



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**MARY-LEILA LOFTS
306 North West Street
Greensboro, Greene County, Georgia**

**Effective Date: May 22, 2013
Report Date: June 12, 2013**

Prepared For

Bridgeland Development

Prepared By

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June 12, 2013

Bridgeland Development

Re: Market Study for Mary-Leila Lofts Apartments in Greensboro, Georgia

To Whom it May Concern:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the Greensboro, Greene County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Mary-Leila Lofts Apartments, a proposed family development consisting of 71 units. Units will be restricted to households earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of 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.

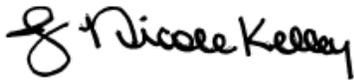
Respectfully submitted,



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Date



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Date



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Date

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

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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:

Mary-Leila Lofts is a proposed LIHTC development to be located at 306 N West Street in Greensboro, Georgia. The Subject is an adaptive re-use of a mill that has been vacant for a number of years and is currently in poor condition. The building consists of brick and mortar construction. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR	3	750	\$264	\$164	\$428	\$428	\$443
2BR	8	840	\$305	\$208	\$513	\$513	\$599
3BR	4	1200	\$334	\$259	\$593	\$593	\$835
<i>60% AMI</i>							
1BR	11	750	\$349	\$164	\$513	\$513	\$443
2BR	29	840	\$408	\$208	\$616	\$616	\$599
3BR	16	1200	\$452	\$259	\$711	\$711	\$835
Total	71						

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

The Subject will offer the following amenities: blinds, carpeting/vinyl plank flooring, central air conditioning, garbage disposals, coat closets, a clubhouse/community room, a business center, a playground, picnic pavilion, on-site management and off-street parking. The Subject’s proposed amenities package will be similar to superior to the comparable properties.

2. Site Description/Evaluation:

The Subject’s neighborhood consists mainly of single family homes with some commercial/retail uses to the south of the Subject site. Single family homes in the immediate neighborhood range from fair to good condition, with the exception of a few abandoned homes, which are in poor condition. However, homes in the area appeared to be generally well occupied and the few vacant homes in the neighborhood are not expected to be a detrimental influence on the Subject. Vacant, undeveloped land is located east of the Subject site on N. West Street. Railroad tracks are located southeast of the site with very little

traffic. Single-family homes in the area appeared to be generally well occupied so proximity to the railroad tracks should not be considered a detrimental use. The Subject has excellent proximity to downtown Greensboro and several locational amenities such as retail, a pharmacy, a supermarket, and a hospital. Retail in the area appeared to be 90% occupied and is in generally good condition. Most downtown retail is located along north and south Main Street, and Georgia Route 12 approximately 0.2 to 0.3 miles south of the Subject. The Subject will fit well with the surrounding uses and will be a positive addition to the neighborhood.

3. Market Area Definition:

The boundaries of the PMA are: the Greene County line to the north, US Highway 16 and 77 to the south, US Route 22 to the east, and US Route 129 and 441 to the west.

The area was defined based on interviews with property managers at comparable properties and local officials. The Subject is located in Greene County, which the local Chamber of Commerce indicated works in close connection with Oconee, Morgan, Putnam, and Hancock Counties. The PMA encompasses Greensboro and the north portion of the Lake Oconee market. Lake Oconee serves as a tourist destination for residents of Atlanta, Macon, and Athens. According to The Greene County Development Authority and Chamber of Commerce, the largest employers in the county include Reynolds Plantation (golf and lake community), The Ritz-Carlton Lodge (luxury lakeside hotel resort), the Board of Education, and the Board of Commissioners. Demand for affordable housing would come from those employed in the local retail and tourism-related industries. Our demographic analysis indicates that 52 percent of households in Greene County Georgia have a commute time of 15 to 20 minutes to their place of employment. Given the size of the PMA, we do not believe that a significant portion of the Subject's tenants will come from outside the boundaries and we have not accounted for leakage in our demand analysis.

The furthest PMA boundary from the Subject is 22 miles.

4. Community Demographic Data:

The Subject is located in Greensboro, Greene County, Georgia. Overall demographics are strong for the Subject's units. Over the next five years, the total population in the PMA is projected to grow steadily, although this is below

both the SMA and nation. The proposed project will target families in the area with one, two, three-bedroom units. The Subject's ability to accommodate families of one to five people and a strong family presence by age cohort in the population demonstrates demand in the market for the Subject.

Both the population and household numbers for the PMA and MSA grew at rates higher than the nation in 2012. By 2015, growth in these areas will have slowed significantly and population growth in the PMA will be below the SMA and nation. The population by age is concentrated in the young children to middle-aged cohorts. With the Subject targeting low-income families in the PMA, these numbers bode well for its success.

Strong household growth rates in the PMA outpaced both the SMA and nation in 2012, with 1.9 percent annual growth. These rates are projected to slow by July 2017 with household growth in the SMA outpacing the PMA and nation with 0.9 percent annual change. This trend is expected to continue through 2017 with the SMA growing approximately two and three percentage points more than the PMA and nation, respectively. The average household size in the PMA and SMA is roughly 2.4 persons per household with 0.3 and 0.4 decreases predicted in 2015 and 2017, respectively. These household sizes bode well for the Subject, which will consist of one, two, and three-bedroom units.

Tenure patterns in the PMA strongly favor owner-occupied housing. The PMA renter-occupied housing percentage is 25.4 percent, which is slightly below the national average of 32 percent. However, the lack of renter households in the PMA is more an indicator of the lack of available rental options in the PMA.

In 2012, 29 percent of households earned \$29,999 or below compared to 30 percent in the MSA and nation. The Subject will be targeting lower income families falling within this range, so this data indicates a favorable market

According to RealtyTrac, there are currently 65 properties in Greensboro that are in some stage of foreclosure. In April, the number of properties that received a foreclosure filing in Greensboro, GA was 60 percent lower than the previous month and 54 percent lower than the same time

last year. In April 2013, the number of properties that received a foreclosure filing in Greene County, GA was 50 percent lower than the previous month and 38 percent lower than the same time last year. We do not anticipate any tenants to sell homes in order to move to the Subject, however the former homeowners who lost their homes may be attracted to the rental units of the Subject. Per our site visit, we did note a number of abandoned or vacant structures in the Subject site's immediate neighborhood.

5. Economic Data:

Greene County suffered recently from the effects of the nation-wide recession. Total employment in Greene County has been on a downward trend as of the last five years. From 2002 through 2008 total employment in the SMA increased annually with the exception of 2004. In 2009, the SMA experienced a significant decline in total employment as a result of the nation recession. The height of the SMA's total employment decrease was 5.1 percent in 2009. This is similar to the employment decrease that the nation experienced of 3.8 percent in 2009. A decline in the employment rate of the SMA continued from 2009 through 2011, whereas an employment rate decline occurred from 2008 through 2010 in the nation. The SMA experienced employment growth in 2012, but experienced a 2.2 percent employment decline year-over-year from March 2012 through year-to-date March 2013. Year-to-date, both the SMA and nation experienced a decline, although significantly greater in the SMA than the nation.

Year-to-date average unemployment rate in the SMA is 11.2 percent, which is approximately 3.1 percentage points higher than that of the nation. The MSA has experienced a 1.6 percent increase in unemployment rate through March of 2013 while the national unemployment rate has remained stable. These figures demonstrate a SMA that is still slowly recovering from the economic downturn.

Although the largest employment sector in Greene County is manufacturing, the two largest employers in Greene County are businesses in the accommodations industry. Of the top nine major employers, Reynolds Plantation and the Ritz-Carlton Lodge at Reynolds Plantation are both luxury resort and luxury living destinations that employ close to 1,000 individuals. Coinciding with previous data related to employment by industry, three of the top nine major employers are within the manufacturing sector.

We spoke with a representative at both the Greene County Chamber of Commerce and Greensboro planning and development office who did not mention any major employment expansion or contraction in the area over the past few years.

These figures demonstrate a SMA that is still slowly recovering from the economic downturn but showing signs of improvement as each year passes.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	3	60	0	60	5.0%	12 months	\$449	\$273-\$650	\$264
2BR at 50% AMI	8	78	0	78	10.2%	12 months	\$496	\$368-\$785	\$305
3BR at 50% AMI	4	57	0	57	7.0%	12 months	\$551	\$400-\$905	\$334
All 50% AMI Units	15	196	0	196	7.4%	12 months	-	-	-
1BR at 60% AMI	11	67	0	67	16.5%	12 months	\$469	\$318-\$650	\$349
2BR at 60% AMI	29	87	0	87	33.2%	12 months	\$500	\$368-\$785	\$408
3BR at 60% AMI	16	64	0	64	25.0%	12 months	\$557	\$400-\$905	\$452
All 60% AMI Units	56	218	0	218	24.9%	12 months	-	-	-
1BR Overall	14	127	0	127	11.0%	12 months	-	-	-
2BR Overall	37	166	0	166	22.3%	12 months	-	-	-
3BR Overall	20	121	0	121	16.5%	12 months	-	-	-
All Units	71	414	0	414	16.6%	12 months	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 5.0 to 10.2 percent, with an overall capture rate of 7.4 percent. The Subject’s 60 percent AMI capture rates range from 16.5 to 33.2 percent, with an overall capture rate of 24.6 percent. The overall capture rate for the project’s 50 and 60 percent units is 16.6 percent. Therefore, we believe there is adequate demand for the Subject.

7. Competitive Rental Analysis:

To evaluate the competitive position of the proposed Subject, 869 units in nine rental properties were surveyed in depth. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities; tenant profiles; and market trends in general. There are no family or senior LIHTC allocations in the PMA that do not operate without USDA Rural Development subsidy. We have included two family USDA Rural Development properties in Greensboro, one family market rate property, and five of the closest family LIHTC properties to Greensboro. These properties are located in Athens and Milledgeville, which are within

approximately 35 to 40 miles of the Subject site in towns that are located north and south of Greensboro. The Athens and Milledgeville markets differ from that of the Subject as they are much larger. Overall, the availability of market rate data in the PMA is considered good; however, the availability of LIHTC data in the Subject's immediate area is limited.

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

The 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"
@50%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$264	\$273	\$650	\$449	70%
2 BR	\$305	\$368	\$785	\$496	63%
3 BR	\$334	\$400	\$905	\$551	65%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$349	\$318	\$650	\$469	34%
2 BR	\$408	\$368	\$785	\$500	23%
3 BR	\$452	\$400	\$905	\$557	23%

As illustrated the Subject's proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject's proposed 50 percent AMI LIHTC rents are lower than the surveyed minimum while its 60 percent AMI rents are on the low end of the range. As the newest LIHTC property in the market, the Subject will be similar to superior to the existing housing stock. There is a strong need for additional LIHTC units in the market and we believe that the Subject's units will be successful with the proposed rents.

8. Absorption/Stabilization

Estimate:

The newest LIHTC comparable is Fourth Street Village in Athens. The property offers 120 one, two, and three-bedroom units that are restricted at 30 and 50 percent of AMI as well as unrestricted units. This property opened in 2007 and stabilized at a rate of approximately 11 units per month over a period of approximately 10 months.

