who live in renter-occupied units in the PMA is projected to stand at 26.1 percent at the time of market entry, which is significantly higher than the national average of 13 percent. This trend is projected to continue through 2017, which bodes well for the Subject property.

2c. Households by Income

The following table depicts senior household income in 2012, 2015 and 2017 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 62+)

Income Cohort	2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,622	12.0%	1,850	13.0%	2,002	13.7%
\$10,000-19,999	3,305	24.4%	3,492	24.6%	3,617	24.8%
\$20,000-29,999	2,408	17.8%	2,557	18.0%	2,657	18.2%
\$30,000-39,999	1,765	13.0%	1,852	13.1%	1,911	13.1%
\$40,000-49,999	1,384	10.2%	1,383	9.8%	1,382	9.5%
\$50,000-59,999	880	6.5%	869	6.1%	861	5.9%
\$60,000-74,999	788	5.8%	794	5.6%	797	5.5%
\$75,000-99,999	728	5.4%	726	5.1%	724	5.0%
\$100,000-124,999	246	1.8%	241	1.7%	238	1.6%
\$125,000-149,999	110	0.8%	109	0.8%	108	0.7%
\$150,000-199,999	134	1.0%	144	1.0%	151	1.0%
\$200,000+	158	1.2%	159	1.1%	160	1.1%
Total	13,527	100.0%	14,176	100.0%	14,608	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, August 2010

As the above tables show, at the time of market entry approximately 38 percent of senior households in the PMA will have an annual income earning less than \$19,999. These numbers are projected to remain relatively stable through 2017.

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 62+ PMA

	2000		2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,641	60.8%	2,224	62.8%	2,310	62.5%	2,367	62.2%
With 2 Persons	793	29.4%	765	21.6%	801	21.7%	825	21.7%
With 3 Persons	120	4.4%	342	9.7%	352	9.5%	359	9.4%
With 4 Persons	58	2.2%	133	3.8%	148	4.0%	158	4.2%
With 5+ Persons	87	3.2%	75	2.1%	87	2.3%	94	2.5%
Total Renter Households	2,699	100.0%	3,539	100.0%	3,698	100.0%	3,803	100.0%

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

As the above table shows, the great majority of 62+ households consist of only one person. Combined, one and two-person senior households will comprise 84 percent of the PMA at the time of market entry and is projected to remain relatively stable through 2017.

2e and f. Elderly and HFOP

Per DCA's guidelines, elderly households populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

CONCLUSION

The Subject is located in a fairly stable suburban PMA whose population is expected to have limited growth from 2015 to 2017, standing at 115,164 at the time of prospective market entry and projected to be 115,269 in 2017. However, senior household growth is projected to expand during this time at a rate of approximately 2.3 percent annually. In 2012, there were 26.2 percent senior renter households in the PMA, which is more than double the 13 percent national average. The percentage of senior renters in the PMA is projected to hold steady over the next five years. This strong presence of renter households bodes well for the Subject's units.

F. EMPLOYMENT TRENDS

Employment Trends

Total employment in the MSA has been on a downward trend since 2008 and currently sits at 43,717 as of March 2013. The overall employment in the MSA is lower than it was even a decade ago. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.8 percent in 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, and the low rate of growth in total employment during this time indicates possible employment stagnation in the MSA. The largest employers in the PMA are the trade/transportation/utilities services, education/health services, and manufacturing. Lower skilled employees in these industries are likely to have incomes in line with the Subject’s income restrictions. However, the Subject will target seniors ages 62 and older and disabled tenants ages 18 and older; therefore, we anticipate that the majority of tenants will be retired or relying on fixed incomes.

1. Total Jobs

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

COVERED EMPLOYMENT		
Floyd County		
Year	Total Employment	% Change
2002	39,869	
2003	40,259	0.97%
2004	41,341	2.62%
2005	41,809	1.12%
2006	42,618	1.90%
2007	40,187	-6.05%
2008	39,904	-0.71%
2009	37,577	-6.19%
2010	37,036	-1.46%
2011	36,315	-1.99%
2012 YTD Average*	36,465	0.41%
Sep-11	36,040	-
Sep-12	36,797	2.06%

Source: U.S. Bureau of Labor Statistics

*YTD as of Sept 11

As the above table indicates, total employment in Floyd County has taken a profound downturn since its high in 2006 of 42,618. Although it has rebounded slightly since September 2011, it remains 13.7 percent below its 2006 peak.

2. Total Jobs by Industry

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

SEPT 2012 EMPLOYMENT JOBS BY INDUSTRY

Floyd County		
Industry	Number Employed	Percent Employed
Education and Health Services	9,043	29.29%
Trade, Transportation, and Utilities	6,246	20.23%
Manufacturing	5,558	18.00%
Leisure and Hospitality	3,622	11.73%
Professional and Business Services	2,835	9.18%
Financial Activities	1,152	3.73%
Information	1,014	3.28%
Other Services	699	2.26%
Construction	572	1.85%
Natural Resources and Mining	85	0.28%
Unclassified	50	0.16%
Public Administration*	-	-
Total Employment	30,876	100.00%

*Monthly data is not available

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

The largest sector in Floyd County, according to the Bureau of Labor Statistics, is the Education and Health Services industry. Overall, the county's employment base seems to be fairly diversified, although there is a strong reliance on manufacturing jobs. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2010 EMPLOYMENT BY INDUSTRY				
Occupation	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	471	0.89%	1,790,318	1.32%
Mining	55	0.10%	723,991	0.53%
Construction	3,850	7.31%	8,872,843	6.52%
Manufacturing	7,906	15.01%	13,047,475	9.59%
Wholesale Trade	1,598	3.03%	4,407,788	3.24%
Retail Trade	5,729	10.88%	15,464,986	11.37%
Transportation/Warehousing	1,283	2.44%	5,487,029	4.03%
Utilities	861	1.63%	1,115,793	0.82%
Information	823	1.56%	3,158,778	2.32%
Finance/Insurance	1,305	2.48%	6,883,526	5.06%
Real Estate/Rental/Leasing	871	1.65%	2,825,263	2.08%
Prof/Scientific/Tech Services	1,505	2.86%	8,520,310	6.26%
Mgmt of Companies/Enterprises	0	0.00%	202,384	0.15%
Admin/Support/Waste Mgmt Svcs	2,005	3.81%	5,114,479	3.76%
Educational Services	7,006	13.30%	14,168,096	10.42%
Health Care/Social Assistance	8,832	16.77%	18,891,157	13.89%
Arts/Entertainment/Recreation	456	0.87%	2,628,374	1.93%
Accommodation/Food Services	3,555	6.75%	9,114,767	6.70%
Other Services (excl Publ Adm)	2,444	4.64%	6,679,783	4.91%
Public Administration	2,107	4.00%	6,916,821	5.09%
Total Employment	52,662	100.0%	136,013,961	100.0%

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

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

The largest industries in the PMA are Health Care/Social Assistance, Manufacturing and Educational Services. Together these three industries comprise 45.1 percent of employment in the PMA and are heavily overrepresented in the area compared to national averages. Finance/Insurance, Professional/Scientific/Tech Services and Arts/Entertainment/Recreation are underrepresented in the PMA when compared to the nation.

3. Major Employers

The reliance of the PMA’s economic base on healthcare, education and manufacturing is indicated by the following list of Rome’s ten largest employers.

MAJOR EMPLOYERS			
#	Employer	Industry	Number Employed
1	Floyd Medical Center	Healthcare	2,790
2	Floyd County Schools	Education	1,523
3	Harbin Clinic	Healthcare	1,226
4	Redmond Regional Medical Center	Healthcare	1,200
5	Floyd County Government	Public Administration	1,126
6	Rome City Schools	Education	751
7	City of Rome	Public Administration	614
8	Kellogg Company	Manufacturing	550
9	Berry College	Education	557
10	F&P Georgia	Manufacturing	515

Source: Greater Rome Chamber of Commerce, May 2013

The Floyd Medical Center is the largest employer in Rome, employing almost twice as many people as the next largest employer, Floyd County Schools. Eight of the top 10 employers in the city are either in the healthcare, education or public administration fields. The remainder of the employers in this list are manufacturers, Kellogg being in food service and F&P Georgia manufacturing components for automobiles.

The major employers on the above list account for approximately 25 percent of the total employment within the Rome, GA MSA. The fact that the major employers account for such a high percentage of the total employment within the MSA indicates that the economy is not as diverse, and therefore stable, as would be optimally desired.

Expansions/Contractions

Despite the current recession, the Greater Rome Chamber of Commerce has reported several announcements for expansions recently. The following table details these expansions.

ROME, GA MSA EXPANSIONS

COMPANY	FACILITY TYPE	BUSINESS TYPE	PROJECTED NUMBER OF JOBS (ESTIMATED)	YEAR ANNOUNCED
Foss Manufacturing	Distribution Center	Textiles	150	2012
F&P Georgia	Manufacturing	Automobile Component Manufacturer	100	2012
Neaton Rome, Inc.	Manufacturing	Automobile Component Manufacturer	113	2012
Lowe's	Distribution Center	Home Supply Retailer	600	2011
Kellogg Company	Manufacturing	Food Service Manufacturer	25	2011
Thermal Seal Duct System	Manufacturing	Industrial Applications	40	2011

Source: Greater Rome Chamber of Commerce, May 2013

While this announced job growth is notable, it does not reflect actual jobs added to the market in the past few years. Additionally, this figure does not take into consideration closures and redundancies at other companies in the greater Rome, GA MSA area. The following table illustrates closures and layoffs in Floyd County from 2010 to present.

ROME, GA MSA BUSINESS CLOSURES/LAYOFFS

COMPANY	BUSINESS TYPE	NUMBER AFFECTED	EFFECTIVE DATE
Vend Service, Inc.	Food Distributor	51	8/30/2011
Northwest Georgia Regional Hospital	Healthcare	750	12/5/2011
General Aluminum	Manufacturing	67	3/4/2011
Pierre (Zartic LLC)	Food Distributor	350	5/13/2010
CCH Small Firm Services	Financial Service	17	2/25/2010

Source: Georgia Department of Labor, May 2013

As illustrated in the above table, the MSA lost 1,235 jobs since 2010. While the announced expansions (1,028 new jobs) mitigate these losses to some extent, the net change is a loss of 207 jobs. However, it is worthy of note that there have not been any mass layoffs in the MSA since 2011.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Rome, GA MSA from 2002 to 2013 (through March).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	<u>Rome, GA MSA</u>				<u>USA</u>			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	44,641	-	4.8%	-	136,485,000	-	5.8%	-
2003	46,670	4.5%	4.6%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	46,971	0.6%	4.7%	0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	47,913	2.0%	5.1%	0.4%	141,730,000	1.8%	5.1%	-0.4%
2006	47,220	-1.4%	4.5%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	47,347	0.3%	4.8%	0.3%	146,047,000	1.1%	4.6%	0.0%
2008	46,726	-1.3%	6.5%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	44,075	-5.7%	10.4%	3.9%	139,877,000	-3.8%	9.3%	3.5%
2010	43,436	-1.4%	10.7%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	43,097	-0.8%	10.8%	0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	43,849	1.7%	10.0%	-0.8%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	43,809	-0.1%	10.7%	0.7%	142,180,000	-0.2%	8.1%	0.0%
Mar-2012	43,452	-	10.3%	-	141,412,000	-	8.4%	-
Mar-2013	43,717	0.6%	8.9%	-1.4%	142,698,000	0.9%	7.6%	-0.8%

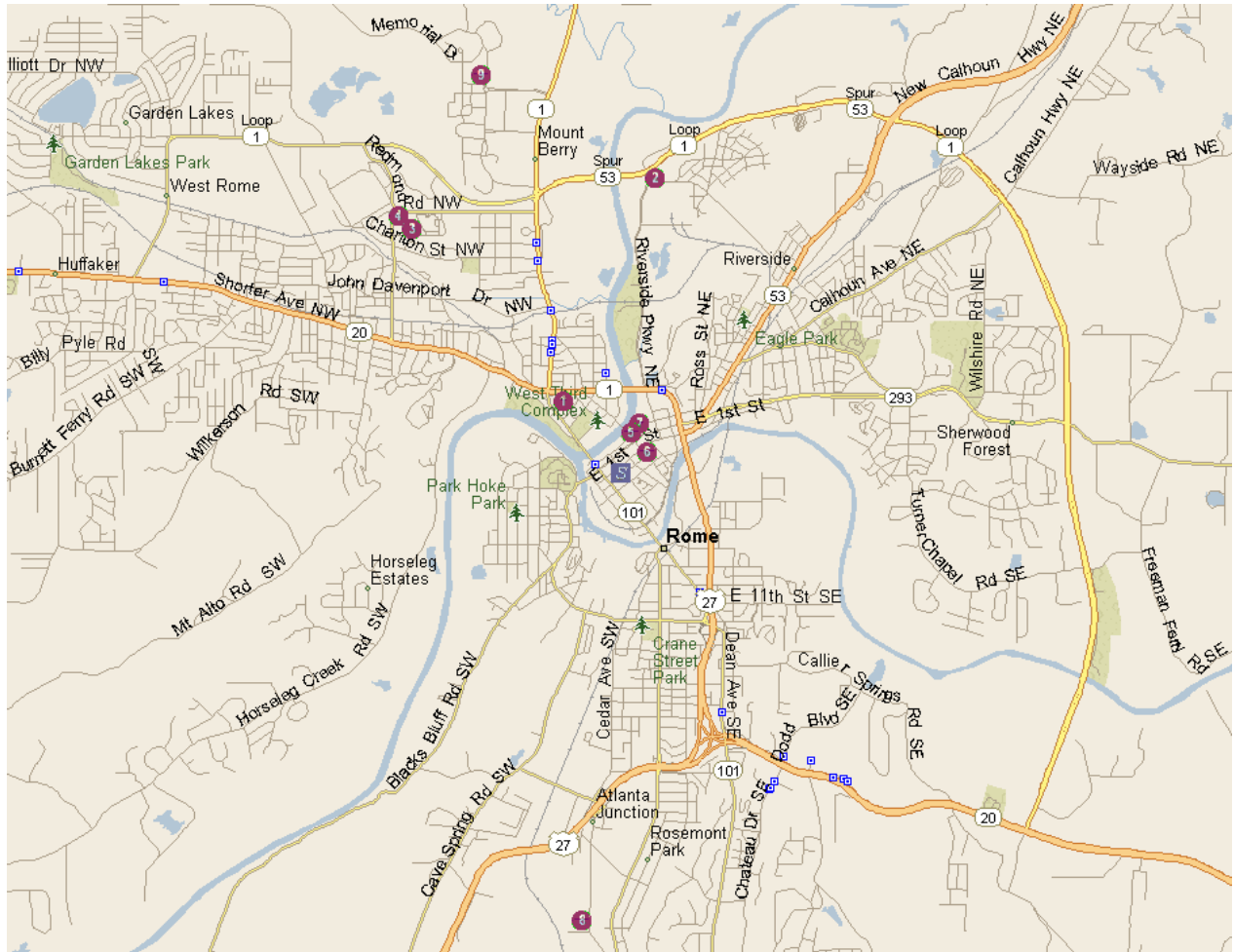
Source: U.S. Bureau of Labor Statistics December 2012