This property is located in Athens where there are two other family LIHTC properties with which this property competes. The Subject will offer fewer units (71 total) and they will be restricted at 50 and 60 percent of AMI. We anticipate that the Subject will stabilize at 93 percent occupancy within one year at a rate ranging from five to six units per month as the Subject will be the first nonsubsidized LIHTC property in the PMA. Therefore, management at the Subject will have to aggressively market within the area and in surrounding towns to create awareness of the property as well as the LIHTC program itself.

9. Overall Conclusion:

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for the Subject as proposed. There are currently no unsubsidized family or senior LIHTC properties in the PMA and the existing subsidized and market rate multifamily supply is performing well with an overall vacancy rate of approximately six percent. Further, the Subject's rents appear reasonable compared to the LIHTC properties as well as the Rural Development and market rate developments that are located within the PMA.

Summary Table:

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

Development Name:	Mary-Leila Lofts	Total # Units: 71
Location:	306 N. West Street	# LIHTC Units: 71
	Greensboro, GA	
PMA Boundary:	North - Greene County line; south - US Route 16, US Route 77, boundary extended into northern section of Hancock County; east - US Route 22;	
west - US Route 129/US Route 441	Farthest Boundary Distance to Subject:	22 miles

Rental Housing Stock (found on page 43)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	201	11	94.5%
Market-Rate Housing	3	144	11	92.4%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	1	57	0	100.0%
LIHTC	0	N/Ap	N/Ap	N/Ap
Stabilized Comps	4	201	11	94.5%
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
3	1BR at 50%	1	750	\$264	\$449	\$0.61	70%	\$650	\$0.88
11	1BR at 60%	1	750	\$349	\$469	\$0.64	34%	\$650	\$0.88
8	2BR at 50%	2	840	\$305	\$496	\$0.50	63%	\$785	\$0.74
29	2BR at 60%	2	840	\$408	\$500	\$0.50	23%	\$785	\$0.74
4	3BR at 50%	2	1,200	\$334	\$551	\$0.46	65%	\$905	\$0.65
16	3BR at 60%	2	1,200	\$452	\$557	\$0.47	23%	\$905	\$0.65

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

Demographic Data (found on page 31)

	2000		2012		2015	
Renter Households	2,093	22.06%	2,972	25.43%	3,009	25.10%
Income-Qualified Renter HHs (LIHTC)	923	44.11%	1,311	44.11%	1,337	44.11%

Targeted Income-Qualified Renter Household Demand (found on page 55)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	8	9	N/Ap	N/Ap	19
Existing Households (Overburdened + Substandard)	N/Ap	188	209	N/Ap	N/Ap	273
Homeowner conversion (Seniors)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap
Total Primary Market Demand	N/Ap	196	218	N/Ap	N/Ap	292
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	196	218	N/Ap	N/Ap	292

Capture Rates (found on page 55)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	7.70%	25.70%	N/Ap	N/Ap	24.40%

*Includes LIHTC and unrestricted (when applicable)

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

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject site is located at 306 North West Street, Greensboro, Greene County, Georgia.
Construction Type:	The Subject is an adaptive re-use of a mill that has been vacant for a number of years and is currently in poor condition. The building consists of brick and mortar construction.
Occupancy Type:	Family.
Special Population Target:	None.
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:	None of the units will operate with Project-Based Rental Assistance.
Proposed Development Amenities:	See following property profile.

PROPERTY PROFILE REPORT

Mary-leila Lofts

Effective Rent Date	6/03/2013
Location	306 N. West Street Greensboro, GA 30642 Greene County
Distance	N/A
Units	71
Vacant Units	N/A
Vacancy Rate	N/A
Type	Garden (2 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	N/A
Phone	N/A



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A

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)	3	750	\$264	\$0	@50%	N/A	N/A	N/A	yes	None
1	1	Garden (2 stories)	11	750	\$349	\$0	@60%	N/A	N/A	N/A	yes	None
2	2	Garden (2 stories)	8	840	\$305	\$0	@50%	N/A	N/A	N/A	yes	None
2	2	Garden (2 stories)	29	840	\$408	\$0	@60%	N/A	N/A	N/A	yes	None
3	2	Garden (2 stories)	4	1,200	\$334	\$0	@50%	N/A	N/A	N/A	yes	None
3	2	Garden (2 stories)	16	1,200	\$452	\$0	@60%	N/A	N/A	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$264	\$0	\$264	\$0	\$264	1BR / 1BA	\$349	\$0	\$349	\$0	\$349
2BR / 2BA	\$305	\$0	\$305	\$0	\$305	2BR / 2BA	\$408	\$0	\$408	\$0	\$408
3BR / 2BA	\$334	\$0	\$334	\$0	\$334	3BR / 2BA	\$452	\$0	\$452	\$0	\$452

Mary-leila Lofts, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Refrigerator

Carpeting
Coat Closet
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Clubhouse/Meeting
Off-Street Parking
Playground

Premium

None

Other

Picnic pavilion

Comments

The proposed utility allowances are \$164, \$208 and \$259 for the one, two and three-bedroom units, respectively. The gross rents will be \$428, \$513 and \$593 for the one, two and three-bedroom units, respectively, at 50 percent AMI. For the 60 percent AMI units, the rents will be \$513, \$616 and \$711 for the one, two and three-bedroom units, respectively.

Scope of Renovations:	The Subject will be new construction.
Current Rents:	The Subject will be new construction.
Current Occupancy:	The Subject will be new construction.
Current Tenant Income:	The Subject will be new construction.
Placed in Service Date:	The estimated market entry date for the Subject is July 2015.
Conclusion:	The Subject will be an excellent-quality adaptive re-use of an existing mill that has been vacant for a number of years and is currently in poor condition. The building consists of brick and mortar construction and will be a two-story walk-up, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

Nicole Kelley visited the site on May 22, 2013.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

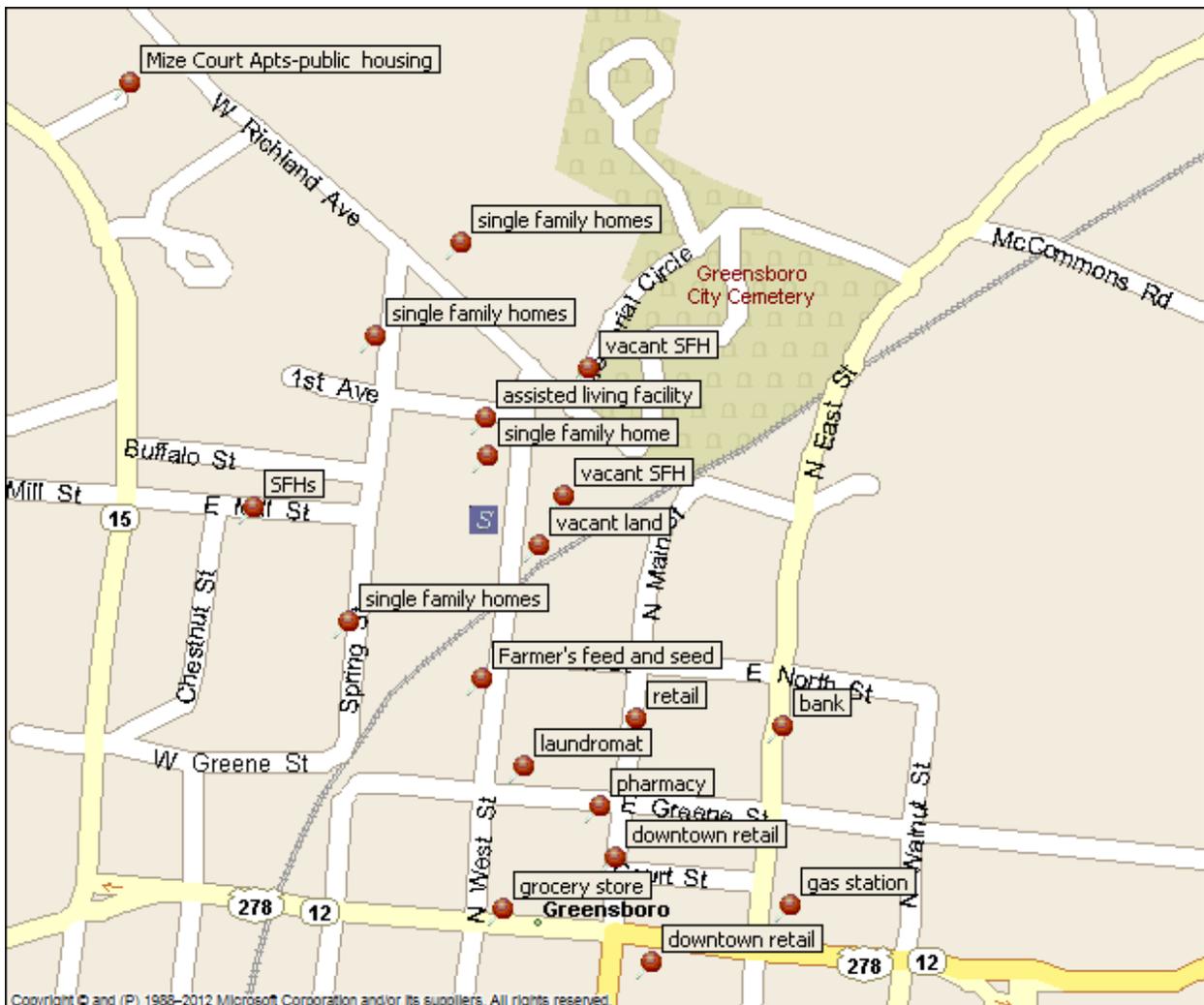
The Subject site has frontage along the west side of North West Street, south side of 1st Avenue and east side of Spring Street.

Visibility/Views:

The Subject has good visible from North West Street, 1st Avenue and Spring Street. Views from the Subject consist of a vacant lot, an abandoned home that is in fair condition and a residence that is in average condition. Views from the Subject are considered average.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject's neighborhood consists mainly of single family homes with some commercial/retail uses to the south of the Subject. Single family homes in the immediate neighborhood range from fair to good condition, with the exception of a few abandoned homes which are in poor condition. Residences in the area are generally well occupied and therefore, the presence of a few vacant homes is not expected to impact the Subject's ability to lease units. Vacant, undeveloped land is located east of the Subject site on N. West Street. Railroad tracks are located southeast of the site with very little traffic. As a result, the railroad tracks should not be considered a detrimental use. The Subject has excellent proximity to downtown Greensboro. Retail in the area appeared to be 90% occupied and is in generally good condition. Most downtown retail is located along north and south Main Street, and Georgia Route 12 approximately 0.2 to 0.3 miles south of the Subject. Further, according to Walkscore.com, the Subject's neighborhood is considered somewhat walkable, which means that there are a number of locational amenities nearby that are within walking distance. The Subject will fit well with the surrounding uses and will be a positive addition to the neighborhood.

Positive/Negative Attributes of Site: The Subject has good visibility from North West Street, a low trafficked roadway containing residential development and vacant land. Additionally, the site is located 1.0 mile from downtown Greensboro, which contains a variety of retail and other locational amenities. While there are a few abandoned homes in the Subject's immediate neighborhood, single family homes in the area are generally well occupied and we do not believe that the presence of the few abandoned homes will negatively impact the Subject's performance.

3. Physical Proximity to Locational Amenities:

The Subject is well situated near all necessary amenities including roads, amenities, employment, and community services. The site is situated along N. West Street and W. North Street, approximately a mile from downtown Greensboro, with easy access to South Main Street, Georgia Route 12, and Interstate 278. Currently there is not a public transportation system in effect in the city of Greensboro.

4. Pictures of Site and Adjacent Uses:



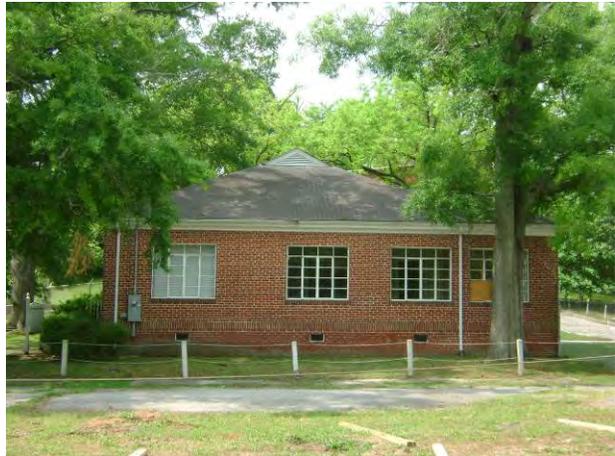
Subject exterior



Subject exterior



Subject exterior



Subject exterior



View north along West Street



View south along West Street



Single family home north of the Subject



Single family home north of the Subject



Single family home west of the Subject



Vacant residence adjacent to the Subject



Vacant land adjacent to the Subject



Vacant land adjacent to the Subject



Cemetery located to the Subject's northeast



Commercial use located in downtown Greensboro



Commercial use located in downtown Greensboro



Feed store located to the Subject's south



Grocery store located to the Subject's south



Laundromat located to the Subject's south



Mize Court Apartments – Public Housing



Retail in downtown Greensboro

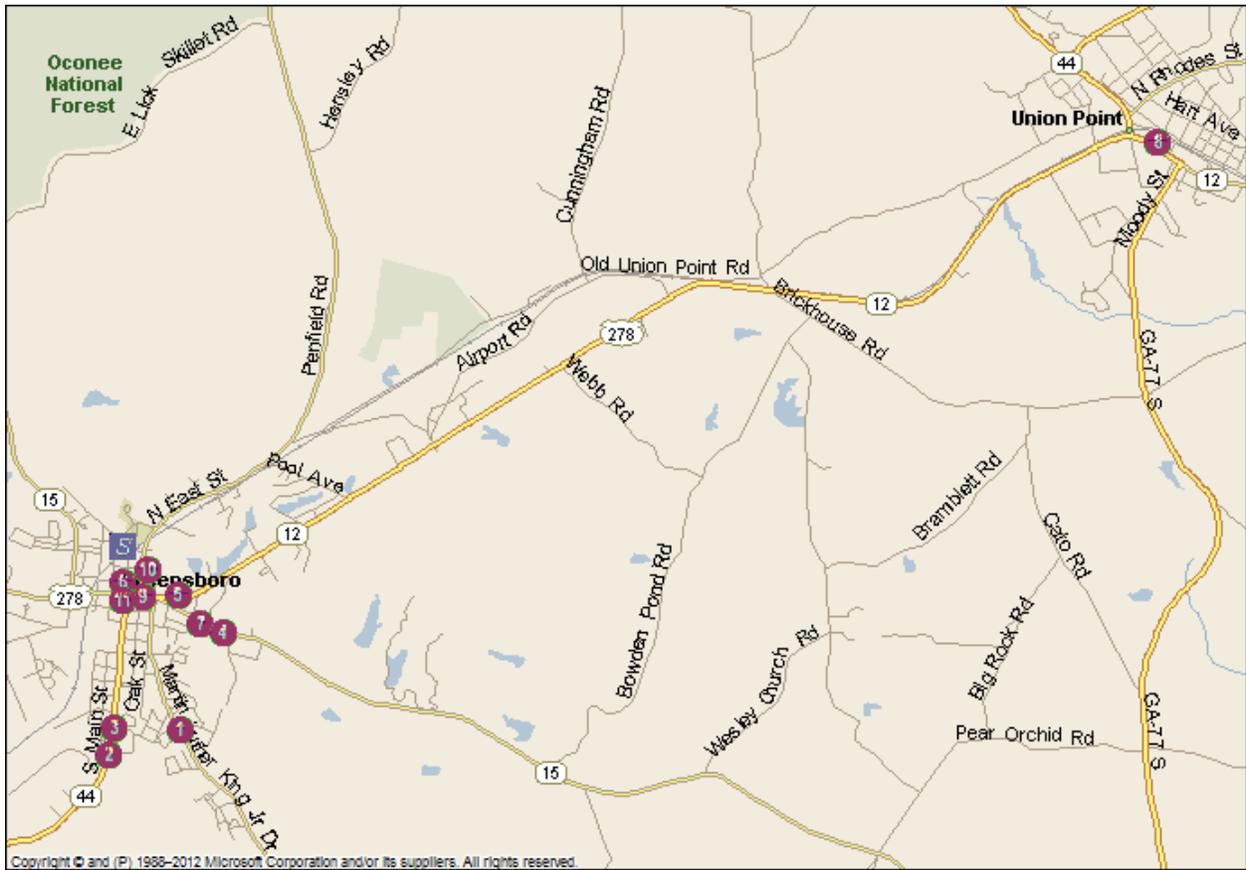
5. Proximity to Locational Amenities:

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

LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	Greensboro Elementary School	1.1
2	Carson Middle School	1.1
3	Greene County High School	1.0
4	St Joseph's East Georgia Hospital	0.8
5	Moon's Supermarket	0.5
6	Rite Aid Pharmacy	0.1
7	Greensboro Police Department	0.6
8	Post Office - Union Point	6.6
9	BP Gas	0.3
10	Bank South	0.2
11	Employment Center - Downtown Greensboro	0.3

Local Amenities – General



A detailed view on local area amenities is found on the following page

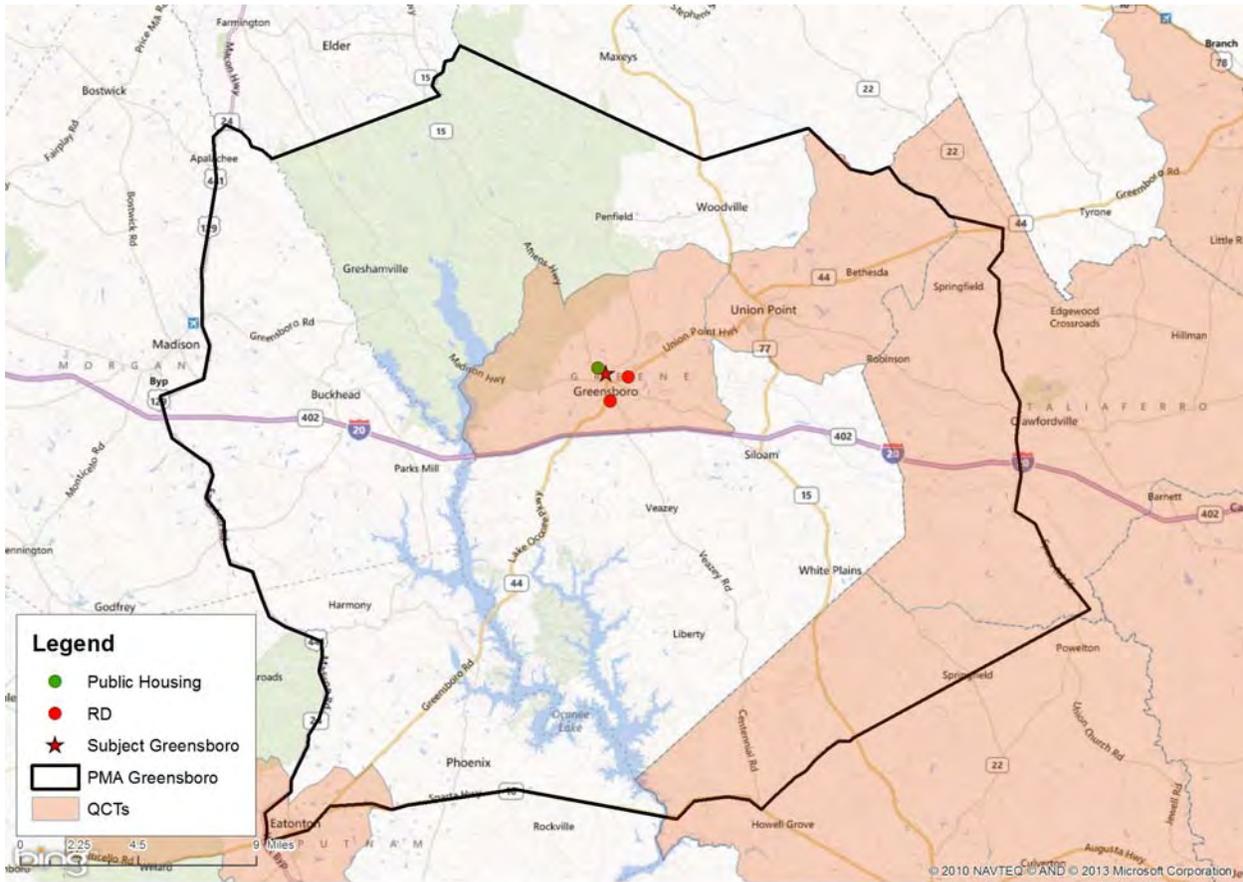
7. Multifamily Residential within Two Miles:

The closest multifamily properties to the Subject site are the Rural Development properties, Greensboro Village and Fox Chase I. These properties are located 1.6 and 1.3 miles from the Subject, respectively. Both of these properties are currently at 100 percent occupancy. These properties have been included in our analysis as comparable properties.

8. Existing Assisted Rental Housing Property Map:

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

Name	Address	City	State	Type	Map Color	Included/ Excluded	Reason for Exclusion
Fox Chase I	11 Fox Chase	Greensboro	GA	Rural Development - Family	Red	Included	N/Ap
Greensboro Village Apartments	108 Rachel Street	Greensboro	GA	Rural Development - Family	Red	Included	N/Ap
Mize Court Apartments	201 Mize Court	Greensboro	GA	Public Housing - Family	Green	Excluded	Subsidized
Overall							



Greensboro, GA



9. Road/Infrastructure

Proposed Improvements:

We witnessed no road/infrastructure improvements during our site inspection.

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

Access to the Subject, as well as ingress/egress will be from North West Street. Visibility of the site is from North West Street.

11. Environmental Concerns:

None visible upon site inspection.