*2013 data is through Mar

The Rome, GA MSA experienced fairly strong employment growth from 2004 to 2005, and prior to 2007 the area's unemployment rate was lower than the national average. Since 2005, however, the area has experienced net job loss, spiking in 2009 due to the recession. The area's large reliance on the manufacturing sector and that sector's vulnerability during the recession caused the loss of many jobs in the area that have not been recovered. As the nation has begun recovering the area has lagged behind, with unemployment rates over 10 percent since 2009. The current total employment level, 43,717, is 9.3 percent below the level experienced in 2005.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in the Rome, GA MSA.



MAJOR EMPLOYERS

#	Employer	Industry	Number Employed
1	Floyd Medical Center	Healthcare	2,790
2	Floyd County Schools	Education	1,523
3	Harbin Clinic	Healthcare	1,226
4	Redmond Regional Medical Center	Healthcare	1,200
5	Floyd County Government	Public Administration	1,126
6	Rome City Schools	Education	751
7	City of Rome	Public Administration	614
8	Kellogg Company	Manufacturing	550
9	Berry College	Education	557

Source: Greater Rome Chamber of Commerce, May 2013

Conclusion

Both the population and number of households in the PMA and MSA have experienced significant fallout from the recession due to the regions historically heavy reliance on manufacturing. Population growth and employment growth are projected to remain sluggish into the foreseeable future, though a slight recovery can be seen in the past year, with overall employment increasing for the first time since 2007.

The Subject is located in a fairly stable PMA whose population is expected to remain stable through 2017, standing at 115,164 at the time of prospective market entry and projected to be 115,269 in 2017. However, senior household growth is projected to expand during this time at a rate of approximately 2.3 percent annually. In 2012, there were 26.2 percent senior renter households in the PMA, which is more than double the 13 percent national average. The percentage of senior renters in the PMA is projected to hold steady over the next five years. This strong presence of renter households bodes well for the Subject's units. However, the MSA's top employers account for 25 percent of the area's total employment, which is indicative of an economy which could be heavily reliant on a single business or industry.

The Rome, GA MSA experienced fairly strong employment growth from 2004 to 2005, and prior to 2007 the area's unemployment rate was lower than the national average. Since 2005, however, the area has experienced net job loss, spiking in 2009 due to the recession. The area's large reliance on the manufacturing sector and that sector's vulnerability during the recession caused the loss of many jobs in the area that have not been recovered. As the nation has begun recovering, the local area has lagged behind, with unemployment rates over 10 percent since 2009. The current total employment level, is 9.3 percent below the level experienced in 2005.

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 senior 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). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac & Company LLP 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, 2012 household population estimates are inflated to 2015 by interpolation of the difference between 2012 estimates and 2017 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 2012 to 2017 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. The Subject will target seniors and disabled tenants who would reside in small studio and one-bedroom units; therefore, we have estimated homeownership conversion to be low at 1.0 percent.

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 have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2011 and 2012.
- Vacancies in projects placed in service prior to 2011 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).

- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market in 2011 or 2012. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

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

There is one senior LIHTC property in Rome—Etowah Terrace—and it entered the market in 2012. Etowah Terrace is currently 100 percent occupied and offers 77 units restricted at 50 and 60 percent of AMI. A portion of these units operate with project-based rental assistance and therefore we have not deducted these units from the Demand Analysis per GA DCA guidelines. We have deducted the property’s 13 one-bedroom units from the Subject’s 60 percent AMI Demand Analysis. Because all 17 of the Subject’s units at 50 percent AMI operate with subsidy, we have not deducted Etowah Terrace’s 50 percent AMI units from Demand per GA DCA guidelines.

We are aware of one existing public housing property (Willingham Village) which is located in Rome and is applying for Rental Assistance Demonstration (RAD) funding. The property will provide supportive housing units with subsidy for families. Because this property will target families, we do not believe that it will directly compete with the Subject.

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.

PMA OCCUPANCY

Property name	Rent Structure	Tenancy	Total Units	Occupancy Rate
Ashland Park Apartments	@ 60%	Family	184	96%
Ashton Ridge (fka Windridge)	@ 30%, @ 50%, @ 60%	Family	88	94%
Etowah Terrace	@ 50%, @ 60%, PBRA, Market	Senior	77	100%
Arbor Terrace Apartments	Market	Family	96	93%
Eastland Court	Market	Family	116	95%
Guest House Apartments	Market	Family	58	98%
Heritage Pointe	Market	Family	149	89%
Pine Ridge Apartments	Section 8 (DCA)	Special Needs/Supportive Housing	30	97%
Total			798	95%

Overall occupancy in the market is stable at approximately 94 percent.

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.

The Subject will be a renovation of an existing LIHTC property that is currently 100 percent occupied and offers or will offer subsidy for 32 of its units. Per GA DCA guidelines, we have not included the subsidized units in the Demand Analysis. Tenants are projected to remain in place during renovations. Of the existing 71 tenants, 70 will income qualify for the Subject post renovations. Therefore, we have conducted a Demand Analysis based upon the Subject’s single unit at 60 percent AMI that will need to be released.

Capture Rates

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

Renter Household Income Distribution Projected Market Entry July 2015			
Greystone Apartments			
	PMA		Change 2012 to Prj Mrkt Entry July 2015
	Projected Mkt Entry July 2015		
	#	%	
\$0-9,999	709	19.2%	30
\$10,000-19,999	1,276	34.5%	55
\$20,000-29,999	577	15.6%	25
\$30,000-39,999	339	9.2%	15
\$40,000-49,999	268	7.3%	11
\$50,000-59,999	179	4.9%	8
\$60,000-74,999	111	3.0%	5
\$75,000-99,999	101	2.7%	4
\$100,000-124,999	49	1.3%	2
\$125,000-149,999	22	0.6%	1
\$150,000-199,999	33	0.9%	1
\$200,000+	32	0.9%	1
Total	3,698	100.0%	158

Tenure Prj Mrkt Entry July 2015	
Renter	73.9%
Owner	26.1%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2015		
Size	Number	Percentage
1 Person	2,310	62.5%
2 Person	801	21.7%
3 Person	352	9.5%
4 Person	148	4.0%
5+ Person	87	2.3%
Total	3,698	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	4,163	31.0%
2 Person	3,445	25.7%
3 Person	2,410	18.0%
4 Person	1,815	13.5%
5+ Person	1,586	11.8%
Total	13,418	100.0%

60% AMI (Overall)

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

Percent of AMI Level			60%		
Minimum Income Limit			\$13,590		
Maximum Income Limit			\$24,180		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Households	Percent			
\$0-9,999	30.38	19.2%		0.0%	0
\$10,000-19,999	54.66	34.5%	6,409	64.1%	35
\$20,000-29,999	24.72	15.6%	4,180	41.8%	10
\$30,000-39,999	14.53	9.2%		0.0%	0
\$40,000-49,999	11.49	7.3%		0.0%	0
\$50,000-59,999	7.68	4.9%		0.0%	0
\$60,000-74,999	4.76	3.0%		0.0%	0
\$75,000-99,999	4.31	2.7%		0.0%	0
\$100,000-124,999	2.11	1.3%		0.0%	0
\$125,000-149,999	0.96	0.6%		0.0%	0
\$150,000-199,999	1.41	0.9%		0.0%	0
\$200,000+	1.38	0.9%		0.0%	0
	158	100.0%			45
Percent of renter households within limits versus total number of renter households					28.65%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$13,590		
Maximum Income Limit			\$24,180		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	Households	Percent			
\$0-9,999	709	19.2%	\$0	0%	0
\$10,000-19,999	1,276	34.5%	\$6,409	64%	818
\$20,000-29,999	577	15.6%	\$4,180	42%	241
\$30,000-39,999	339	9.2%	\$0	0%	0
\$40,000-49,999	268	7.3%	\$0	0%	0
\$50,000-59,999	179	4.9%	\$0	0%	0
\$60,000-74,999	111	3.0%	\$0	0%	0
\$75,000-99,999	101	2.7%	\$0	0%	0
\$100,000-124,999	49	1.3%	\$0	0%	0
\$125,000-149,999	22	0.6%	\$0	0%	0
\$150,000-199,999	33	0.9%	\$0	0%	0
\$200,000+	32	0.9%	\$0	0%	0
	3,698	100.0%			1,059
Percent of renter households within limits versus total number of renter households					28.65%

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

2012 Median Income

Change from 2012 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

No
Senior
Urban
\$0
\$34,765
\$42,433
\$7,668
22.1%
3.7%
3.7%
Two year adjustment
1.0000
\$24,180
\$24,180
\$2
60%
\$453
\$453.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	10%	80%	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%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2012 to Prj Mrkt Entry July 2015

Income Target Population		60%
New Renter Households PMA		158
Percent Income Qualified		28.6%
New Renter Income Qualified Households		45

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		3,698
Income Qualified		28.6%
Income Qualified Renter Households		1,059
Percent Rent Overburdened Prj Mrkt Entry July 2015		30.0%
Rent Overburdened Households		318

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,059
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		3698
Rural Versus Urban	0.1%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		328
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		328
Total New Demand		45
Total Demand (New Plus Existing Households)		373

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		1.0%
Is this Demand Over 2.0 percent of Total Demand?		No

By Bedroom Demand

One Person	62.5%	233
Two Persons	21.7%	81
Three Persons	9.5%	35
Four Persons	4.0%	15
Five Persons	2.3%	9
Total	100.0%	373

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	23
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	186
Of two-person households in 1BR units	20%	16
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	23
Of two-person households in 2BR units	80%	65
Of three-person households in 2BR units	60%	21
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	14
Of four-person households in 3BR units	80%	12
Of five-person households in 3BR units	70%	6
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	3
Total Demand		373

Total Demand by Bedroom	60%
1 BR	203
Total Demand	203

Additions To Supply 2012 to Prj Mrkt Entry July 2015	60%
1 BR	13
Total	13

Net Demand	60%
1 BR	190
Total	190

Developer's Unit Mix	60%
1 BR	1
Total	1

Capture Rate Analysis	60%
1 BR	0.5%
Total	0.5%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The Subject’s capture rate for the units that need to be released at the 60 percent AMI level is less than one percent. Therefore, we believe there is adequate demand for the Subject.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed*	Total Demand	Supply	Net Demand	Capture Rate	Absorption**	Average Market Rents	Market Rents Band	Proposed Rents
IBR at 60% AMI	1	203	13	190	0.5%	N/Ap	\$1,089	\$514 - \$1,089	\$468
Overall	1	203	13	190	0.5%				

*Units that need to be re-leased post renovations

**The Subject is projected to retain all existing tenants except for one; therefore, the Subject is not projected to undergo a restabilization process.

Demand and Net Demand

	HH at 60% AMI (min to max income)
Demand from New Households (age and income appropriate)	45
PLUS	+
Demand from Existing Renter Households - Substandard Housing	6
PLUS	+
Demand from Existing Renter Households - Rent Overburdened Households	318
PLUS	+
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	4
Equals Total Demand	373
Less	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market in 2011 and 2012	13
Equals Net Demand	360

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 comparable properties containing 798 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 data is considered adequate. We have included the two family LIHTC properties in the PMA and the one senior LIHTC property in Rome. We have excluded LIHTC and market rate properties that do not offer studios and/or one-bedroom units. We have included one property, Pine Ridge, that offers supportive housing studios that target adults of all ages. This property operates with 100 percent subsidy and therefore this property is not indicative of achievable supportive housing rents in the market. However, management reported that there is demand for additional supportive housing in Rome. There is a lack of studio units in the market. We attempted to obtain studio classified listings in Rome; however, these are not common in the market.