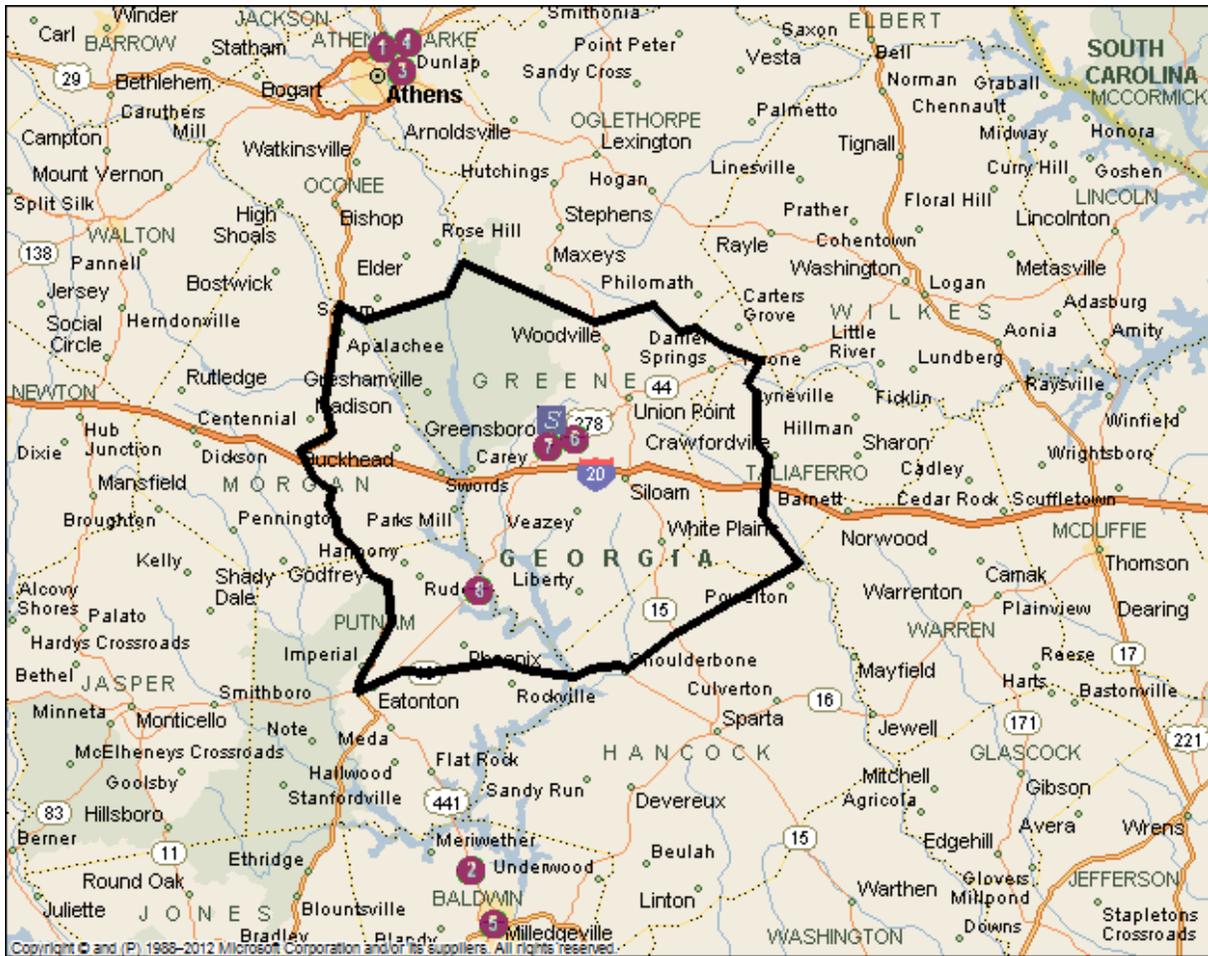
Detrimental Influences:

There are no significant detrimental influences.

12. Conclusion:

The Subject is located along North West Street which contains a mixture of residential, vacant land and industrial uses. The Subject is located within close proximity of an abundance of retail. Retail in the area appeared to be 90% occupied and is in generally good condition. Single family homes in the immediate neighborhood range from fair to good condition, with the exception of a few abandoned homes which are in poor condition. Homes in the area appeared to be generally well occupied and the few vacant homes in the neighborhood are not expected to be a detrimental influence on the Subject. Additionally, the Subject offers good visibility and curb appeal. Overall, the community presents a good location for an affordable, multifamily development and the Subject has a positive impact on the local neighborhood.

D. MARKET AREA



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 Albany MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

North – Greene County line

South- US Route 16, US Route 77, boundary extended into northern section of Hancock County

East- US Route 22

West- US Route 129/US Route 441

The area was defined based on interviews with property managers at comparable properties and local officials. The Subject is located in Greene County, which the local Chamber of Commerce indicated works in close connection with Oconee, Morgan, Putnam, and Hancock Counties. The PMA encompasses Greensboro and the north portion of the Lake Oconee market. Lake Oconee serves as a tourist destination for residents of Atlanta, Macon, and Athens. According to The Greene County Development Authority and Chamber of Commerce, the largest employers in the county include Reynolds Plantation (golf and lake community), The Ritz-Carlton Lodge (luxury lakeside hotel resort), the Board of Education, and the Board of Commissioners. Demand for affordable housing would come from those employed in the local retail and tourism-related industries.

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 Secondary Market Area (SMA) 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 SMA. We have chosen an SMA for analysis that includes Greene County as well as sections of Morgan, Putnam, Hancock, and Talia-Feraro counties.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Population by Age at Market Entry within population in SMA, the PMA and nationally from 1990 through 2017.

TOTAL POPULATION

Year	PMA		Green County, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	19,341	-	11,793	-	248,709,873	-
2000	24,598	2.7%	14,406	2.2%	281,421,906	1.3%
2012	29,088	1.5%	16,463	1.2%	313,129,017	0.9%
Projected Mkt Entry July 2015	29,552	0.5%	16,822	0.7%	319,643,343	0.7%
2017	29,861	0.5%	17,061	0.7%	323,986,227	0.7%

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

POPULATION BY AGE IN 2012

Age Cohort	PMA		Green County, GA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	1,610	5.5%	912	5.5%	20,415,489	6.5%
5-9	1,664	5.7%	971	5.9%	20,496,335	6.5%
10-14	1,679	5.8%	905	5.5%	20,608,360	6.6%
15-19	1,465	5.0%	820	5.0%	21,328,197	6.8%
20-24	1,367	4.7%	784	4.8%	22,231,483	7.1%
25-29	1,582	5.4%	916	5.6%	21,411,989	6.8%
30-34	1,587	5.5%	879	5.3%	20,901,024	6.7%
35-39	1,433	4.9%	745	4.5%	19,629,034	6.3%
40-44	1,656	5.7%	872	5.3%	20,893,964	6.7%
45-49	1,816	6.2%	948	5.8%	21,716,328	6.9%
50-54	2,072	7.1%	1,151	7.0%	22,516,442	7.2%
55-59	2,411	8.3%	1,359	8.3%	20,601,036	6.6%
60-64	2,711	9.3%	1,613	9.8%	17,970,604	5.7%
65-69	2,386	8.2%	1,460	8.9%	13,541,826	4.3%
70-74	1,649	5.7%	976	5.9%	9,905,564	3.2%
75-79	918	3.2%	523	3.2%	7,436,063	2.4%
80-84	559	1.9%	316	1.9%	5,709,226	1.8%
85+	522	1.8%	313	1.9%	5,816,053	1.9%
Total	29,087	100.0%	16,463	100.0%	313,129,017	100.0%

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

From 2012 through 2017, the total population in the PMA is projected to grow at a slightly lesser pace than both the SMA the nation. This trend will continue from the predicted market entry date of July 2015, through 2017. The population of the SMA and nation during this time will grow approximately 0.5 percent, which is 0.2 percentage points higher than the PMA.

The proposed project will target families in the area with one, two, and three-bedroom units. The Subject’s ability to accommodate families of one to five people and a strong family presence by age cohort in the population demonstrates demand in the market for the Subject.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Green County, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	6,769	-	4,083	-	91,947,410	-
2000	9,487	4.0%	5,517	3.5%	105,991,193	1.5%
2012	11,689	1.9%	6,622	1.6%	118,208,713	0.9%
Projected Mkt Entry July 2015	11,988	0.9%	6,843	1.1%	120,882,784	0.8%
2017	12,188	0.9%	6,990	1.1%	122,665,498	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Green County, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.56	-	2.58	-	2.58	-
2012	2.46	-0.3%	2.46	-0.4%	2.58	0.0%
Projected Mkt Entry July 2015	2.44	-0.3%	2.43	-0.4%	2.58	0.0%
2017	2.43	-0.3%	2.42	-0.4%	2.58	0.0%

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

Annual household growth in the PMA was strong at 1.9 percent in 2012 and is estimated to increase by 0.9 percent by 2015, and surpasses that of nation but will lag growth in the SMA. The SMA experienced a 1.6 percent annual growth in 2012, but will outpace the PMA and nation with 1.1 percent growth in 2015 and continuing into 2017. This growth is considered positive and bodes well for the Subject. The average household size in the PMA and SMA show 0.3 and 0.4 percent decreases, respectively. The nation does not show any projected annual changes in average household size by July 2015.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	7,394	77.9%	2,093	22.1%
2012	8,717	74.6%	2,972	25.4%
Projected Mkt Entry July 2015	8,980	74.9%	3,009	25.1%
2017	9,155	75.1%	3,033	24.9%

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

TENURE PATTERNS SMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	4,182	75.8%	1,335	24.2%
2012	4,839	73.1%	1,783	26.9%
Projected Mkt Entry July 2015	5,026	73.4%	1,817	26.6%
2017	5,150	73.7%	1,840	26.3%

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

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Owner-occupied units are projected to increase slightly by July 2015 and renter-occupied units are slated to decrease a nominal 0.3 percent. These trends will be the same in the SMA at time of market entry, according to the tables. Nationally, approximately a third of the nation resides in renter-occupied housing units. The number of people in the PMA who are renters is slightly lower than this national average.

2c. Households by Income

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

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,314	11.2%	1,360	11.3%	1,390	11.4%
\$10,000-19,999	1,792	15.3%	1,810	15.1%	1,822	15.0%
\$20,000-29,999	1,601	13.7%	1,665	13.9%	1,709	14.0%
\$30,000-39,999	1,168	10.0%	1,175	9.8%	1,180	9.7%
\$40,000-49,999	1,305	11.2%	1,322	11.0%	1,332	10.9%
\$50,000-59,999	797	6.8%	825	6.9%	844	6.9%
\$60,000-74,999	912	7.8%	924	7.7%	931	7.6%
\$75,000-99,999	1,044	8.9%	1,070	8.9%	1,088	8.9%
\$100,000-124,999	589	5.0%	619	5.2%	638	5.2%
\$125,000-149,999	300	2.6%	318	2.7%	330	2.7%
\$150,000-199,999	414	3.5%	413	3.4%	411	3.4%
\$200,000+	452	3.9%	488	4.1%	512	4.2%
Total	11,689	100.0%	11,988	100.0%	12,188	100.0%

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

The Subject will target households with income between \$9,806 and \$29,580. Approximately 29 percent of people in the PMA earn incomes between \$10,000 and \$29,999. Households in these income cohorts are expected to create demand for the Subject.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	546	26.1%	1,033	34.8%	1,064	35.4%	1,085	35.8%
With 2 Persons	552	26.4%	704	23.7%	711	23.6%	716	23.6%
With 3 Persons	405	19.4%	498	16.8%	501	16.7%	503	16.6%
With 4 Persons	273	13.0%	365	12.3%	366	12.2%	367	12.1%
With 5+ Persons	317	15.1%	372	12.5%	366	12.2%	362	11.9%
Total Renter Households	2,093	100.0%	2,972	100.0%	3,009	100.0%	3,033	100.0%

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

In 2012, approximately 87.5 percent of people in the PMA were living in one, two, three and four person households in the PMA. This trend is projected to remain relatively stable the Subject's market entry date and through 2017. This bodes well for the Subject's one, two, and three-bedroom units.

CONCLUSION

The Subject is located in Greensboro, Greene County, Georgia. Overall demographics are strong for the Subject's units. Over the next five years, the total population in the PMA is projected to grow steadily, although this is below both the SMA and nation. The proposed project will target families in the area with one, two, three-bedroom units. The Subject's ability to accommodate families of one to five people and a strong family presence by age cohort in the population demonstrates demand in the market for the Subject.

Both the population and household numbers for the PMA and MSA grew at rates higher than the nation in 2012. By 2015, growth in these areas will have slowed significantly and population growth in the PMA will be below the SMA and nation.

Strong household growth rates in the PMA outpaced both the SMA and nation in 2012, with 1.9 percent annual growth. These rates are projected to slow by July with household growth in the SMA outpacing the PMA and nation with 0.9 percent annual change. This trend is expected to continue through 2017 with the SMA growing approximately two and three percentage points more than the PMA and nation, respectively. The average household size in the PMA and SMA is roughly 2.4 persons per household with 0.3 and 0.4 decreases predicted in 2015 and 2017, respectively. These household sizes bode well for the Subject, which will consist of one, two, and three-bedroom units.

Tenure patterns in the PMA strongly favor owner-occupied housing. The PMA renter-occupied housing percentage is slightly below the nation average of 33 percent. However, the lack of renter households in the PMA is more an indicator of the lack of available rental options in the PMA.

In 2012, 29 percent of households earned \$29,999 or below, which is similar to the MSA and nation. The Subject will be targeting lower income families falling within this range, so this data indicates a favorable market for the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

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

Consistent with national trends, the greater MSA and PMA areas have undergone economic contractions over 2009 that continued into 2011 and are just starting to turn around and show positive growth. Various historically stable industries have experienced layoffs.

1. Total Jobs

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

TOTAL JOBS IN GREENE COUNTY

Year	Total	
	Employment	% Change
2002	4,664	-
2003	4,820	3.2%
2004	4,755	-1.4%
2005	4,854	2.0%
2006	5,111	5.0%
2007	5,583	8.5%
2008	5,655	1.3%
2009	5,276	-6.7%
2010	5,079	-3.7%
2011	5,019	-1.2%
2012 YTD Average *	5,093	1.5%
Sept-11	4,908	-
Sept-12	5,086	3.5%

Source: US Bureau of Labor Statistics

*YTD as of September 2012

Greene County posted strong employment growth from 2005 through 2008 but total employment decreased significantly from 2009 through 2011 due to the impact of the nation-wide recession and continuing economic downturn. Average annual employment estimates roughly reflect the year-over-year change in total employment, which increased by 3.5 percent from September 2011 to September 2012.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the PMA as of 2010.

2010 EMPLOYMENT BY INDUSTRY

Occupation	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	1,659	13.8%	13,047,475	9.6%
Health Care/Social Assistance	1,318	10.9%	18,891,157	13.9%
Retail Trade	1,276	10.6%	15,464,986	11.4%
Educational Services	1,191	9.9%	14,168,096	10.4%
Construction	950	7.9%	8,872,843	6.5%
Accommodation/Food Services	800	6.6%	9,114,767	6.7%
Public Administration	622	5.2%	6,916,821	5.1%
Agric/Forestry/Fishing/Hunting	553	4.6%	1,790,318	1.3%
Transportation/Warehousing	501	4.2%	5,487,029	4.0%
Wholesale Trade	500	4.1%	4,407,788	3.2%
Other Services (excl Publ Adm)	458	3.8%	6,679,783	4.9%
Finance/Insurance	434	3.6%	6,883,526	5.1%
Prof/Scientific/Tech Services	428	3.6%	8,520,310	6.3%
Arts/Entertainment/Recreation	352	2.9%	2,628,374	1.9%
Admin/Support/Waste Mgmt Svcs	351	2.9%	5,114,479	3.8%
Real Estate/Rental/Leasing	283	2.3%	2,825,263	2.1%
Utilities	193	1.6%	1,115,793	0.8%
Information	97	0.8%	3,158,778	2.3%
Mgmt of Companies/Enterprises	67	0.6%	202,384	0.1%
Mining	23	0.2%	723,991	0.5%
Total Employment	12,056	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 employment industries in the PMA are manufacturing, health care/social assistance, retail trade and educational services. Together, four industries comprise approximately 45 percent of total employment in the PMA. Of the top four industries, only manufacturing is overrepresented in the PMA when compared to the nation. Construction and retail trade are overrepresented in the PMA when compared to the nation. Health care/social assistance, retail trade and educational services are all overrepresented in the nation. Although the health care/social services industry is a prevalent in the PMA, this industry is the most underrepresented industry in the PMA when compared to the nation.

3. Major Employers

The diversification of the Greene County economic base is indicated by the following list of the area's nine largest employers.

MAJOR EMPLOYERS

Greene County, Georgia

Employer	Industry	Number Employed
Reynolds Plantation	Accommodations	540
Ritz-Carlton Lodge Reynolds Plantation	Accommodations	450
St. Mary's Good Samaritan Hospital	Health care	160
NIBCO Inc	Manufacturing	130
Novelis Inc	Manufacturing	125
Bank South Holding Company	Financial Services	124
a2b Fulfillment Inc	Logistics/Warehousing	100
Quail International Inc	Manufacturing	100
Greene Point Health Care & Rehab	Health care	80

Although the largest employment sector in Greene County is manufacturing, the two largest employers in Greene County are businesses in the accommodations industry. Of the top nine major employers, Reynolds Plantation and the Ritz-Carlton Lodge at Reynolds Plantation are both luxury resort and luxury living destinations that employ close to 1,000 individuals. Coinciding with previous data related to employment by industry, three of the top nine major employers are within the manufacturing sector.

Expansions/Contractions

We spoke with a representative at both the Greene County Chamber of Commerce and Greensboro planning and development office who did not mention any major employment expansion or contraction in the area over the past few years.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Greene County, Georgia from 2002 to 2013 (through March).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Green County, GA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	5,754	-	8.9%	-	136,485,000	-	5.8%	-
2003	6,041	5.0%	6.3%	-2.6%	137,736,000	0.9%	6.0%	0.2%
2004	6,010	-0.5%	6.1%	-0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	6,204	3.2%	7.1%	1.0%	141,730,000	1.8%	5.1%	-0.4%
2006	6,569	5.9%	5.8%	-1.3%	144,427,000	1.9%	4.6%	-0.5%
2007	7,045	7.2%	5.4%	-0.4%	146,047,000	1.1%	4.6%	0.0%
2008	7,054	0.1%	6.8%	1.4%	145,362,000	-0.5%	5.8%	1.2%
2009	6,693	-5.1%	11.2%	4.4%	139,877,000	-3.8%	9.3%	3.5%
2010	6,530	-2.4%	11.2%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	6,492	-0.6%	10.4%	-0.8%	139,869,000	0.6%	8.9%	-0.7%
2012	6,576	1.3%	9.6%	-0.8%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	6,442	-2.0%	11.2%	1.6%	142,180,000	-0.2%	8.1%	0.0%
Mar-2012	6,537	-	9.2%	-	141,412,000	-	8.4%	-
Mar-2013	6,393	-2.2%	9.3%	0.1%	142,698,000	0.9%	7.6%	-0.8%

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

*2013 data is through Mar

From 2002 through 2008 total employment in the SMA increased annually with the exception of 2004. In 2009, the SMA experienced a significant decline in total employment as a result of the national recession. The height of the SMA’s total employment decrease was 5.1 percent in 2009. This is similar to the employment decrease that the nation experienced of 3.8 percent in 2009. A decline in the employment rate of the SMA continued from 2009 through 2011, whereas an employment rate decline occurred from 2008 through 2010 in the nation. The SMA experienced employment growth in 2012, but experienced a 2.2 percent employment decline year-over-year from March 2012 through year-to-date March 2013. Year-to-date, both the SMA and nation experienced a decline, although significantly greater in the SMA than the nation.

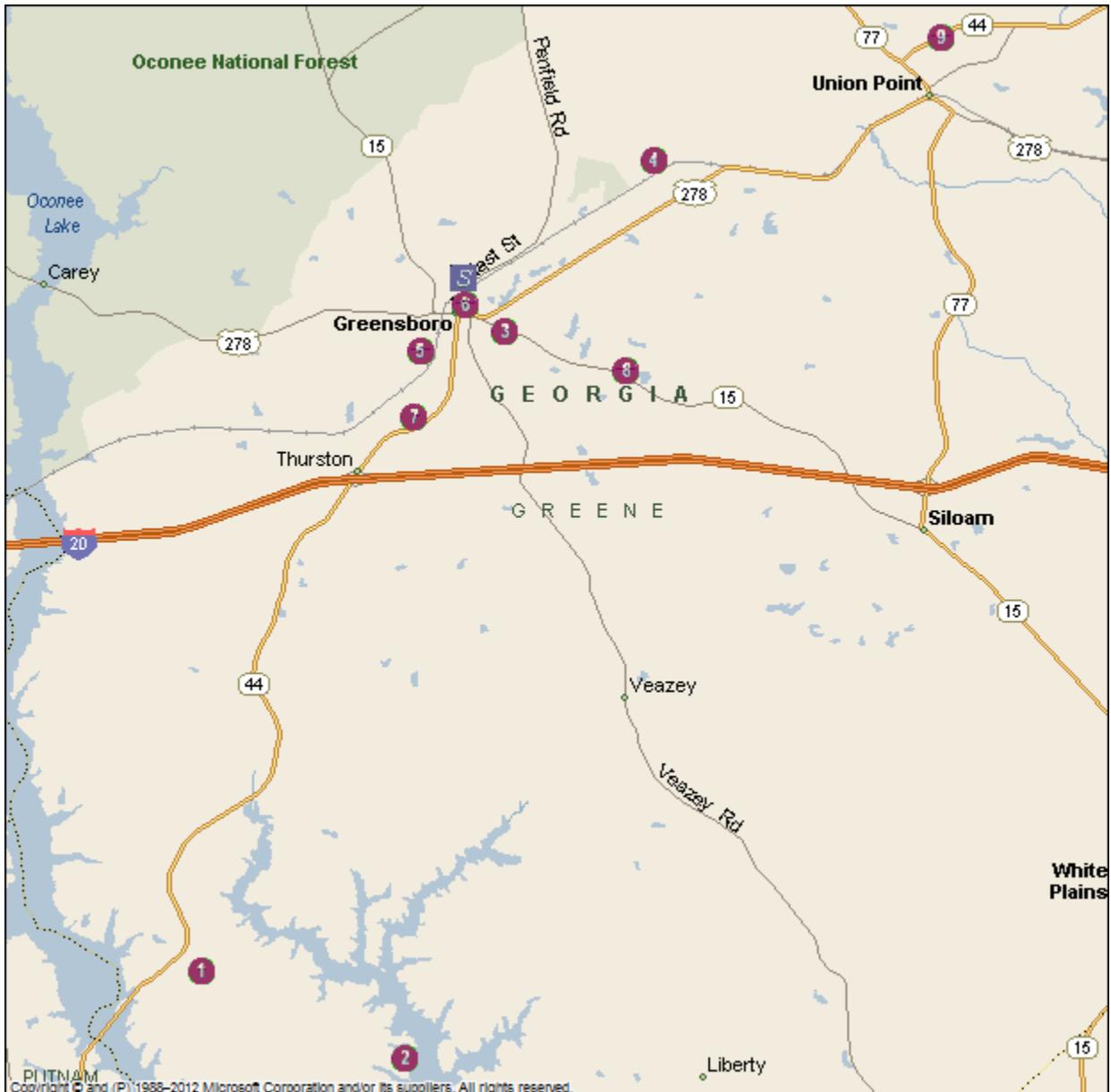
Year-to-date average unemployment rate in the SMA is 11.2 percent, which is approximately 3.1 percentage points higher than that of the nation. The MSA has experienced a 1.6 percent increase in the unemployment rate through March of 2013 while the national unemployment rate has remained stable. These figures demonstrate a SMA that is still slowly recovering from the economic downturn.