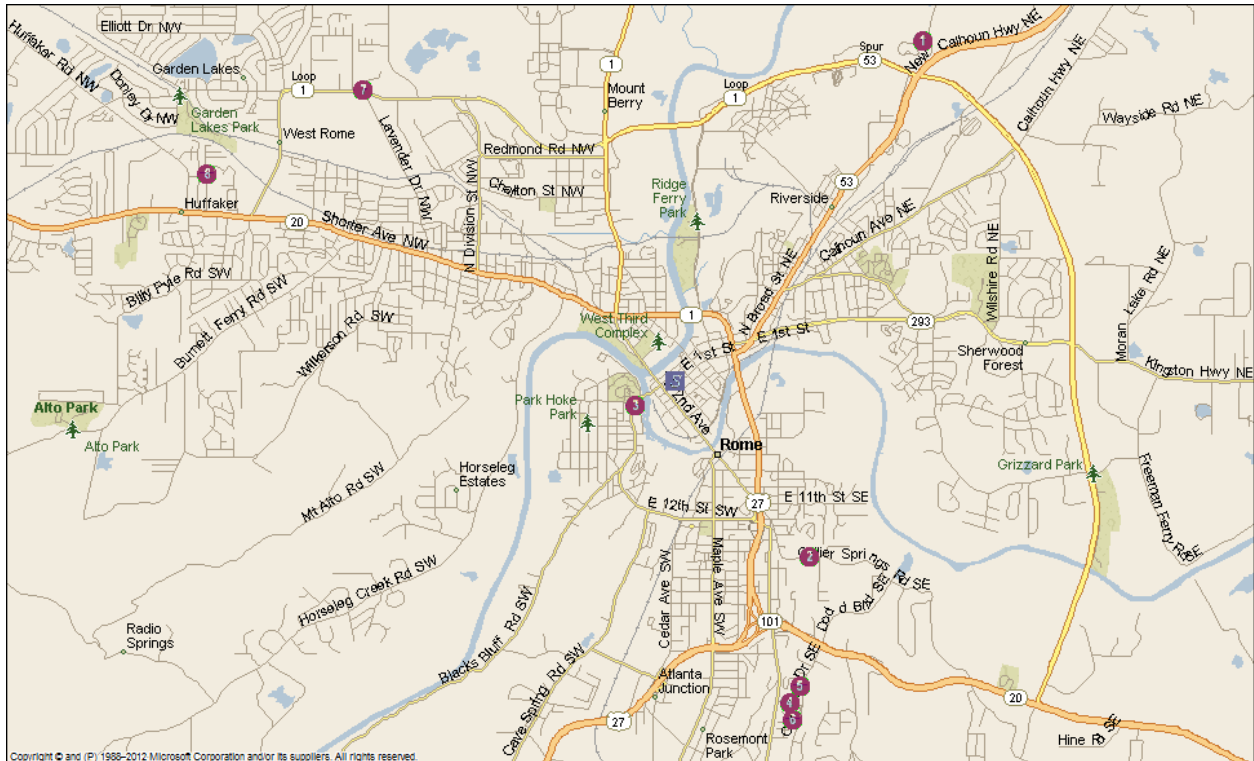
General Market Overview/Included/Excluded Properties

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

GENERAL MARKET OVERVIEW						
Property	Address	City	Type	Tenancy	Included/Excluded	Reason for Exclusion
Cedartown Commons	336 Herbert Street	Cedartown	RD	Family	Excluded	Rent subsidized
Cedarwood Village	501 E.Jule Peek Avenue	Cedartown	RD	Elderly	Excluded	Rent subsidized
Calloway Apts	325 Calloway Court	Rockmart	RD	Family	Excluded	Rent subsidized
Fairview Apts	840 Fairview Road	Rockmart	RD	Family	Excluded	Rent subsidized
Oakview Apartments	100 Creek Bank Rd	Aragon	LIHTC/RD	Family	Excluded	Rent subsidized
Tower Village	43 Tower Cir	Rockmart	LIHTC/RD	Family	Excluded	Rent subsidized
Riverwood Park	525 W 13Th St Ne	Rome	LIHTC	Family	Excluded	Only offers 2BR and 3BR units
Ashton Ridge (fka Windridge)	2522 Callier Springs Rd Se	Rome	LIHTC	Family	Included	N/Ap
Spring Haven Apartments	7 Perry Farm Rd Sw	Cave Springs	LIHTC/HOME	Family	Excluded	Closer comparable properties and management unavailable
Evergreen Village	110 Evergreen Ln	Cedartown	LIHTC	Family	Excluded	Closer comparable properties and management unavailable
Ashland Park Apartments	100 Ashland Park Blvd Ne	Rome	LIHTC/FHA	Family	Included	N/Ap
Callier Forest Apartments	131 Dodd Blvd Se	Rome	LIHTC/PBRA/FHA	Family	Excluded	Rent subsidized
Etowah Terrace	1 Etowah Terrace	Rome	LIHTC, PBRA	Senior	Included	N/Ap
Steve Pettis Court Apts	B4 Stewart Circle	Cave Springs	Section 8/RD	N/Av	Excluded	Rent subsidized
Heatherwood Apts	42 Chateau Dr	Rome	Section 8/FHA	Elderly	Excluded	Rent subsidized
Meadow Lane Apts	22 Tammasee Ln	Rome	Section 8	Family	Excluded	Rent subsidized
Tamassee Apartments	66 Lyons Dr	Rome	Section 8/FHA	Family	Excluded	Rent subsidized
The Villas	1471 Dodd Blvd	Rome	Section 8	Elderly	Excluded	Rent subsidized

We are aware of one existing public housing property, Willingham Village, which is located in Rome and is applying for Rental Assistance Demonstration (RAD) funding. The property will provide supportive housing units with subsidy for families. Because this property will target families, we do not believe that it will directly compete with the Subject.

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Ashland Park Apartments	Rome	@60%	Family	3.6 miles
2	Ashton Ridge	Rome	@30%, @50%, @60%	Family	1.9 miles
3	Etowah Terrace	Rome	@50%, @60%, PBRA Market	Senior	0.3 miles
4	Arbor Terrace Apartments	Rome	Market	Family	3.1 miles
5	Eastland Court	Rome	Market	Family	3.0 miles
6	Guest House Apartments	Rome	Market	Family	3.1 miles
7	Heritage Pointe	Rome	Market	Family	4.1 miles
8	Pine Ridge Apartments	Rome	Section 8 (DCA)	Supportive Housing	4.3 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	Greystone Apartments (as Renovated) 90 East 2nd Avenue Rome, GA 30161 Floyd County	n/a	Midrise (age-restricted) (6 stories) 1936 / Ren. 1994	@50% (S+C), @60%, @60% (S+C), @60% (Section 8)	Studio / 1BA	6	8.50%	@60% (PBRA)	BOI	346	no		N/A	N/A
					1BR / 1BA	11	15.50%	@50% (PBRA)	BOI	532	no	N/A	N/A	
					1BR / 1BA	39	54.90%	@60%	\$468	532	no	N/A	N/A	
					1BR / 1BA	4	5.60%	@60% (S+C)	BOI	532	no	N/A	N/A	
					1BR / 1BA	11	15.50%	@60% (S+C)	BOI	532	no	N/A	N/A	
					71	100%						N/A	N/A	
1	Ashland Park Apartments 10 Ashley Park Blvd, NE Rome, GA 30165 Floyd County	3.6 miles	Garden (3 stories) 2005 / n/a	@60%	1BR / 1BA	24	13.10%	@60%	\$619	874	no	No	0	0.00%
					2BR / 2BA	88	48.10%	@60%	\$707	1,149	no	No	4	4.50%
					3BR / 2BA	71	38.80%	@60%	\$796	1,388	no	No	3	4.20%
						183	100%						7	3.80%
2	Ashton Ridge (fka Windridge) 2522 Callier Springs Road Rome, GA 30161 Floyd County	1.9 miles	Lowrise (3 stories) 1999 / n/a	@30%, @50%, @60%	1BR / 1BA	14	15.90%	@30%	\$306	708	no	Yes	1	7.10%
					2BR / 2BA	15	17.00%	@50%	\$611	927	no	No	1	6.70%
					2BR / 2BA	22	25.00%	@60%	\$661	927	no	No	2	9.10%
					3BR / 2BA	15	17.00%	@50%	\$702	1,134	no	No	0	0.00%
					3BR / 2BA	22	25.00%	@60%	\$751	1,134	no	No	1	4.50%
						88	100%						5	5.70%
3	Etowah Terrace 1 Etowah Terrace Rome, GA 30161 Floyd County	0.3 miles	Midrise (age-restricted) (4 stories) 2011 / n/a	@50%, @60%, @60% (Project Based Rental Assistance - PBRA), Market	1BR / 1BA	7	9.10%	@50%	\$501	770	yes	Yes	0	0.00%
					1BR / 1BA	13	16.90%	@60%	\$551	770	yes	Yes	0	0.00%
					1BR / 1BA	10	13.00%	@60%	\$624	770	yes	Yes	0	0.00%
					1BR / 1BA	5	6.50%	Market	\$681	770	yes	Yes	0	0.00%
					2BR / 2BA	9	11.70%	@50%	\$629	970	yes	Yes	0	0.00%
					2BR / 2BA	21	27.30%	@60%	\$679	970	yes	Yes	0	0.00%
					2BR / 2BA	10	13.00%	@60%	\$756	970	yes	Yes	0	0.00%
					2BR / 2BA	2	2.60%	Market	\$789	970	yes	Yes	0	0.00%
						77	100%						0	0.00%
					4	Arbor Terrace Apartments 50 Chateau Drive SE Rome, GA 30161 Floyd County	3.1 miles	Various (2 stories) 1971 / n/a	Market	1BR / 1BA (Garden)	16	16.70%	Market	\$514
2BR / 1.5BA (Townhouse)	64	66.70%	Market	\$752						1,189	n/a	No	5	7.80%
3BR / 2BA (Garden)	16	16.70%	Market	\$866						1,317	n/a	No	1	6.20%
	96	100%											7	7.30%
5	Eastland Court 40 Chateau Drive Rome, GA 30161 Floyd County	3 miles	Garden (4 stories) 2005/2007 / n/a	Market	1BR / 1BA	21	18.10%	Market	\$914	804	n/a	No	N/A	N/A
					1BR / 1BA	4	3.40%	Market	\$1,089	919	n/a	No	N/A	N/A
					2BR / 2BA	68	58.60%	Market	\$1,002	1,056	n/a	No	N/A	N/A
					3BR / 2BA	23	19.80%	Market	\$1,331	1,516	n/a	Yes	N/A	N/A
						116	100%						6	5.20%
6	Guest House Apartments 48 Chateau Drive Rome, GA 30161 Floyd County	3.1 miles	Various 1989 / n/a	Market	1BR / 1BA (Garden)	0	0.00%	Market	\$624	550	n/a	Yes	0	N/A
					1BR / 1BA (Garden)	0	0.00%	Market	\$579	550	n/a	Yes	0	N/A
					1BR / 1BA (Garden)	48	82.80%	Market	\$602	550	n/a	Yes	1	2.10%
					2BR / 1.5BA (Townhouse)	10	17.20%	Market	\$876	1,100	n/a	No	0	0.00%
						58	100%						1	1.70%
7	Heritage Pointe 1349 Redmond Circle Rome, GA 30165 Floyd County	4.1 miles	Various (2 stories) 1968 / n/a	Market	1BR / 1BA (Garden)	N/A	N/A	Market	\$549	750	n/a	No	2	N/A
					2BR / 1BA (Garden)	N/A	N/A	Market	\$637	950	n/a	No	10	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	Market	\$683	1,150	n/a	No	3	N/A
					3BR / 2BA (Garden)	N/A	N/A	Market	\$744	1,150	n/a	No	1	N/A
						149	100%						16	10.70%
8	Pine Ridge Apartments 64 Lyons Drive SW Rome, GA 30165 Floyd County	4.3 miles	Lowrise 2009 / n/a	Section 8 (DCA)	Studio / 1BA	30	100.00%	Section 8	\$539	480	n/a	Yes	1	3.30%
						30	100%						1	3.30%

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

Effective Rent Date:	May-13	Units Surveyed:	797	Weighted Occupancy:	94.60%
		Market Rate	449	Market Rate	93.10%
		Tax Credit	348	Tax Credit	96.60%