5. Map of Site and Major Employment Concentrations

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

MAJOR EMPLOYERS
Greene County, Georgia

Map No.	Employer	Industry	Number Employed
1	Reynolds Plantation	Accommodations	540
2	Ritz-Carlton Lodge Reynolds Plantation	Accommodations	450
3	St. Mary's Good Samaritan Hospital	Health care	160
4	NIBCO Inc	Manufacturing	130
5	Novelis Inc	Manufacturing	125
6	Bank South Holding Company	Financial Services	124
7	a2b Fulfillment Inc	Logistics/Warehousing	100
8	Quail International Inc	Manufacturing	100
9	Greene Point Health Care & Rehab	Health care	80



Conclusion

Total employment in Greene County began decreasing sharply in 2009 and the decline continued through 2010. While total employment in the county began to increase in 2012, the total employment level in the county as of March 2013 decreased by 2.2 percent and the year to date average remains below the peak employment of 2008.. The unemployment rate in the county has historically been one to three percentage points greater than that of the nation. As of March 2013, the unemployment rate in the county remains approximately 1.7 percentage points above that of the nation. This trend can be attributed to the rural nature of the local economy and its reliance on industries such as manufacturing, retail trade, and tourism. These figures demonstrate a SMA that is still slowly recovering from the economic downturn.

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 household will pay is 35 percent of its household income at the appropriate AMI level.

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

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2015, the anticipated date of market entry, as the base year for the analysis. Therefore, 2012 household population estimates are inflated to 2012 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 2000 to 2015 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. The Subject is a family property and therefore this source is not appropriate.

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

To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 110 percent to account for demand from the secondary market area. Managers at the USDA Rural Development and market rate properties in the PMA reported that tenants have come from the Atlanta area and out-of-state. Therefore, we anticipate that there will be leakage from the PMA. However, per GA DCA 2013 market study guidelines, we have not accounted for leakage in the demand analysis.

3D. OTHER

DCA does not consider household turnover to be a source of market demand.

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 the 2013 GA 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 and 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 are no LIHTC in the PMA. Therefore, we have not deducted any units from supply.

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											
Name	Address	City	State	Type	Total # of Units	Occupied Units	Occupancy Rate	Distance from Subject	Included/ Excluded	Reason for Exclusion	
Fox Chase I	11 Fox Chase	Greensboro	GA	Rural Development - Family	24	24	100%	1.3 miles	Included	N/Ap	
Greensboro Village Apartments	108 Rachel Street	Greensboro	GA	Rural Development - Family	33	33	100%	1.6 miles	Included	N/Ap	
Mize Court Apartments	201 Mize Court	Greensboro	GA	Public Housing - Family	N/A	N/A	N/A	0.6 miles	Excluded	Subsidized	
The Crossroads at Lake Oconee	111 Sweet Magnolia Lane	Eatonton	GA	Market	144	133	92%	13.5 miles	Included	N/Ap	
Overall					201	190	95%				

Rehab Developments and PBRA

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

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

Capture Rates

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

Mary-Leila Lofts, Greensboro, GA; Market Study

Renter Household Income Distribution 2012 to Projected Market Entry July 2015					
Greensboro Family					
PMA					
	2012		Projected Mkt Entry July 2015		Percent
	#	%	#	%	Growth
\$0-9,999	546	18.4%	550	18.3%	0.8%
\$10,000-19,999	742	25.0%	745	24.8%	0.5%
\$20,000-29,999	577	19.4%	593	19.7%	2.7%
\$30,000-39,999	239	8.0%	231	7.7%	-3.4%
\$40,000-49,999	312	10.5%	324	10.8%	3.5%
\$50,000-59,999	75	2.5%	82	2.7%	9.2%
\$60,000-74,999	177	5.9%	168	5.6%	-5.2%
\$75,000-99,999	127	4.3%	129	4.3%	1.9%
\$100,000-124,999	54	1.8%	58	1.9%	6.9%
\$125,000-149,999	55	1.9%	60	2.0%	7.7%
\$150,000-199,999	51	1.7%	50	1.6%	-2.9%
\$200,000+	18	0.6%	19	0.6%	2.8%
Total	2,972	100.0%	3,009	100.0%	1.2%

Renter Household Income Distribution Projected Market Entry July 2015			
Greensboro Family			
	PMA		Change 2012 to Prj Mkt Entry July 2015
	Projected Mkt Entry July 2015		
	#	%	#
\$0-9,999	550	18.3%	7
\$10,000-19,999	745	24.8%	9
\$20,000-29,999	593	19.7%	7
\$30,000-39,999	231	7.7%	3
\$40,000-49,999	324	10.8%	4
\$50,000-59,999	82	2.7%	1
\$60,000-74,999	168	5.6%	2
\$75,000-99,999	129	4.3%	2
\$100,000-124,999	58	1.9%	1
\$125,000-149,999	60	2.0%	1
\$150,000-199,999	50	1.6%	1
\$200,000+	19	0.6%	0
Total	3,009	100.0%	37

Tenure Prj Mkt Entry July 2015	
Renter	25.1%
Owner	74.9%
Total	100.0%

Renter Household Size for Prj Mkt Entry July 2015		
Size	Number	Percentage
1 Person	1,064	35.4%
2 Person	711	23.6%
3 Person	501	16.7%
4 Person	366	12.2%
5+ Person	366	12.2%
Total	3,009	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	546	26.1%
2 Person	552	26.4%
3 Person	405	19.4%
4 Person	273	13.0%
5+ Person	317	15.1%
Total	2,093	100.0%

50% AMI

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

Percent of AMI Level		50%			
Minimum Income Limit		\$14,674			
Maximum Income Limit		\$24,650		5	
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	6.69			
\$10,000-19,999	9.07	24.8%	5,325	53.3%	5
\$20,000-29,999	7.21	19.7%	4,650	46.5%	3
\$30,000-39,999	2.81	7.7%		0.0%	0
\$40,000-49,999	3.94	10.8%		0.0%	0
\$50,000-59,999	1.00	2.7%		0.0%	0
\$60,000-74,999	2.04	5.6%		0.0%	0
\$75,000-99,999	1.57	4.3%		0.0%	0
\$100,000-124,999	0.71	1.9%		0.0%	0
\$125,000-149,999	0.73	2.0%		0.0%	0
\$150,000-199,999	0.60	1.6%		0.0%	0
\$200,000+	0.23	0.6%		0.0%	0
	37	100.0%			8
Percent of renter households within limits versus total number of renter households					22.36%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$14,674			
Maximum Income Limit		\$24,650		\$5	
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	550			
\$10,000-19,999	745	24.8%	\$5,325	53%	397
\$20,000-29,999	593	19.7%	\$4,650	47%	276
\$30,000-39,999	231	7.7%	\$0	0%	0
\$40,000-49,999	324	10.8%	\$0	0%	0
\$50,000-59,999	82	2.7%	\$0	0%	0
\$60,000-74,999	168	5.6%	\$0	0%	0
\$75,000-99,999	129	4.3%	\$0	0%	0
\$100,000-124,999	58	1.9%	\$0	0%	0
\$125,000-149,999	60	2.0%	\$0	0%	0
\$150,000-199,999	50	1.6%	\$0	0%	0
\$200,000+	19	0.6%	\$0	0%	0
	3,009	100.0%			673
Percent of renter households within limits versus total number of renter households					22.36%

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 Pj 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		
Family		
Rural		
35%		
\$36,706		
\$46,189		
\$9,483		
20.5%		
1.7%		
1.7%	Two year adjustment	1.0000
\$18,250		
\$18,250		
5		
50%		
\$428		
\$428.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	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		50%
New Renter Households PMA		37
Percent Income Qualified		22.4%
New Renter Income Qualified Households		8

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		3,009
Income Qualified		22.4%
Income Qualified Renter Households		673
Percent Rent Overburdened Prj Mrkt Entry July 2015		27.0%
Rent Overburdened Households		182

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		673
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		6

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		188
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		188
Total New Demand		8
Total Demand (New Plus Existing Households)		196

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	35.4%	69
Two Persons	23.6%	46
Three Persons	16.7%	33
Four Persons	12.2%	24
Five Persons	12.2%	24
Total	100.0%	196

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	55
Of two-person households in 1BR units	10%	5
Of one-person households in 2BR units	20%	14
Of two-person households in 2BR units	90%	42
Of three-person households in 2BR units	70%	23
Of three-person households in 3BR units	30%	10
Of four-person households in 3BR units	100%	24
Of five-person households in 3BR units	100%	24
Total Demand		196
Check		OK

Total Demand by Bedroom	50%
1 BR	60
2 BR	78
3 BR	57
Total Demand	196

Additions To Supply 2012 to Prj Mrkt Entry July 2015	50%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	50%
1 BR	60
2 BR	78
3 BR	57
Total	196

Developer's Unit Mix	50%
1 BR	3
2 BR	8
3 BR	4
Total	15

Capture Rate Analysis	50%
1 BR	5.0%
2 BR	10.2%
3 BR	7.0%
Total	7.7%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,589		
Maximum Income Limit			\$29,580 5		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	6.69			
\$10,000-19,999	9.07	24.8%	2,410	24.1%	2
\$20,000-29,999	7.21	19.7%	9,580	95.8%	7
\$30,000-39,999	2.81	7.7%		0.0%	0
\$40,000-49,999	3.94	10.8%		0.0%	0
\$50,000-59,999	1.00	2.7%		0.0%	0
\$60,000-74,999	2.04	5.6%		0.0%	0
\$75,000-99,999	1.57	4.3%		0.0%	0
\$100,000-124,999	0.71	1.9%		0.0%	0
\$125,000-149,999	0.73	2.0%		0.0%	0
\$150,000-199,999	0.60	1.6%		0.0%	0
\$200,000+	0.23	0.6%		0.0%	0
	37	100.0%			9
Percent of renter households within limits versus total number of renter households					24.85%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,589		
Maximum Income Limit			\$29,580 \$5		
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	550			
\$10,000-19,999	745	24.8%	\$2,410	24%	180
\$20,000-29,999	593	19.7%	\$9,580	96%	568
\$30,000-39,999	231	7.7%	\$0	0%	0
\$40,000-49,999	324	10.8%	\$0	0%	0
\$50,000-59,999	82	2.7%	\$0	0%	0
\$60,000-74,999	168	5.6%	\$0	0%	0
\$75,000-99,999	129	4.3%	\$0	0%	0
\$100,000-124,999	58	1.9%	\$0	0%	0
\$125,000-149,999	60	2.0%	\$0	0%	0
\$150,000-199,999	50	1.6%	\$0	0%	0
\$200,000+	19	0.6%	\$0	0%	0
	3,009	100.0%			748
Percent of renter households within limits versus total number of renter households					24.85%

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 Pj 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		
Family		
Rural		
35%		
\$36,706		
\$46,189		
\$9,483		
20.5%		
1.7%		
1.7%	Two year adjustment	1.0000
\$29,580		
\$29,580		
5		
60%		
\$513		
\$513.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	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		37
Percent Income Qualified		24.9%
New Renter Income Qualified Households		9

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

Demand from Existing Households 2012

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		3,009
Income Qualified		24.9%
Income Qualified Renter Households		748
Percent Rent Overburdened Prj Mrkt Entry July 2015		27.0%
Rent Overburdened Households		202

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		748
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		7

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		209
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		209
Total New Demand		9
Total Demand (New Plus Existing Households)		218

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	35.4%	77
Two Persons	23.6%	52
Three Persons	16.7%	36
Four Persons	12.2%	27
Five Persons	12.2%	26
Total	100.0%	218

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	62
Of two-person households in 1BR units	10%	5
Of one-person households in 2BR units	20%	15
Of two-person households in 2BR units	90%	46
Of three-person households in 2BR units	70%	25
Of three-person households in 3BR units	30%	11
Of four-person households in 3BR units	100%	27
Of five-person households in 3BR units	100%	26
Total Demand		218
Check		OK

Total Demand by Bedroom	60%
1 BR	67
2 BR	87
3 BR	64
Total Demand	218

Additions To Supply 2012 to Prj Mrkt Entry July 2015	60%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	60%
1 BR	67
2 BR	87
3 BR	64
Total	218

Developer's Unit Mix	60%
1 BR	11
2 BR	29
3 BR	16
Total	56

Capture Rate Analysis	60%
1 BR	16.5%
2 BR	33.2%
3 BR	25.0%
Total	25.7%

Overall

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$14,674			
Maximum Income Limit			\$29,580		5	
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	\$0-9,999	10.56			18.2%	
\$10,000-19,999	14.35	24.7%	5,325	53.3%	8	
\$20,000-29,999	11.59	19.9%	9,580	95.8%	11	
\$30,000-39,999	4.34	7.5%		0.0%	0	
\$40,000-49,999	6.36	10.9%		0.0%	0	
\$50,000-59,999	1.67	2.9%		0.0%	0	
\$60,000-74,999	3.11	5.3%		0.0%	0	
\$75,000-99,999	2.51	4.3%		0.0%	0	
\$100,000-124,999	1.17	2.0%		0.0%	0	
\$125,000-149,999	1.21	2.1%		0.0%	0	
\$150,000-199,999	0.93	1.6%		0.0%	0	
\$200,000+	0.37	0.6%		0.0%	0	
	58	100.0%			19	
Percent of renter households within limits versus total number of renter households					32.23%	

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$14,674			
Maximum Income Limit			\$29,580		\$5	
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket	
	\$0-9,999	550			18.2%	\$0
\$10,000-19,999	748	24.7%	\$5,325	53%	398	
\$20,000-29,999	604	19.9%	\$9,580	96%	578	
\$30,000-39,999	226	7.5%	\$0	0%	0	
\$40,000-49,999	331	10.9%	\$0	0%	0	
\$50,000-59,999	87	2.9%	\$0	0%	0	
\$60,000-74,999	162	5.3%	\$0	0%	0	
\$75,000-99,999	131	4.3%	\$0	0%	0	
\$100,000-124,999	61	2.0%	\$0	0%	0	
\$125,000-149,999	63	2.1%	\$0	0%	0	
\$150,000-199,999	49	1.6%	\$0	0%	0	
\$200,000+	19	0.6%	\$0	0%	0	
	3,030	100.0%			977	
Percent of renter households within limits versus total number of renter households					32.23%	

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 Pj 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		
Family		
Rural		
35%		
\$36,706		
\$46,189		
\$9,483		
20.5%		
1.7%		
1.7%	Two year adjustment	1.0000
\$29,580		
\$29,580		
\$5		
Overall		
\$428		
\$428.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	100%	0%	0%	100%
5+	0%	0%	0%	100%	0%	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		Overall
New Renter Households PMA		58
Percent Income Qualified		32.2%
New Renter Income Qualified Households		19

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

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		3,030
Income Qualified		32.2%
Income Qualified Renter Households		977
Percent Rent Overburdened Prj Mrkt Entry July 2015		27.0%
Rent Overburdened Households		264

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		977
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		9

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		273
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		273
Total New Demand		19
Total Demand (New Plus Existing Households)		291

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	35.4%	103
Two Persons	23.6%	69
Three Persons	16.7%	48
Four Persons	12.2%	35
Five Persons	12.2%	35
Total	100.0%	291

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	82
Of two-person households in 1BR units	10%	7
Of one-person households in 2BR units	20%	21
Of two-person households in 2BR units	90%	62
Of three-person households in 2BR units	70%	34
Of three-person households in 3BR units	30%	15
Of four-person households in 3BR units	100%	35
Of five-person households in 3BR units	100%	35
Total Demand		291
Check		OK

Total Demand by Bedroom	Overall
1 BR	89
2 BR	116
3 BR	85
Total Demand	291

Additions To Supply 2012 to Prj Mrkt Entry July 2015	Overall
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	Overall
1 BR	89
2 BR	116
3 BR	85
Total	291

Developer's Unit Mix	Overall
1 BR	14
2 BR	37
3 BR	20
Total	71

Capture Rate Analysis	Overall
1 BR	15.7%
2 BR	31.8%
3 BR	23.4%
Total	24.4%

Conclusions

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

- The number of households in the PMA is expected to increase 1.9 percent between 2012 and 2017.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	3	60	0	60	5.0%	12 months	\$449	\$273-\$650	\$264
2BR at 50% AMI	8	78	0	78	10.2%	12 months	\$496	\$368-\$785	\$305
3BR at 50% AMI	4	57	0	57	7.0%	12 months	\$551	\$400-\$905	\$334
All 50% AMI Units	15	196	0	196	7.4%	12 months	-	-	-
1BR at 60% AMI	11	67	0	67	16.5%	12 months	\$469	\$318-\$650	\$349
2BR at 60% AMI	29	87	0	87	33.2%	12 months	\$500	\$368-\$785	\$408
3BR at 60% AMI	16	64	0	64	25.0%	12 months	\$557	\$400-\$905	\$452
All 60% AMI Units	56	218	0	218	24.9%	12 months	-	-	-
1BR Overall	14	127	0	127	11.0%	12 months	-	-	-
2BR Overall	37	166	0	166	22.3%	12 months	-	-	-
3BR Overall	20	121	0	121	16.5%	12 months	-	-	-
All Units	71	414	0	414	16.6%	12 months	-	-	-

Demand and Net Demand

	HH at 50% AMI (\$14,674 to \$24,650)	HH at 60% AMI (\$17,589 to \$29,580)	All Tax Credit Households
Demand from New Households (age and income appropriate)	8	9	19
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	6	7	9
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	182	202	264
PLUS	+	+	+
Sub Total	196	218	291
Equals Total Demand	196	218	291
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
Equals Net Demand	196	218	291

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 5.0 to 10.2 percent, with an overall capture rate of 7.4 percent. The Subject’s 60 percent AMI capture rates range from 16.5 to 33.2 percent, with an overall capture rate of 24.6 percent. The overall capture rate for the project’s 50 and 60 percent units is 16.6 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 869 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.

Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities; tenant profiles; and market trends in general. There are no LIHTC properties in the PMA that do not operate without USDA Rural Development subsidy. We have included two family USDA Rural Development properties in Greensboro, two family market rate properties, and five of the closest family LIHTC properties to Greensboro. These properties are located in Athens and Milledgeville, which are within approximately 35 to 40 miles of the Subject site in towns that are located north and south of Greensboro. The Athens and Milledgeville markets differ from that of the Subject as they are much larger. We have not included classified listings in Greensboro as the ones available are for lakeside cabin rentals.

General Market Overview/Included/Excluded Properties

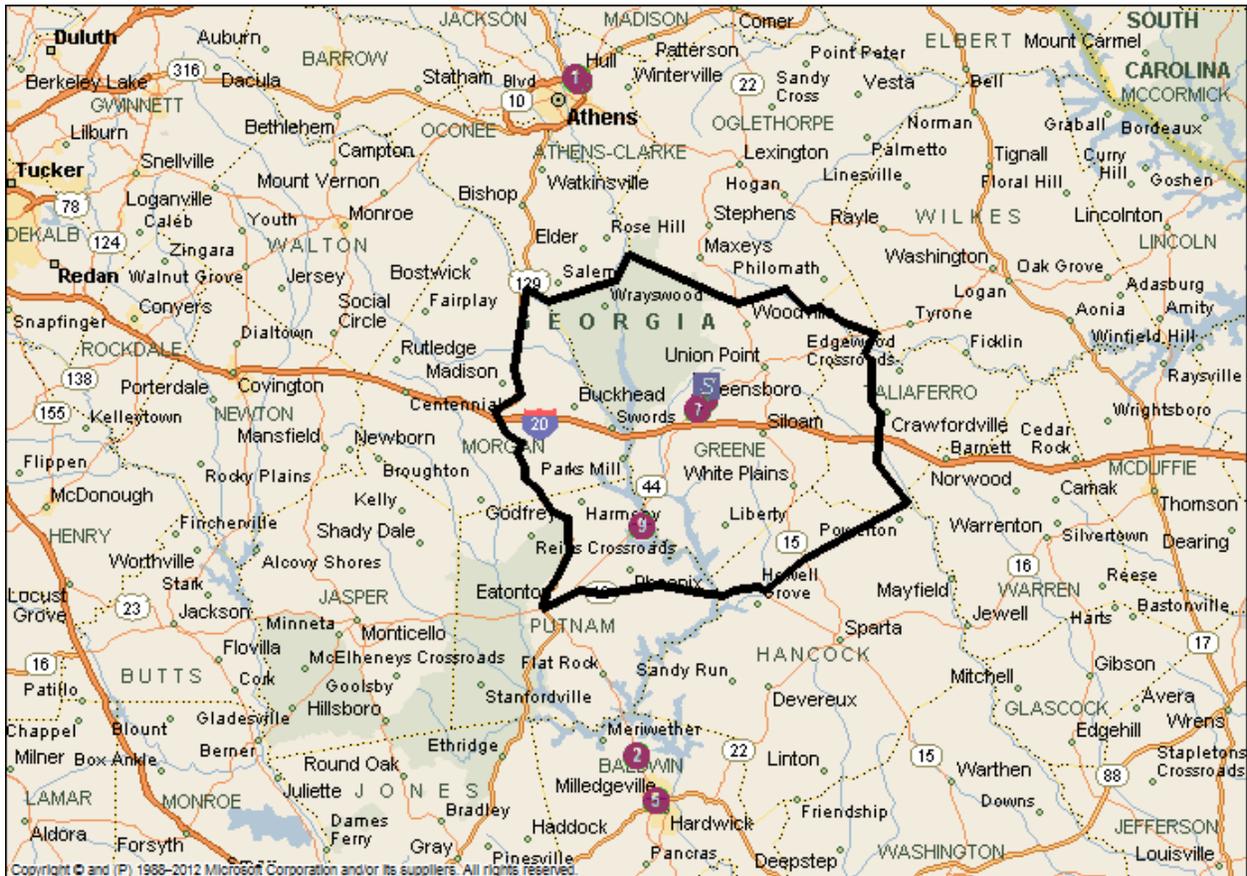
The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