Studio One Bath

One Bedroom One Bath

	Property	Average	Property	Average
RENT	Pine Ridge Apartments	\$539	Eastland Court	\$1,089
	Greystone Apartments (as Renovated) * (60%)	\$453	Eastland Court	\$914
			Etowah Terrace * (M)	\$681
			Etowah Terrace * (60%)	\$624
			Guest House Apartments	\$624
			Ashland Park Apartments * (60%)	\$619
			Guest House Apartments	\$602
			Guest House Apartments	\$579
			Etowah Terrace * (60%)	\$551
			Heritage Pointe	\$549
			Arbor Terrace Apartments	\$514
			Etowah Terrace * (50%)	\$501
			Greystone Apartments (as Renovated) * (50%)	\$468
			Greystone Apartments (as Renovated) * (60%)	\$468
		Greystone Apartments (as Renovated) * (60%)	\$468	
		Greystone Apartments (as Renovated) * (60%)	\$468	
		Ashton Ridge (fka Windridge) * (30%)	\$306	
SQUARE FOOTAGE	Pine Ridge Apartments	480	Eastland Court	919
	Greystone Apartments (as Renovated) * (60%)	346	Ashland Park Apartments * (60%)	874
			Eastland Court	804
			Etowah Terrace * (50%)	770
			Etowah Terrace * (60%)	770
			Etowah Terrace * (60%)	770
			Etowah Terrace * (M)	770
			Heritage Pointe	750
			Ashton Ridge (fka Windridge) * (30%)	708
			Arbor Terrace Apartments	679
			Guest House Apartments	550
			Guest House Apartments	550
			Guest House Apartments	550
			Greystone Apartments (as Renovated) * (50%)	532
		Greystone Apartments (as Renovated) * (60%)	532	
		Greystone Apartments (as Renovated) * (60%)	532	
		Greystone Apartments (as Renovated) * (60%)	532	
RENT PER SQUARE FOOT	Greystone Apartments (as Renovated) * (60%)	\$1.31	Eastland Court	\$1.18
			Eastland Court	\$1.14
	Pine Ridge Apartments	\$1.12	Guest House Apartments	\$1.13
			Guest House Apartments	\$1.09
			Guest House Apartments	\$1.05
			Etowah Terrace * (M)	\$0.88
			Greystone Apartments (as Renovated) * (50%)	\$0.88
			Greystone Apartments (as Renovated) * (60%)	\$0.88
			Greystone Apartments (as Renovated) * (60%)	\$0.88
			Greystone Apartments (as Renovated) * (60%)	\$0.88
			Etowah Terrace * (60%)	\$0.81
			Arbor Terrace Apartments	\$0.76
			Heritage Pointe	\$0.73
			Etowah Terrace * (60%)	\$0.72
		Ashland Park Apartments * (60%)	\$0.71	
		Etowah Terrace * (50%)	\$0.65	
		Ashton Ridge (fka Windridge) * (30%)	\$0.43	

PROPERTY PROFILE REPORT

Ashland Park Apartments

Effective Rent Date 4/02/2013
Location 10 Ashley Park Blvd, NE
 Rome, GA 30165
 Floyd County
Distance 3.6 miles
Units 183
Vacant Units 7
Vacancy Rate 3.8%
Type Garden (3 stories)
Year Built/Renovated 2005 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Ashton Ridge, Riverwood Park
Tenant Characteristics Single parent households from Floyd and surrounding counties. 25% are Sr. hh's

Contact Name Valerie
Phone 706-290-1040



Market Information

Program @60%
Annual Turnover Rate 15%
Units/Month Absorbed N/A
HCV Tenants 40%
Leasing Pace 2 weeks to 1 month
Annual Chg. in Rent Increased 1-2%
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	874	\$480	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (3 stories)	88	1,149	\$530	\$0	@60%	No	4	4.5%	no	None
3	2	Garden (3 stories)	71	1,388	\$580	\$0	@60%	No	3	4.2%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$480	\$0	\$480	\$139	\$619
2BR / 2BA	\$530	\$0	\$530	\$177	\$707
3BR / 2BA	\$580	\$0	\$580	\$216	\$796

Ashland Park Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
On-Site Management
Playground

Premium

None

Other

None

Comments

Contact stated that rents vary slightly based on the floor that each unit is on; first floor units have higher rents than second and third floor units. Rents shown are for first floor units. Contact stated that approximately 40 percent of tenants utilize Housing Choice Vouchers.

Ashland Park Apartments, continued

Trend Report

Vacancy Rates

2Q12	4Q12	1Q13	2Q13
7.1%	7.1%	7.1%	3.8%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$470	\$8	\$462	\$601
2012	4	N/A	\$430	\$0	\$430	\$569
2013	1	N/A	\$470	\$39	\$431	\$570
2013	2	0.0%	\$480	\$0	\$480	\$619

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	6.8%	\$520	\$8	\$512	\$689
2012	4	N/A	\$470	\$0	\$470	\$647
2013	1	N/A	\$525	\$44	\$481	\$658
2013	2	4.5%	\$530	\$0	\$530	\$707

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	5.6%	\$570	\$8	\$562	\$778
2012	4	N/A	\$525	\$0	\$525	\$741
2013	1	N/A	\$570	\$48	\$522	\$738
2013	2	4.2%	\$580	\$0	\$580	\$796

Trend: Comments

- 2Q12** The property manager stated that there was a need for additional affordable housing; however, she stated that there was a greater need for housing at lower AMI levels and subsidized properties. She indicated that many of their tenants run into problems paying their rent due to lack of child support payments, car problems, and job loss and that the recovery from these incidents is slow and frequently results in move outs and evictions.
- 4Q12** Management reported that their occupancy was at 93 percent, or approximately 13 vacancies. The lower pricing is due to trying to fill current vacancies. Management was not sure on the level of housing choice vouchers tenancy.
- Management reported that they did think there was a demand for additional LIHTC units in general. While management did state that they thought the area needed more income based housing as well. In regards to market units, management reported that there are not enough nice, gated market units with amenities to offer.
- Management commented that there are very few apartments in Rome that offer four-bedrooms and that they see a demand for these units to house the larger families that they have visit the property. Management also informed us that one-bedrooms are needed because young professionals are prevalent in the area and that typically the apartments in the area do not allot enough one bedroom units in their total unit mix.
- We inquired as to whether management saw a demand for single-family home rentals over garden-style or lowrise properties and management stated that they believed that single-family homes would do well in the market. Furthermore, management said that residents tend to move out of their apartments and the complex to move into houses. In managements opinion, these homes offer yards and privacy which are not offered at apartments. Management further stated that LIHTC single-family rentals would most likely have a much lower turnover as people would stay longer in these places that feel more like a home than an apartment. However management reported that they did not think they could charge much more for a home as LIHTC clientele are very price point oriented.
- We inquired as to if there are any specific neighborhoods that lack LIHTC housing or any neighborhoods that would be particularly desirable for more development but management commented that they were not sure. They stated that if they had to choose, east and west Rome because they have good school systems.
- The only new development that management knew of in the area was Etowah Terrace, but this is an age-restricted community. According to management, their tenancy is primarily from Floyd County. However, a very small percentage of tenancy comes from towns in surrounding counties such as Kingston, Cartersville, Cedartown and Summerville.
- When asked how many additional LIHTC units the market could support, management stated that she thought that the market could use an additional 50 to 60 units, 5 to 10 of them of which she would recommend being four-bedrooms. Management stated that they felt that the market fully supported the three-bedroom need in the area and stated they did not think that the market needed additional three-bedroom units. They further stated that the market could accommodate these additional units, but that they could not say that this would not have an effect on them, as any newer property to the market will have some effect on the existing LIHTC properties.
- 1Q13** According to management, the property's current vacancy rate is typical for the property.
- 2Q13** Contact stated that rents vary slightly based on the floor that each unit is on; first floor units have higher rents than second and third floor units. Rents shown are for first floor units. Contact stated that approximately 40 percent of tenants utilize Housing Choice Vouchers.

PROPERTY PROFILE REPORT

Ashton Ridge (fka Windridge)

Effective Rent Date	2/19/2013
Location	2522 Callier Springs Road Rome, GA 30161 Floyd County
Distance	1.9 miles
Units	88
Vacant Units	5
Vacancy Rate	5.7%
Type	Lowrise (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Riverwood
Tenant Characteristics	Families, single parents, and seniors primarily from Floyd CO. 15% seniors.
Contact Name	Yvonda
Phone	706-802-0017



Market Information

Program	@30%, @50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	27%
Leasing Pace	Preleased or within a week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	14	708	\$167	\$0	@30%	Yes	1	7.1%	no	None
2	2	Lowrise (3 stories)	15	927	\$434	\$0	@50%	No	1	6.7%	no	None
2	2	Lowrise (3 stories)	22	927	\$484	\$0	@60%	No	2	9.1%	no	None
3	2	Lowrise (3 stories)	15	1,134	\$486	\$0	@50%	No	0	0.0%	no	None
3	2	Lowrise (3 stories)	22	1,134	\$535	\$0	@60%	No	1	4.5%	no	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$167	\$0	\$167	\$139	\$306	2BR / 2BA	\$434	\$0	\$434	\$177	\$611
						3BR / 2BA	\$486	\$0	\$486	\$216	\$702

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$484	\$0	\$484	\$177	\$661
3BR / 2BA	\$535	\$0	\$535	\$216	\$751

Ashton Ridge (fka Windridge), continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management
Playground

Premium

None

Other

Tot Lot

Comments

Management indicated that about 15 percent of the property's tenants are seniors.

Ashton Ridge (fka Windridge), continued

Trend Report

Vacancy Rates

1Q09	1Q10	4Q12	1Q13
3.4%	2.3%	4.5%	5.7%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$168	\$0	\$168	\$307
2010	1	0.0%	\$173	\$0	\$173	\$312
2012	4	0.0%	\$167	\$0	\$167	\$306
2013	1	7.1%	\$167	\$0	\$167	\$306

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	6.7%	\$380	\$32	\$348	\$525
2010	1	0.0%	\$395	\$0	\$395	\$572
2012	4	6.7%	\$434	\$0	\$434	\$611
2013	1	6.7%	\$434	\$0	\$434	\$611

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$415	\$35	\$380	\$596
2010	1	13.3%	\$445	\$0	\$445	\$661
2012	4	6.7%	\$486	\$0	\$486	\$702
2013	1	0.0%	\$486	\$0	\$486	\$702

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	9.1%	\$450	\$38	\$412	\$589
2010	1	0.0%	\$450	\$0	\$450	\$627
2012	4	4.5%	\$484	\$0	\$484	\$661
2013	1	9.1%	\$484	\$0	\$484	\$661

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$500	\$42	\$458	\$674
2010	1	0.0%	\$500	\$0	\$500	\$716
2012	4	4.5%	\$535	\$0	\$535	\$751
2013	1	4.5%	\$535	\$0	\$535	\$751

Trend: Comments

- 1Q09** The manager reported a waiting list of approximately 10 households for the one bedroom units. Concessions are currently offered to prospective tenants and current tenants who have leases which are ending. The manager noted a slight increase in turnover due to the slow economic conditions in the area which have included several layoffs in the manufacturing industries. The manager commented that a LIHTC senior property would do well in the area.
- 1Q10** The property is 98 percent occupied and 100 percent leased. There are an estimated 30 households on the waiting list for all units. The concession of \$200 off one month's rent for referring a resident is not accounted for in the rent grid as the concession is based on successful referrals. Market conditions were reported to be the same in January 2010.
- 4Q12** Management reported four vacancies in the two and three bedroom units at 60 percent of AMI. There is currently a waiting list, but only for one-bedroom units and it has approximately 15 people. The property currently has 24 of its 88 units utilizing housing choice vouchers.
- We inquired as to managements thoughts on the demand for additional LIHTC rental units in general. Management reported that they see demand for additional LIHTC housing, as well as a need for additional market units as they receive a lot of over income qualified residents who work for the local Shaw Industries and other companies. Management stated there are not a lot of market rate properties around.
- When we inquired as to what bedroom units were in the most demand, management reported that there was a need for one-bedrooms and four-bedrooms. Management reported an ample demand for two and three-bedrooms as well, but a higher demand for two bedrooms over three-bedrooms. Management reported that the need for the four-bedroom units comes from larger families who have more than four people in their household. Management reported if they could build a new LIHTC property, they would put 35 percent one-bedrooms, 25 percent two-bedrooms, 20 percent three-bedrooms, and 20 percent four-bedrooms.
- We further inquired with management as to whether there would be demand for single-family LIHTC rentals over garden-style or low rise properties and management stated they believed so. Management's reasoning behind this was that families looking into two, three, and four-bedroom units are ideally looking for a home with a yard for their kids, and the added feeling of privacy for their families. Therefore, management believes that single family homes would be well received in the market and that these homes could achieve a rent premium of \$100 or less over garden style units.
- Management reported that North Rome, West Rome and the Armurchee area lack LIHTC housing or would be desirable for more development. Management stated that the newest apartments that they new of in the area that were recently constructed was only Etowah Terrace, an age-restricted LIHTC property.
- Management reported the majority of their tenancy comes from Floyd County, and a small percentage comes from towns and counties outside of Floyd such as Rockmart, Cartersville, Cedarstown and Kingston.
- When asked how many additional LIHTC units the market could support, the management representative stated that they would guess 30 to 40 additional units. They further commented that if the units were provided as single-family homes as opposed to garden style or lowrise units, that they do not think the Subject would negatively impact the existing LIHTC units. However, if they did have to provide the as garden style or lowrise units, that the Subject would maybe have a little effect, but not much.
- 1Q13** Management indicated that about 15 percent of the property's tenants are seniors.

PROPERTY PROFILE REPORT

Etowah Terrace

Effective Rent Date	2/19/2013
Location	1 Etowah Terrace Rome, GA 30161 Floyd County
Distance	0.3 miles
Units	77
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	3/01/2012
Leasing Began	6/01/2012
Last Unit Leased	10/01/2012
Major Competitors	N/A
Tenant Characteristics	Average age 65
Contact Name	Elena
Phone	706-622-4598



Market Information

Program	@50%, @60%, @60% (Project Based)
Annual Turnover Rate	N/A
Units/Month Absorbed	19 units per month
HCV Tenants	10%
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	7	770	\$400	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	13	770	\$450	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	10	770	\$523	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	5	770	\$580	\$0	Market	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	9	970	\$500	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	21	970	\$550	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	10	970	\$627	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	2	970	\$660	\$0	Market	Yes	0	0.0%	yes	None

Etowah Terrace, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$400	\$0	\$400	\$101	\$501	1BR / 1BA	\$450 - \$523	\$0	\$450 - \$523	\$101	\$551 - \$624
2BR / 2BA	\$500	\$0	\$500	\$129	\$629	2BR / 2BA	\$550 - \$627	\$0	\$550 - \$627	\$129	\$679 - \$756

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$580	\$0	\$580	\$101	\$681
2BR / 2BA	\$660	\$0	\$660	\$129	\$789

Amenities

In-Unit

Blinds	Carpeting
Central A/C	Coat Closet
Dishwasher	Exterior Storage
Ceiling Fan	Garbage Disposal
Hand Rails	Oven
Pull Cords	Refrigerator
Walk-In Closet	Washer/Dryer hookup

Security

Intercom (Buzzer)
Limited Access

Services

None

Property

Business Center/Computer Lab	Clubhouse/Meeting
Elevators	Exercise Facility
Central Laundry	Non-shelter Services
Off-Street Parking	On-Site Management
Recreation Areas	

Premium

None

Other

Library, Arts & Crafts Room,

Comments

The property opened in June 2012 and was fully stabilized by October 2012. The contact opined that there is strong demand in the area for senior housing, and believes that a mixed tenancy property combining senior and supportive housing could be successful. The property is located in South Rome across the bridge from downtown/historic Rome. Despite the fact that the property has views of the mill, the property is maintaining a high occupancy rate.

Etowah Terrace, continued

Trend Report

Vacancy Rates

1Q09	2Q09	3Q10	1Q13
N/A	N/A	N/A	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$365	\$0	\$365	\$466
2010	3	N/A	\$365	\$0	\$365	\$466
2013	1	0.0%	\$400	\$0	\$400	\$501

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$479	\$0	\$479	\$608
2010	3	N/A	\$479	\$0	\$479	\$608
2013	1	0.0%	\$500	\$0	\$500	\$629

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$420	\$0	\$420	\$521
2009	2	N/A	\$385 - \$421	\$0	\$385 - \$421	\$486 - \$522
2010	3	N/A	\$385 - \$433	\$0	\$385 - \$433	\$486 - \$534
2013	1	0.0%	\$450 - \$523	\$0	\$450 - \$523	\$551 - \$624

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$546	\$0	\$546	\$675
2009	2	N/A	\$500 - \$548	\$0	\$500 - \$548	\$629 - \$677
2010	3	N/A	\$500 - \$569	\$0	\$500 - \$569	\$629 - \$698
2013	1	0.0%	\$550 - \$627	\$0	\$550 - \$627	\$679 - \$756

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$475	\$0	\$475	\$576
2009	2	N/A	\$521	\$0	\$521	\$622
2010	3	N/A	\$525	\$0	\$525	\$626
2013	1	0.0%	\$580	\$0	\$580	\$681

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$600	\$0	\$600	\$729
2009	2	N/A	\$648	\$0	\$648	\$777
2010	3	N/A	\$650	\$0	\$650	\$779
2013	1	0.0%	\$660	\$0	\$660	\$789

Trend: Comments

- 1Q09** Resident services will be provided by Mercy Housing Southeast. Activities will include health and wellness classes, financial literacy classes, continuing education, computer classes, and intergenerational activities. The new development will also include approximately 16,000 square feet of commercial space for Mercy Senior Care's office and community space needs. The historic Captain's House will be restored and house some of the development's community space.
- 2Q09** Resident services will be provided by Mercy Housing Southeast. Activities will include health and wellness classes, financial literacy classes, continuing education, computer classes, and intergenerational activities. The historic Captains House will be restored and house some of the developments community space.
- 3Q10** Etowah Terrace will be a 77-unit senior rental property consisting of seven market-rate units and 70 affordable units. The property is the first phase of the South Rome Redevelopment, which will consist of a senior rental community and future phases consisting of affordable family housing. The development site is located along the Etowah River within 0.3 miles of the Downtown Rome business district. The property will consist of 20 project-based rental assisted units, 16 units at 50 percent AMI, 34 units at 60 percent AMI and the above-mentioned seven market-rate units.
- 1Q13** The property opened in June 2012 and was fully stabilized by October 2012. The contact opined that there is strong demand in the area for senior housing, and believes that a mixed tenancy property combining senior and supportive housing could be successful. The property is located in South Rome across the bridge from downtown/historic Rome. Despite the fact that the property has views of the mill, the property is maintaining a high occupancy rate.

PROPERTY PROFILE REPORT

Arbor Terrace Apartments

Effective Rent Date	2/08/2013
Location	50 Chateau Drive SE Rome, GA 30161 Floyd County
Distance	3.1 miles
Units	96
Vacant Units	7
Vacancy Rate	7.3%
Type	Various (2 stories)
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Majority come from Floyd CO. Some are employed in healthcare, law enforcement and education. Approx. 10% are students
Contact Name	Glenda
Phone	706-295-7020



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	38%
Leasing Pace	2 Weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	679	\$375	\$0	Market	No	1	6.2%	N/A	None
2	1.5	Townhouse (2 stories)	64	1,189	\$575	\$0	Market	No	5	7.8%	N/A	None
3	2	Garden (2 stories)	16	1,317	\$650	\$0	Market	No	1	6.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$375	\$0	\$375	\$139	\$514
2BR / 1.5BA	\$575	\$0	\$575	\$177	\$752
3BR / 2BA	\$650	\$0	\$650	\$216	\$866

Arbor Terrace Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Refrigerator

Security

Limited Access

Services

None

Property

Off-Street Parking
Playground

On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The contact reported three of the vacant units have applications pending approval.

Arbor Terrace Apartments, continued

Trend Report

Vacancy Rates

3Q10	2Q12	3Q12	1Q13
3.1%	3.1%	6.2%	7.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$375	\$25	\$350	\$489
2012	2	0.0%	\$375	\$0	\$375	\$514
2012	3	0.0%	\$375	\$0	\$375	\$514
2013	1	6.2%	\$375	\$0	\$375	\$514

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$575	\$0	\$575	\$752
2012	2	3.1%	\$575	\$0	\$575	\$752
2012	3	6.2%	\$575	\$0	\$575	\$752
2013	1	7.8%	\$575	\$0	\$575	\$752

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	18.8%	\$625	\$0	\$625	\$841
2012	2	6.2%	\$650	\$0	\$650	\$866
2012	3	12.5%	\$650	\$0	\$650	\$866
2013	1	6.2%	\$650	\$0	\$650	\$866

Trend: Comments

3Q10	The property contact reported that demand is beginning to improve in the market. The contact was unable to provide the number of seniors residing at the property. This property offers both townhome units and garden style units.
2Q12	Property manager stated they have been very consistently occupied this year. Per usual, business slowed at the 1st of the year, however has been stable and at about 96% occupied for most of this current year. In addition PM stated she had 6 vouchers currently, and leasing pace about 2 weeks strictly due to renovating and time needed to have the unit prepared, fixed and ready for new renter. The property contact reported that demand is beginning to improve in the market. This property offers both townhome units and garden style units.
3Q12	The property manager stated they have recently experienced a high turnover, particularly in their one-bedroom units. However, of the six units currently vacant, three have leases pending. This property offers both townhome units and garden style units.
1Q13	The contact reported three of the vacant units have applications pending approval.

PROPERTY PROFILE REPORT

Eastland Court

Effective Rent Date	2/19/2013
Location	40 Chateau Drive Rome, GA 30161 Floyd County
Distance	3 miles
Units	116
Vacant Units	6
Vacancy Rate	5.2%
Type	Garden (4 stories)
Year Built/Renovated	2005/2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Young and middle aged professionals, families, few students. 5% senior.
Contact Name	Kobie
Phone	706-232-2300



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	preleased or 2 to 3 weeks
Annual Chg. in Rent	N/A
Concession	Reduced rents, two-bedroom units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	21	804	\$775	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (4 stories)	4	919	\$950	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	68	1,056	\$899	\$74	Market	No	N/A	N/A	N/A	None
3	2	Garden (4 stories)	23	1,516	\$1,115	\$0	Market	Yes	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$775 - \$950	\$0	\$775 - \$950	\$139	\$914 - \$1,089
2BR / 2BA	\$899	\$74	\$825	\$177	\$1,002
3BR / 2BA	\$1,115	\$0	\$1,115	\$216	\$1,331

Eastland Court, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

Limited Access
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Garage
Picnic Area
Swimming Pool

Exercise Facility
On-Site Management
Playground

Premium

None

Other

None

Comments

The property is maintaining a waiting list of three households for three-bedroom units. The property accepts Housing Choice Vouchers, but the contact was unaware of the percentage of tenants using vouchers.

Eastland Court, continued

Trend Report

Vacancy Rates

1Q10	2Q12	4Q12	1Q13
6.9%	5.3%	5.2%	5.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$755	\$0	\$755	\$894
2012	2	0.0%	\$775 - \$950	\$0	\$775 - \$950	\$914 - \$1,089
2012	4	N/A	\$775 - \$950	\$0	\$775 - \$950	\$914 - \$1,089
2013	1	N/A	\$775 - \$950	\$0	\$775 - \$950	\$914 - \$1,089

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	10.0%	\$750 - \$899	\$0	\$750 - \$899	\$927 - \$1,076
2012	2	8.8%	\$899	\$0	\$899	\$1,076
2012	4	N/A	\$899	\$0	\$899	\$1,076
2013	1	N/A	\$899	\$74	\$825	\$1,002

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	4.8%	\$1,075	\$0	\$1,075	\$1,291
2012	2	0.0%	\$1,095	\$0	\$1,095	\$1,311
2012	4	N/A	\$1,095	\$0	\$1,095	\$1,311
2013	1	N/A	\$1,115	\$0	\$1,115	\$1,331

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$899	\$0	\$899	\$1,003

Trend: Comments

- 1Q10** The contact indicated there is a reduced rent on two of the two-bedroom units on the fourth floor; therefore, a separate line item was created for those units. Market conditions were reported to be the same in January 2010.
- 2Q12** The property manager indicated that turnover is high due to their higher price point in the area. Tenants tend to purchase a home after living in rental units and getting acclimated to the area. The property manager stated that two-bedroom units were more difficult to lease and that it takes approximately two to three weeks to lease a two-bedroom. One and three bedroom units are leased within a few days or pre-leased.
- 4Q12** Management reported five vacancies currently of their total 116 units. However, they were unable to provide absorption information of when their first and last unit was leased during their initial lease-up. Management was also unable to provide which units the vacancies were in.
- Management further commented that their turnover was approximately 50 percent, and attributed the high turnover rate to the fact that tenants who can afford their higher-end apartments and the price levels, can also afford homes. Additionally, a lot of their tenancy is temporary and only renting while they get acclimated to the area and look for homes to purchase.
- When we inquired about the need for additional LIHTC units in general, management was unfamiliar with the demand for them, as they stated they are only adept in market rate units in the area. They did comment however that the area did have demand for additional new construction, market rate units with amenities and nice floor plans and layouts as they are one of the only nicer high-end apartments in the area.
- In regards to market units, management reported that three or four-bedrooms were almost always in need and that one, three and four bedrooms have limited availability and the area could use more. We inquired about new construction in the area, but management was unsure of any new construction multifamily in the area. The majority of the tenancy comes from Floyd County, with minimal tenancy from Rockmart, Cartersville and Calhoun.
- When we inquired as to why their 919 square foot one-bedroom was priced higher than their two-bedroom, they responded that it was because it was a carriage/garage apartment that is lofted above a garage and includes the garage use free of charge, which is normally a premium of \$100 to \$125 for the other units.
- 1Q13** The property is maintaining a waiting list of three households for three-bedroom units. The property accepts Housing Choice Vouchers, but the contact was unaware of the percentage of tenants using vouchers.

PROPERTY PROFILE REPORT

Guest House Apartments

Effective Rent Date	2/19/2013
Location	48 Chateau Drive Rome, GA 30161 Floyd County
Distance	3.1 miles
Units	58
Vacant Units	1
Vacancy Rate	1.7%
Type	Various
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Mix of families, singles and about 10% students. Approximately 4 senior hh's
Contact Name	Donna
Phone	706-234-4872



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 Week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	0	550	\$485	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Garden	0	550	\$440	\$0	Market	Yes	0	N/A	N/A	LOW
1	1	Garden (2 stories)	48	550	\$463	\$0	Market	Yes	1	2.1%	N/A	AVG
2	1.5	Townhouse (2 stories)	10	1,100	\$699	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$440 - \$485	\$0	\$440 - \$485	\$139	\$579 - \$624
2BR / 1.5BA	\$699	\$0	\$699	\$177	\$876

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security

None

Services

None

Property

Off-Street Parking

Premium

None

Other

None

Guest House Apartments, continued

Comments

The contact opined that there is demand in the area for affordable senior housing.

Guest House Apartments, continued

Trend Report

Vacancy Rates

1Q10	3Q10	2Q12	1Q13
5.2%	0.0%	5.2%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$450 - \$525	\$0	\$450 - \$525	\$589 - \$664
2010	3	0.0%	\$440 - \$499	\$0	\$440 - \$499	\$579 - \$638
2012	2	4.2%	\$440 - \$485	\$0	\$440 - \$485	\$579 - \$624
2013	1	2.1%	\$440 - \$485	\$0	\$440 - \$485	\$579 - \$624

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	30.0%	\$699	\$0	\$699	\$876
2010	3	0.0%	\$699	\$0	\$699	\$876
2012	2	10.0%	\$699	\$0	\$699	\$876
2013	1	0.0%	\$699	\$0	\$699	\$876

Trend: Comments

1Q10	The property does not accept housing choice vouchers. The contact indicated the property has on average between one and two moveouts per month, we used two moveouts per month to be conservative.
3Q10	The property is currently fully occupied, and as a result is not offering any rent specials. Market rents on one-bedroom units have declined slightly since the last survey of the property. The market rent for the two-bedroom townhouse units has remained flat.
2Q12	N/A
1Q13	The contact opined that there is demand in the area for affordable senior housing.

PROPERTY PROFILE REPORT

Heritage Pointe

Effective Rent Date	2/08/2013
Location	1349 Redmond Circle Rome, GA 30165 Floyd County
Distance	4.1 miles
Units	149
Vacant Units	16
Vacancy Rate	10.7%
Type	Various (2 stories)
Year Built/Renovated	1968 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Westminster, Ashland Park
Tenant Characteristics	75% from Rome and Floyd CO.; 10% seniors ; Students
Contact Name	Shirley
Phone	706-235-0409



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	3 to 21 days
Annual Chg. in Rent	N/Av
Concession	1st months rent for \$99

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	750	\$480	\$32	Market	No	2	N/A	N/A	None
2	1	Garden (2 stories)	N/A	950	\$545	\$37	Market	No	10	N/A	N/A	None
2	1.5	Townhouse (2 stories)	N/A	1,150	\$595	\$41	Market	No	3	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,150	\$630	\$44	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$480	\$32	\$448	\$101	\$549
2BR / 1BA	\$545	\$37	\$508	\$129	\$637
2BR / 1.5BA	\$595	\$41	\$554	\$129	\$683
3BR / 2BA	\$630	\$44	\$586	\$158	\$744

Heritage Pointe, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security

None

Services

None

Property

Central Laundry
On-Site Management
Swimming Pool

Off-Street Parking
Playground

Premium

None

Other

None

Comments

High vacancy attributed to several factors including a local manufacturing plant closing and subsequent layoffs. Another factor is the high unemployment rate among college students who are forced to live at home since they cannot afford to rent a unit on their own. The contact noted a continued high vacancy rate for the 2BR/1BA units but she was not able to provide a unit mix.

Heritage Pointe, continued

Trend Report

Vacancy Rates

1Q10	3Q10	2Q12	1Q13
14.8%	12.8%	23.5%	10.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$480	\$55	\$425	\$526
2010	3	N/A	\$480	\$55	\$425	\$526
2012	2	N/A	\$480	\$20	\$460	\$561
2013	1	N/A	\$480	\$32	\$448	\$549

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$595	\$69	\$526	\$655
2010	3	N/A	\$595	\$46	\$549	\$678
2012	2	N/A	\$595	\$24	\$571	\$700
2013	1	N/A	\$595	\$41	\$554	\$683

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$545	\$63	\$482	\$611
2010	3	N/A	\$545	\$70	\$475	\$604
2012	2	N/A	\$545	\$22	\$523	\$652
2013	1	N/A	\$545	\$37	\$508	\$637

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	N/A	\$630	\$73	\$557	\$715
2010	3	N/A	\$630	\$31	\$599	\$757
2012	2	N/A	\$630	\$26	\$604	\$762
2013	1	N/A	\$630	\$44	\$586	\$744

Trend: Comments

- 1Q10** The contact could not report the vacancy by unit type, but she did report that occupancy was 85 percent. The contact noted the current concession is half off the first month's rent plus the 13th month for free on a 13 month lease. The contact indicated the property does accept housing choice vouchers, but did not know the exact number of households utilizing vouchers. The contact also reported that there has only been one move-out in the last four months.
- 3Q10** The contact was unsure of vacancy by unit type, but said that there were mainly three-bedroom unit available. Management at the property is currently running a concession of reduced rents on all unit types; however, these concessions will end on July 31st.
- 2Q12** The vacancy level is very high currently, so when we inquired, the LA/PM stated the 2x1 had more than double of the amount of vacancies (18 total for two-bedroom) of any other unit. She stated that high vacancy occurs with different floor plans each month, this month it happened to be the two-bedroom, one-bath floor plan.
- When asked as to why this property had such a high vacancy in comparison to other properties, she stated that the high vacancy is a mixture of a few things. First, some plants were closed, most specifically the Mohawk Plant and that has had a big impact on them, as families and potential or current tenants are no longer able to afford it.
- PM also stated that they offered a \$49.00 move in special where the new tenants needed to only provide \$49.00 to move in for the first month. Due to this, they had a slew of evictions a month or two later because they never received any subsequent monthly payment from new tenants after this initial \$49.99 special.
- Also, she stated that college students are struggling for work in Rome and living at home.
- For the past few months she stated more families (grandparents, their children, and children) have been consolidating to save money and getting bigger units for rental (3x2), leaving the 2x1 not as desirable.
- Property Manager stated the 1x1 are primarily made up of elderly, single, or college students and they don't tend to opt to pay more for the square footage increase from the 1-bedroom to the 2 bedroom as it is only a 200 square foot increase.
- Colleges in the area - Berry, Shorter, GA Highland and a Technical College and they always got a fair amount of students from Shorter and Berry but over last couple years have seen much more for the Highland and Tech College
- 1Q13** High vacancy attributed to several factors including a local manufacturing plant closing and subsequent layoffs. Another factor is the high unemployment rate among college students who are forced to live at home since they cannot afford to rent a unit on their own. The contact noted a continued high vacancy rate for the 2BR/1BA units but she was not able to provide a unit mix.

PROPERTY PROFILE REPORT

Pine Ridge Apartments

Effective Rent Date	2/20/2013
Location	64 Lyons Drive SW Rome, GA 30165 Floyd County
Distance	4.3 miles
Units	30
Vacant Units	1
Vacancy Rate	3.3%
Type	Lowrise
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Homeless or risk of homelessness or disabled or handicapped
Contact Name	Angie
Phone	706-365-0360



Market Information

Program	Section 8 (DCA)
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	Nonw

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise	30	480	\$419	\$0	Section 8 (DCA)	Yes	1	3.3%	N/A	None

Unit Mix

Section 8	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / IBA	\$419	\$0	\$419	\$120	\$539

Amenities

In-Unit	Security	Services
Blinds Coat Closet Furnishing Oven	Limited Access Video Surveillance	None
Property	Premium	Other
Clubhouse/Meeting Exercise Facility Off-Street Parking Service Coordination	None	None
	Courtyard Central Laundry On-Site Management	

Pine Ridge Apartments, continued

Comments

The property's units are 100 percent subsidized; the rents listed above are the contract rents. According to the contact, the tenants' subsidy from DCA covers a portion of the utility bill, and tenants must cover the rest if they exceed the allotted amount.

The property is supportive housing and many tenants are referred by Highland River Health, which is a supportive services agency. The agency has an office on-site with a full-time caseworker. The property is maintaining a waiting list of six months to a year, and the contact opined that the demand for supportive housing is extremely high in the area. Nearly all of the property's tenants are from Rome. Also, the manager reported that tenants at the property range in age from 21 to 60, and that there are no problems due to the age disparity. The contact opined that a property mixing senior and supportive housing tenancies could be successful.

The property is located in a primarily residential neighborhood with homes ranging from mobile homes in fair condition to new construction homes. The property offers limited visibility.

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

Housing Choice Vouchers (HCV)

TENANTS WITH VOUCHERS

Comparable Property	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Ashland Park Apartments	@ 60%	Family	40%
Ashton Ridge (fka Windridge)	@ 30%, @ 50%, @ 60%	Family	27%
Etowah Terrace	@ 50%, @ 60%, PBRA, Market	Senior	10%
Arbor Terrace Apartments	Market	Family	38%
Eastland Court	Market	Family	N/A
Guest House Apartments	Market	Family	0%
Heritage Pointe	Market	Family	13%
Pine Ridge Apartments	Section 8 (DCA)	Special Needs/Supportive Housing	0%

As illustrated in the table, the LIHTC comparable properties reported having HCV rates ranging from 10 to 40 percent. Etowah Terrace, the only senior LIHTC comparable property, is currently maintaining the lowest HCV rate of the LIHTC properties at 10 percent. Of the Subject’s 71 units, 45 percent will operate with project-based subsidy. We estimate that the Subject would maintain an HCV rate of 25 percent or less for the remaining units, based upon the HCV rates at the comparable properties.

Waiting Lists

The following table illustrates the presence of waiting lists at the comparable properties, where applicable.

WAITING LISTS

Comparable Property	Rent Structure	Tenancy	Waiting Lists
Ashland Park Apartments	@ 60%	Family	None
Ashton Ridge (fka Windridge)	@ 30%, @ 50%, @ 60%	Family	Waiting list for 1BR units
Etowah Terrace	@ 50%, @ 60%, PBRA, Market	Senior	General waiting list
Arbor Terrace Apartments	Market	Family	None
Eastland Court	Market	Family	Waiting list for 3BR units
Guest House Apartments	Market	Family	Waiting list for 1BR units
Heritage Pointe	Market	Family	None
Pine Ridge Apartments	Section 8 (DCA)	Special Needs/Supportive Housing	General waiting list

Five of the comparables are maintaining waiting lists; therefore, there appears to be latent demand in the market.

Lease Up History

The Subject is currently 100 percent occupied and of the 71 tenants, only one will not income-qualify at the Subject post-renovations per the Subject sponsor’s tenant relocation spreadsheet. Therefore, we do not anticipate that the Subject will need to undergo a re-absorption period.

If the Subject were to need to release units, we anticipate that the Subject would experience an absorption rate that is similar to or less than that of Etowah Terrace. Etowah Terrace is the only senior LIHTC property in Rome. It offers 77 one and two-bedroom units that are restricted at 50 and 60 percent AMI as well as unrestricted units and those that operate with PBRA. The property

opened in June 2012 and reached 93 percent occupancy by October 2012, which yields an absorption rate of 18 units per month and an absorption period of four months.

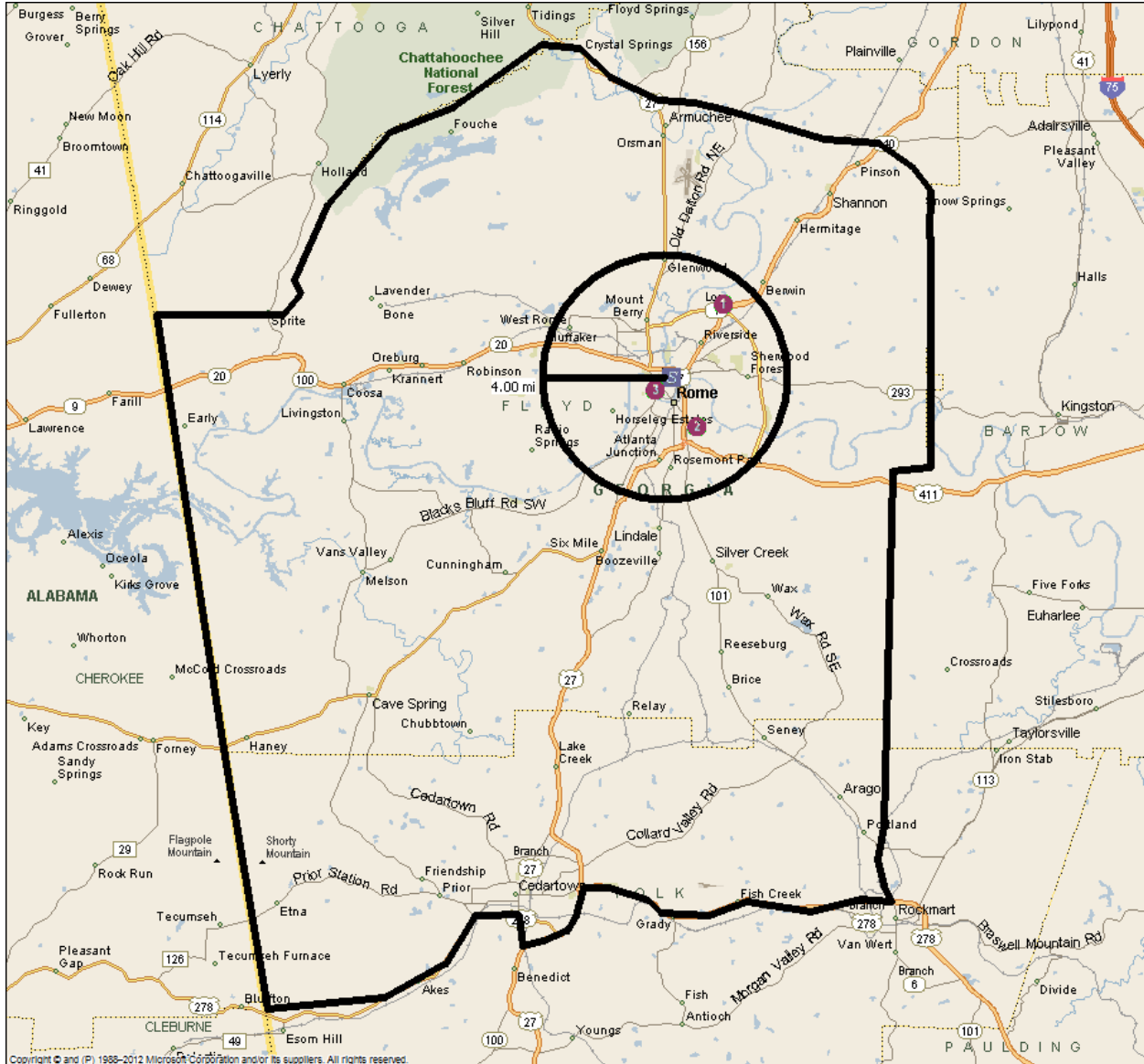
Phased Developments

The Subject is not a phase of a development.

Rural Areas

The Subject is not located in a rural area. There is adequate LIHTC and market rate data in Rome. We have included the existing family and senior LIHTC properties in Rome as comparables in this report.

3. COMPETITIVE PROJECT MAP



COMPETITIVE PROJECTS IN THE PMA

#	Property Name	City	Type	Tenancy	Distance
1	Ashland Park Apartments	Rome	@ 60%	Family	3.6 miles
2	Ashton Ridge	Rome	@ 30%, @ 50%, @ 60%	Family	1.9 miles
3	Etowah Terrace	Rome	@ 50%, @ 60%, PBRA Market	Senior	0.3 miles

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

IN-UNIT AMENITIES

Comp #	Greystone Apartments (as Renovated) Subject	Ashland Park Apartments 1	Ashton Ridge (fka Windridge) 2	Etowah Terrace 3	Arbor Terrace Apartments 4	Eastland Court 5	Guest House Apartments 6	Heritage Pointe 7	Pine Ridge Apartments 8
Property Information									
Property Type	Midrise (age-restricted) (6 stories)	Garden (3 stories)	Lowrise (3 stories)	Midrise (age-restricted) (4 stories)	Various (2 stories)	Garden (4 stories)	Various	Various (2 stories)	Lowrise
Year Built / Renovated	1936 / Ren. 1994	2005 / n/a	1999 / n/a	2011 / n/a	1971 / n/a	2005/2007 / n/a	1989 / n/a	1968 / n/a	2009 / n/a
Market (Conv./Subsidy Type)	LIHTC, PBRA	LIHTC	LIHTC	LIHTC, PBRA, Market	Market	Market	Market	Market	Section 8 (DCA)
Utility Adjustments									
Cooking	yes	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	no	no	no	yes	no
Sewer	yes	no	no	yes	no	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	no
In-Unit Amenities									
Balcony/Patio	no	yes	yes	no	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	no
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	no
Exterior Storage	no	no	yes	yes	no	yes	no	no	no
Garbage Disposal	no	yes	yes	yes	no	yes	no	no	no
Hand Rails	yes	no	no	yes	no	no	no	no	no
Microwave	no	no	no	no	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	yes	yes	yes	yes	yes	yes	no
Washer/Dryer	no	no	no	no	no	no	yes	no	no
Washer/Dryer hookup	no	yes	yes	yes	no	yes	no	yes	no

COMMON AREA AMENITIES

Comp #	Greystone Apartments (as Renovated) Subject	Ashland Park Apartments 1	Ashton Ridge (fka Windridge) 2	Etowah Terrace 3	Arbor Terrace Apartments 4	Eastland Court 5	Guest House Apartments 6	Heritage Pointe 7	Pine Ridge Apartments 8
Property Amenities									
Business Center/Computer Lab	yes	yes	no	yes	no	no	no	no	no
Car Wash	no	yes	no	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	no	yes	no	no	yes
Courtyard	no	no	no	no	no	no	no	no	yes
Elevators	yes	no	no	yes	no	no	no	no	no
Exercise Facility	yes	yes	no	yes	no	yes	no	no	yes
Garage	no	no	no	no	no	yes	no	no	no
Central Laundry	yes	no	yes	yes	no	no	no	yes	yes
Non-shelter Services	yes	no	no	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	no	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no	yes	yes
Picnic Area	no	yes	yes	no	no	yes	no	no	no
Playground	no	yes	yes	no	yes	yes	no	yes	no
Recreation Areas	yes	no	no	yes	no	no	no	no	no
Service Coordination	yes	no	no	no	no	no	no	no	yes
Swimming Pool	no	yes	no	no	yes	yes	no	yes	no
Services									
Adult Education	yes	no	no	no	no	no	no	no	no
Computer Tutoring	yes	no	no	no	no	no	no	no	no
Security									
Intercom (Buzzer)	yes	no	no	yes	no	no	no	no	no
Limited Access	yes	no	no	yes	yes	yes	no	no	yes
Perimeter Fencing	no	yes	no	no	no	yes	no	no	no
Video Surveillance	no	no	no	no	no	no	no	no	yes
Premium Amenities									
Other Amenities									
Other	Fire sprinklers, stove-top fire suppression canisters	n/a	Tot Lot	Library, Arts & Crafts Room, Trail, Theatre	n/a	n/a	n/a	n/a	n/a

The Subject’s in-unit amenity package will be similar or inferior to the comparables primarily because the Subject will lack in-unit washer/dryer connections or washer/dryers, dishwashers, and walk-in closets.

The Subject’s common area amenity package will be competitive or superior to those at the comparable properties because the Subject will have a computer lab, exercise facility, recreation areas, adult education, and on-site services.

5. The Subject will continue to target seniors ages 62 and older and disabled households ages 18 and older post renovations. We have included senior and family LIHTC comparable properties in this report as non-elderly tenants are able to reside at the Subject.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	@60%	Family	184	7	7.10%
Ashton Ridge (fka Windridge)	@30%, @50%, @60%	Family	88	5	5.70%
Etowah Terrace	@50%, @60%, PBRA, Market	Senior	77	0	0.00%
Arbor Terrace Apartments	Market	Family	96	7	7.30%
Eastland Court	Market	Family	116	6	5.20%
Guest House Apartments	Market	Family	58	1	1.70%
Heritage Pointe	Market	Family	149	16	10.70%
Pine Ridge Apartments	Section 8 (DCA)	Special Needs/Supportive Housing	30	1	3.30%
Total			798	43	5.39%

The LIHTC comparable properties are outperforming the market with a 3.4 percent vacancy rate versus 7.2 percent among the market rate properties. Further, the one senior LIHTC property in Rome, Etowah Terrace, is currently 100 percent occupied and management at this property reported that demand for senior LIHTC housing in the area is strong. Only one property is maintaining a high vacancy rate: Heritage Pointe. Management at Heritage Pointe attributed the property's high vacancy rate to contractions in the local manufacturing industry and college students living at home with their parents. However, this property appears to be an outlier as the remaining market rate properties are maintaining vacancy rates ranging from 1.7 to 7.3 percent. Arbor Terrace (a market rate property) is maintaining a vacancy rate of just over seven percent. The property manager at Arbor Terrace reported that three of the seven vacant units have leased.

The Subject is currently 100 percent occupied with a waiting list. The Subject's proposed rents will increase minimally (eight percent) and will increase its subsidy post renovations. Therefore, we anticipate that the Subject will continue to maintain a high occupancy rate. Due to demand for senior LIHTC housing in the market, we anticipate that the Subject would maintain a vacancy rate of five percent, or less, as a senior LIHTC property without any subsidy. There is no data in the PMA to support whether the Subject would maintain a vacancy rate of five percent or less if it operated as a mixed-tenant (senior and supportive housing) property without subsidy for the non-supportive housing units. Pine Ridge is a supportive housing property in Rome that is 100 percent occupied. Management reported that there is demand for additional supportive housing units but, this property operates with 100 percent subsidy.

7. Properties Under Construction and Proposed

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no senior LIHTC properties allocated in the PMA in the past two years with the exception of Etowah Terrace. Etowah Terrace is a senior LIHTC property in Rome that opened in 2012. The property stabilized in 2012 and is currently 100 percent occupied.

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Age / Condition	Unit Size	Overall Comparison
1	Ashland Park Apartments	@ 60%	Slightly Superior	Superior	Similar	Superior	20
2	Ashton Ridge (fka Windridge)	@ 30%, @ 50%, @ 60%	Slightly Inferior	Superior	Slightly inferior	Superior	5
3	Etowah Terrace	@ 50%, @ 60%, @ 60% (PBRA), Market	Similar	Superior	Superior	Superior	30
4	Arbor Terrace Apartments	Market	Slightly Inferior	Superior	Inferior	Superior	0
5	Eastland Court	Market	Slightly Inferior	Superior	Similar	Superior	10
6	Guest House Apartments	Market	Inferior	Superior	Inferior	Superior	-5
7	Heritage Pointe	Market	Slightly Inferior	Superior	Inferior	Superior	0
8	Pine Ridge Apartments	Section 8 (DCA)	Inferior	Superior	Superior	Superior	15

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table. The Subject’s 50 percent AMI rents will operate with subsidy and per GA DCA are presumed leasable.

LIHTC Rent Comparison - @60%

Property Name	Tenancy	0BR	1BR
Greystone Apartments (Subject)	Senior and supportive housing	\$453	\$468
LIHTC Maximum (Net)	-	\$555	\$594
Ashland Park Apartments	Family	-	\$570
Etowah Terrace	Senior	-	\$551
Greystone Apartments (As Is)	Senior	\$413	\$433
Average*		\$413	\$518

*Excluding Subject's proposed rents

The Subject is currently achieving \$413 and \$433 for its studio and one-bedroom units, respectively, and it is 100 percent occupied, which indicates that the Subject’s current rents are feasible. Post renovations, the Subject’s rents will increase by \$35 or approximately eight percent. Given that the Subject will undergo an extensive renovation (\$65,000 per unit) and that the Subject’s proposed rents are well below the maximum allowable levels, we believe that this rent increase is reasonable and feasible. Etowah Terrace is an existing senior LIHTC property in Rome that entered the market in 2012. The property offers larger unit sizes and a superior amenity package with in-unit washer/dryer connections and dishwashers as well as a library and theater. Etowah Terrace also offers a superior age/condition. The property is 100 percent occupied with a waiting list and a low HCV rate at 10 percent. Therefore, we do not believe that this property is testing the market. Ashland Park is a family LIHTC property that was built in 2005 and is achieving the highest one-bedroom LIHTC rents. Management estimated that a quarter of the tenants at this property are seniors, indicating that seniors in the market are capable and willing to pay higher rents. Overall, the Subject’s proposed rents represent an eight percent increase over current rents, which is reasonable given the extent of the renovations. Further, the Subject’s proposed rents remain \$33 to \$102 below the rents at the comparable properties, which we believe is reasonable given the Subject’s smaller unit sizes. Overall, we believe that the Subject’s rents are feasible as proposed given the extensive proposed renovations.

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 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 not 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 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 Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
Studio*	\$453	\$450	\$550	\$500	10%
1 BR	\$468	\$514	\$1,089	\$694	33%

*Includes realtor estimates.

The Subject’s proposed 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC (at 60 percent AMI) and market rate. Further, the Subject’s proposed rent is well below the surveyed minimum rent. The Subject is currently 100 percent occupied with its current rents. Given that the Subject will undergo a renovation of \$65,000 per unit, we believe that the Subject can achieve an eight percent rent increase post renovations.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – Recent Allocations within Two Miles

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no senior LIHTC properties allocated in the PMA in the past two years with the exception of Etowah Terrace. Etowah Terrace is a senior LIHTC property in Rome that opened in 2012. The property stabilized in 2012 and is currently 100 percent occupied. Per GA DCA 2013 market study guidelines, we have deducted this property from the Demand Analysis as it was placed in service in 2012.

10. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2017.

PMA TENURE PATTERNS OF SENIORS 62+

Year	Renter-Occupied Units	Percentage Renter-Occupied	Occupied-Occupied Units	Percentage Occupied-Occupied
2000	2,699	23.4%	8,846	76.6%
2012	3,539	26.2%	9,988	73.8%
Projected Mkt Entry				
May 2013	3,583	26.1%	10,124	73.9%
2017	3,803	26.0%	10,805	74.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

As the tables illustrate, both senior and non-senior households within the PMA reside in predominately owner-occupied residences. However, the proportion of seniors who live in renter-occupied units in the PMA is projected to stand at 26.1 percent at the time of market entry, which is significantly higher than the national average of 13 percent. This trend is projected to continue through 2017, which bodes well for the Subject property.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Type	1QTR 2008	1QTR 2009	1QTR 2010	2QTR 2012	4QTR 2012	1QTR 2013
Ashland Park Apartments	Garden	6.50%	10.90%	7.10%	7.10%	7.10%	7.10%
Ashton Ridge (fka Windridge)	Lowrise	4.50%	3.40%	2.30%	N/A	4.50%	5.70%
Etowah Terrace	Midrise	N/A	N/A	N/A	N/A	N/A	0.00%
Arbor Terrace Apartments	Various	4.20%	4.20%	3.10%	3.10%	N/A	7.30%
Eastland Court	Garden	N/A	N/A	6.90%	5.30%	5.20%	5.20%
Guest House Apartments	Various	0.00%	6.90%	5.20%	5.20%	N/A	1.70%
Heritage Pointe	Various	3.40%	16.10%	14.80%	23.50%	N/A	10.70%
Pine Ridge Apartments	Lowrise	N/A	N/A	N/A	N/A	N/A	3.30%

As illustrated in the table, vacancy rates at the LIHTC comparable properties have remained relatively stable. The one property that is maintaining a high vacancy rate is Heritage Pointe and this property has historically had vacancy issues since 2009, indicating that it is an outlier.

Change in Rental Rates

The following table illustrates changes in rents, where applicable.

RENT GROWTH

Comparable Property	Rent Structure	Tenancy	Rent Growth
Ashland Park Apartments	@60%	Family	Increased 8-12%
Ashton Ridge (fka Windridge)	@30%, @50%, @60%	Family	None
Etowah Terrace	@50%, @60%, PBRA, Market	Senior	N/Ap
Arbor Terrace Apartments	Market	Family	None
Eastland Court	Market	Family	N/A
Guest House Apartments	Market	Family	None
Heritage Pointe	Market	Family	None
Pine Ridge Apartments	Section 8 (DCA)	Special Needs/Supportive Housing	None

Management at only one property reported rent growth over the past year: Ashland Park Apartments. Due to the lack of rent growth at the comparable properties, we do not anticipate that the Subject will experience rent growth in the near term. The Subject's proposed rents reflect an eight percent increase over current rents; however, this rent increase reflects the substantial renovation that the Subject will undergo.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com, 16.2 percent of homes in the PMA are vacant, which is higher than the national average of 12.2 percent. However foreclosures occur for 1 in every 568 homes in Rome, GA, which is lower than the national average of 1 in every 418 homes. The median list price is \$115,000 as of March 2013, which represents a 5 percent year over year increase. The median sale price is \$70,000 as of March 2013, which represents a decline of seven percent year over year.

12. Primary Housing Void

The Subject is an existing LIHTC property that provides affordable housing to seniors ages 62 and older and disabled households ages 18 and older. The Subject is currently 100 percent occupied and will continue to serve this demographic post-renovations.

13. Effect of Subject on Other Affordable Units in Market

As a renovation of an existing tax credit property, the Subject will not be adding any units to the local market. Therefore, we do not believe the Subject will affect other affordable units in the market as tenants are expected to remain in place post renovation.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall LIHTC vacancy is low and the LIHTC properties are outperforming the market. The Subject is currently 100 percent occupied and 99 percent of its tenants will income-qualify for the Subject post renovations. The renovations will be extensive and are projected to cost \$65,000 per unit. Given the extent of the renovations, we believe that the Subject's proposed rents are feasible as they represent a moderate increase (eight percent) over current rents. While the Subject's unit sizes are small and its in-unit amenities package is limited, the Subject will offer an extensive common area amenity package including services. Further, the Subject offers a highly visible location in a walkable neighborhood in downtown Rome. Overall, we believe that the Subject is feasible as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

The Subject is currently 100 percent occupied and of the 71 tenants, only one will not income-qualify at the Subject post-renovations per the Subject sponsor's tenant relocation spreadsheet. Therefore, we do not anticipate that the Subject will need to undergo a re-absorption period.

If the Subject were to need to release units, we anticipate that the Subject would experience an absorption rate that is similar to or less than that of Etowah Terrace. Etowah Terrace is the only senior LIHTC property in Rome. It offers 77 one and two-bedroom units that are restricted at 50 and 60 percent AMI as well as unrestricted units and those that operate with PBRA. The property opened in June 2012 and reached 93 percent occupancy by October 2012, which yields an absorption rate of 18 units per month and an absorption period of four months.

J. INTERVIEWS

Housing Authority

According to Bonita Williams with the Northwest Georgia Housing Authority, the department currently has 620 Housing Choice Vouchers under contract. Of these vouchers, 532 are in the Rome area with the remainder in Rockmart. The Housing Authority is not currently accepting applications for additional Housing Choice Vouchers.

The payment standards and utility allowance for Floyd County can be found in the following table.

BR TYPE	PAYMENT STANDARD	MAX. UTILITY ALLOWANCE
1BR	\$559	\$189
2BR	\$722	\$217
3BR	\$886	\$263
4BR	\$914	\$307

Payment standards for the county are 110 percent of FMR. The Subject's gross rents at 50 and 60 percent AMI are well below the payment standard.

Planning

We interviewed Sue Hiller from the Rome-Floyd County Planning Department. Ms. Hiller stated that the majority of the projects she was aware of in the area focused on renovations of existing structures rather than large new building projects.

The most recent new construction projects she recalled in the Rome area are the construction of Etowah Terrace Apartments, completed in 2012, and the construction of a Publix Supermarket about 14 miles south of Rome near Cedartown. Neither of these developments was in close proximity to the Subject property, and Ms. Hiller stated that there is no ongoing construction or planned developments in the Subject's vicinity in the near future.

Chamber of Commerce

We interviewed Lori Magnicheri with the Great Rome Chamber of Commerce. Ms. Magnicheri stated that there have been no major layoffs in the area since 2011, which is consistent with data obtained from the Georgia Department of Labor. Ms. Magnicheri stated that she is optimistic about the prospects of the area, noting that Foss Manufacturing, F&P Georgia and Neaton Rome, Inc., have replaced some of the manufacturing jobs lost during the recession. She also stated that the Lowe's distribution center will open in phases, adding approximately 150 new jobs in four phases, slated to reach completion in late 2014 to early 2015. Below are tables of recent expansions and layoffs confirmed by Ms. Magnicheri.

ROME, GA MSA EXPANSIONS

COMPANY	FACILITY TYPE	BUSINESS TYPE	PROJECTED NUMBER OF JOBS (ESTIMATED)	YEAR ANNOUNCED
Foss Manufacturing	Distribution Center	Textiles	150	2012
F&P Georgia	Manufacturing	Automobile Component Manufacturer	100	2012
Neaton Rome, Inc.	Manufacturing	Automobile Component Manufacturer	113	2012
Lowe's	Distribution Center	Home Supply Retailer	600	2011
Kellog Company	Manufacturing	Food Service Manufacturer	25	2011
Thermal Seal Duct System	Manufacturing	Industrial Applications	40	2011

Source: Greater Rome Chamber of Commerce, May 2013

ROME, GA MSA BUSINESS CLOSURES/LAYOFFS

COMPANY	BUSINESS TYPE	NUMBER AFFECTED	EFFECTIVE DATE
Vend Service, Inc.	Food Distributor	51	8/30/2011
Northwest Georgia Regional Hospital	Healthcare	750	12/5/2011
General Aluminum	Manufacturing	67	3/4/2011
Pierre (Zartic LLC)	Food Distributor	350	5/13/2010
CCH Small Firm Services	Financial Service	17	2/25/2010

Source: Georgia Department of Labor, May 2013

Realtor Interview

Due to the lack of studio rentals in Rome, we interviewed realtors in order to obtain estimates for studio rental units in the market. A realtor with Ayers Realty in Rome estimated that studios would rent for an average of \$450 to \$550 per month without utilities, while a realtor with Harrington Realty & Associates estimated an average of \$475 to \$550 per month. We have used these estimates in the supply analysis section of this report.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Subject is located in a fairly stable PMA whose population is expected to have limited growth from 2015 to 2017, standing at 115,164 at the time of prospective market entry and projected to be 115,269 in 2017. However, senior household growth is projected to expand during this time at a rate of approximately 2.3 percent annually. In 2012, there were 26.2 percent senior renter households in the PMA, which is more than double the 13 percent national average. The percentage of senior renters in the PMA is projected to hold steady over the next five years. This strong presence of renter households bodes well for the Subject's units.

The average household size in the PMA is 2.6, a number that is also expected to remain stable into 2017. However, 56.7 percent of households in the PMA had a population of 2 people or less 2012, and amongst seniors that rate was 84.4 percent, numbers which are also expected to remain stable into 2017.

- Total employment in the MSA has been on a downward trend since 2008 and currently sits at 43,717 as of March 2013. The overall employment in the MSA is lower than it was even a decade ago. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.8 percent in 2011. As of December 2012, the unemployment rate was above the unemployment rate of the US, and the low rate of growth in total employment during this time indicates possible employment stagnation in the MSA. The largest employers in the PMA are the trade/transportation/utilities services, education/health services, and manufacturing. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions. However, the Subject will target seniors ages 62 and older and disabled tenants ages 18 and older; therefore, we anticipate that the majority of tenants will be retired or relying on fixed incomes.
- The Subject's capture rate for the units that need to be released at the 60 percent AMI level is less than one percent as 70 of 71 existing tenants income-qualify at the Subject post-renovations. Therefore, we believe there is adequate demand for the Subject.
- The Subject is currently 100 percent occupied and of the 71 tenants, only one will not income-qualify at the Subject post-renovations per the Subject sponsor's tenant relocation spreadsheet. Therefore, we do not anticipate that the Subject will need to undergo a re-absorption period.

If the Subject were to need to release units, we anticipate that the Subject would experience an absorption rate that is similar to or less than that of Etowah Terrace. Etowah Terrace is the only senior LIHTC property in Rome. It offers 77 one and two-bedroom units that are restricted at 50 and 60 percent AMI as well as unrestricted units and those that operate with PBRA. The property opened in June 2012 and reached 93 percent occupancy by October 2012, which yields an absorption rate of 18 units per month and an absorption period of four months.

- The LIHTC comparable properties are outperforming the market with a 3.4 percent vacancy rate versus 7.2 percent among the market rate properties. Further, the one senior LIHTC property in Rome, Etowah Terrace, is currently 100 percent occupied and management at this property reported that demand for senior LIHTC housing in the area is strong. Only one property is maintaining a high vacancy rate: Heritage Pointe. Management at Heritage Pointe attributed the property's high vacancy rate to contractions in the local manufacturing industry and college students living at home with their parents. However, this property appears to be an outlier as the remaining market rate properties are maintaining vacancy rates ranging from 1.7 to 7.3 percent.

The Subject is currently 100 percent occupied with a waiting list. The Subject's proposed rents will not increase and it will retain its subsidy post renovations. Therefore, we anticipate that the Subject will continue to maintain a high occupancy rate. Due to demand for senior LIHTC housing in the market, we anticipate that the Subject would maintain a vacancy rate of five percent, or less, as a senior LIHTC property without any subsidy. There is no data in the PMA to support whether the Subject would maintain a vacancy rate of five percent or less if it operated as a mixed-tenant (senior and supportive housing) property without subsidy for the non-supportive housing units. Pine Ridge is a supportive housing property in Rome that is 100 percent occupied. Management reported that there is demand for additional supportive housing units but, this property operates with 100 percent subsidy.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall LIHTC vacancy is low and the LIHTC properties are outperforming the market. The Subject is currently 100 percent occupied and 99 percent of its tenants will income-qualify for the Subject post renovations. The renovations will be extensive and are projected to cost \$65,000 per unit. Given the extent of the renovations, we believe that the Subject's proposed rents are feasible as they represent a moderate increase (eight percent) over current rents. While the Subject's unit sizes are small and its in-unit amenities package is limited, the Subject will offer an extensive common area amenity package including services. Further, the Subject offers a highly visible location in a walkable neighborhood in downtown Rome. Overall, we believe that the Subject is feasible as proposed.

Recommendations

- We believe that the Subject is feasible as proposed.

L. SIGNED STATEMENT REQUIREMENTS

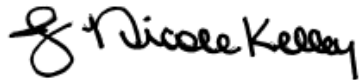
I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown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

6-7-2013

Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

6-7-2013

Date



Kristina V. Garcia
Real Estate Analyst
Novogradac & Company LLP

6-7-2013

Date

M. MARKET STUDY REPRESENTATION

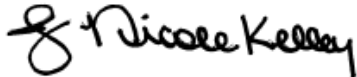
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI, CRE
LEED Certified Associate
Partner
Novogradac & Company LLP

6-7-2013

Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

6-7-2013

Date



Kristina V. Garcia
Real Estate Analyst
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

KRISTINA V. GARCIA

I. Education

Emory University, Atlanta, Georgia
Bachelor of Arts

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP (April 2007 – Present)

III. Assignments

- Conducts and assists with market feasibility studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Market analysis typically includes: physical inspection of site and market, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assists with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Conducts and assists with the preparation of Rent Comparability Studies according to HUD guidelines.

REPRESENTATIVE SAMPLE OF ENGAGEMENTS

Market Study Experience—Proposed LIHTC New Construction and Rehabilitation Developments:

Analyst has conducted research for market studies within the following states and U.S. territories:

- Alabama
- Arizona
- Arkansas
- California
- Florida
- Georgia
- Guam
- Illinois
- Indiana
- Kentucky
- Louisiana
- Massachusetts
- Michigan
- Mississippi
- New York
- New Jersey
- North Carolina
- North Dakota
- Oklahoma
- Pennsylvania
- Puerto Rico
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Utah
- Virginia
- Washington
- West Virginia

HUD Rent Comparability Study Experience:

Analyst has conducted research for rent comparability studies within the following states:

- Alabama
- Florida
- Georgia
- New York
- South Carolina
- Texas

Appraisal Research Experience:

Analyst has conducted research for appraisals within the following states:

- Alabama
- Florida
- Georgia
- Louisiana
- New York
- South Carolina
- Virginia

Miscellaneous Housing Studies:

- Conducted research for a comprehensive citywide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Conducted research for comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. regarding housing needs and economic trends Pre- and Post- Hurricane Katrina
- Conducted research for mixed-use HOPE VI redevelopment plan for Tindall Heights Macon Housing Authority's Tindall Heights Public Housing