GENERAL MARKET OVERVIEW

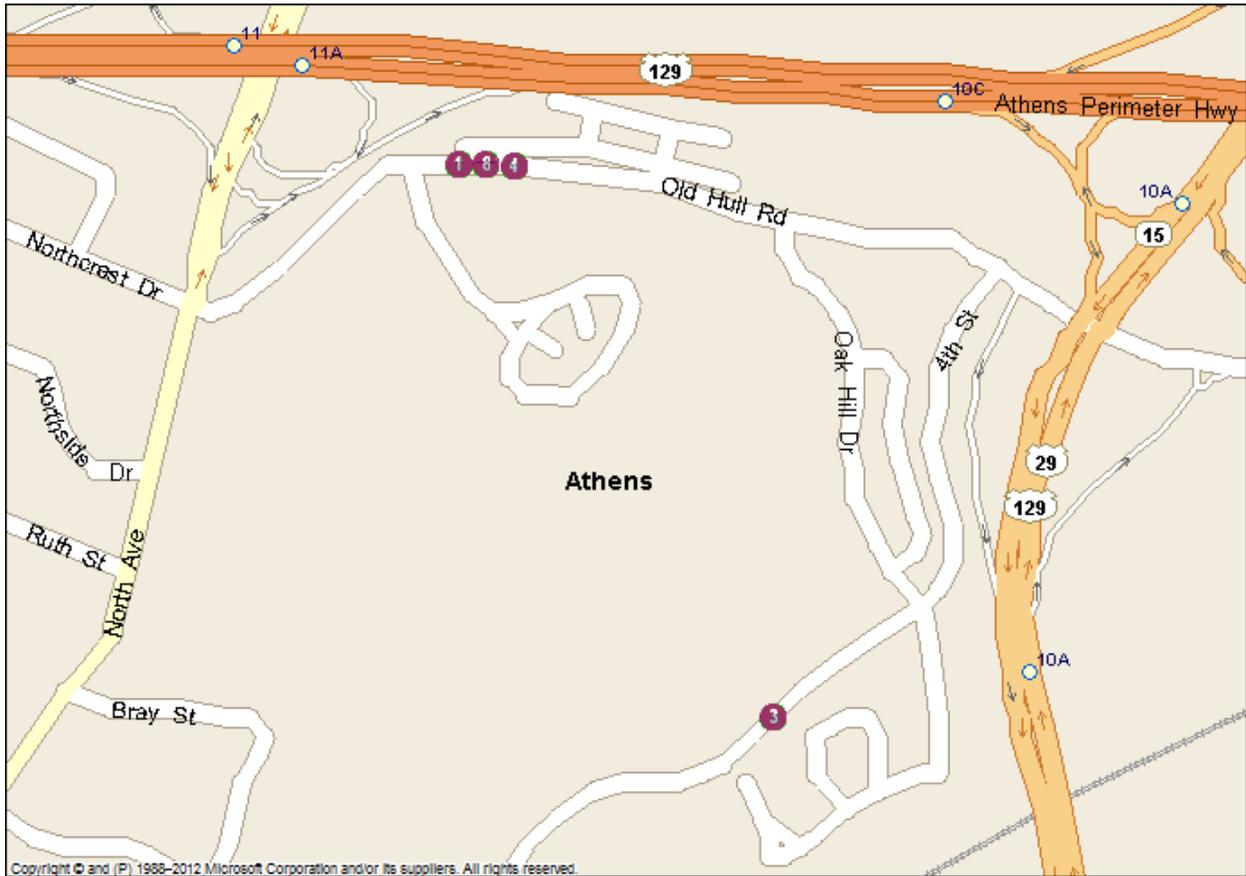
Name	Address	City	State	Type	Total # of Units	Occupied Units	Occupancy Rate	Distance from Subject	Included/ Excluded	Reason for Exclusion
Fox Chase I	11 Fox Chase	Greensboro	GA	Rural Development - Family	24	24	100%	1.3 miles	Included	N/Ap
Greensboro Village Apartments	108 Rachel Street	Greensboro	GA	Rural Development - Family	33	33	100%	1.6 miles	Included	N/Ap
Mize Court Apartments	201 Mize Court	Greensboro	GA	Public Housing - Family	N/A	N/A	N/A	0.6 miles	Excluded	Subsidized
The Crossroads at Lake Oconee	111 Sweet Magnolia Lane	Eatonton	GA	Market	144	133	92%	13.5 miles	Included	N/Ap
Overall					201	190	95%			

As the previous table demonstrates, there is limited multifamily rental housing in the PMA. There are no vacancies at these properties, which indicates a healthy rental market.

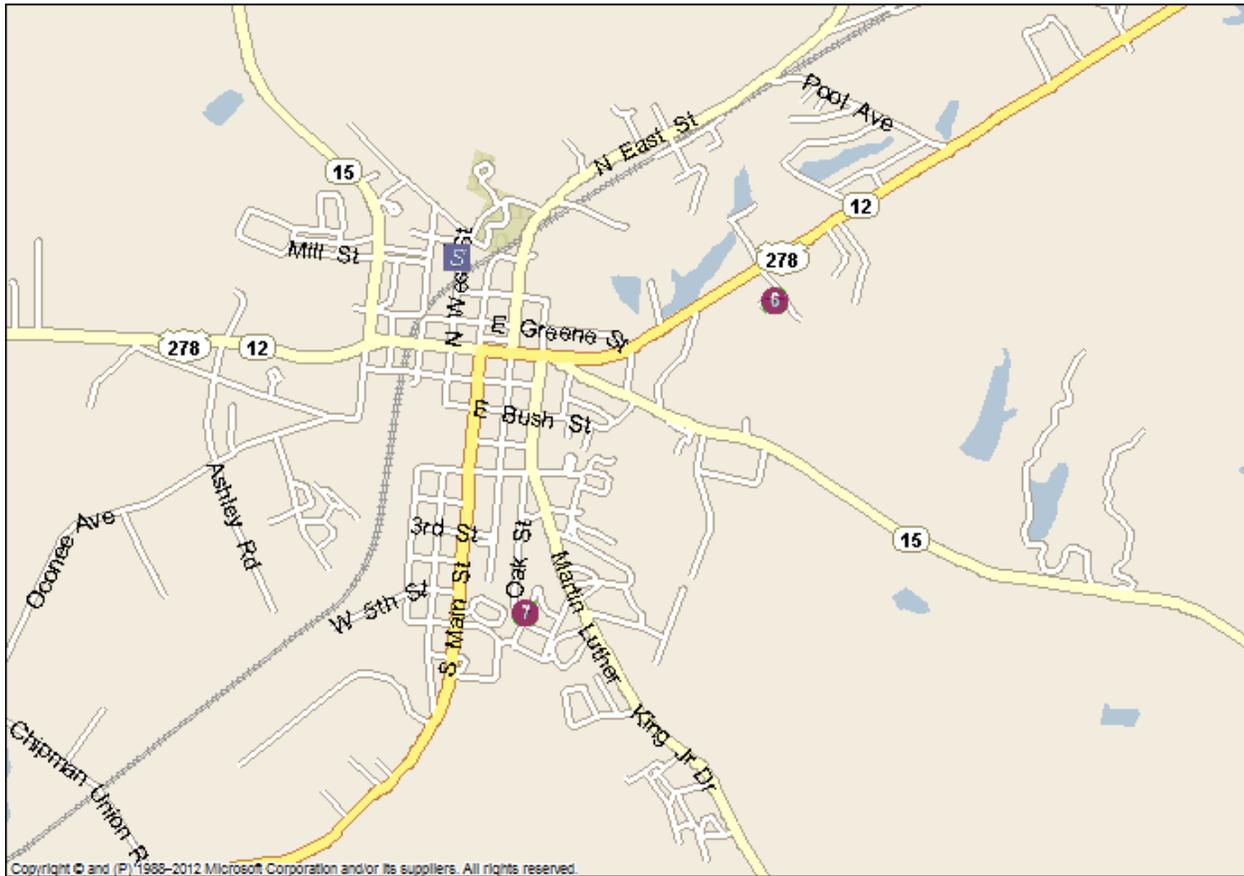
Comparable Rental Property Map - Overview



Comparable Rental Property Map – Athens Detail



Comparable Rental Property Map – Greensboro Detail



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Dogwood Park Apartments	Athens	@30%, @60%	35.5 miles
2	Edgewood Park Apartments	Milledgeville	@30% (HOME), @60% (HOME)	35.2 miles
3	Fourth Street Village Apartments	Athens	@30%, @50%, Market	35.5 miles
4	Oak Hill Apartments	Athens	@60%	35.5 miles
5	Waterford Place	Milledgeville	@60%, Market	40.8 miles
6	Fox Chase I	Greensboro	Rural Development	1.3 miles
7	Greensboro Village Apartments	Greensboro	Rural Development	1.6 miles
8	Knollwood Manor	Athens	Market	35.5 miles
9	The Crossroads At Lake Oconee	Eatonton	Market	13.5 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	Mary-leila Lofts 306 N. West Street Greensboro, GA 30642 Greene County	n/a	Garden (2 stories) 2015 / n/a	@50%, @60%	1BR / 1BA	11	4.20%	@50%	\$264	750	yes		N/A	N/A
					1BR / 1BA	11	15.50%	@60%	\$349	750	yes	N/A	N/A	
					2BR / 2BA	8	11.30%	@50%	\$305	840	yes	N/A	N/A	
					2BR / 2BA	29	40.80%	@60%	\$408	840	yes	N/A	N/A	
					3BR / 2BA	4	5.60%	@50%	\$334	1,200	yes	N/A	N/A	
					3BR / 2BA	16	22.50%	@60%	\$452	1,200	yes	N/A	N/A	
						71	100%					N/A	N/A	
1	Dogwood Park Apartments 198 Old Hull Road Athens, GA 30601 Clarke County	35.5 miles	Garden (2 stories) 1995 / n/a	@30%, @60%	1BR / 1BA	7	5.50%	@30%	\$174	650	no	No	0	0.00%
					2BR / 2BA	68	53.50%	@60%	\$497	987	no	No	14	20.60%
					3BR / 2BA	52	40.90%	@60%	\$543	1,170	no	No	12	23.10%
						127	100%					26	20.50%	
2	Edgewood Park Apartments 2671 N Columbia Street Milledgeville, GA 31061 Baldwin County	35.2 miles	Garden (3 stories) 1997 / n/a	@30% (HOME), @60% (HOME)	1BR / 1BA	3	5.30%	@30%	\$122	650	n/a	Yes	0	0.00%
					2BR / 2BA	36	63.20%	@60%	\$371	987	n/a	No	3	8.30%
					3BR / 2BA	18	31.60%	@60%	\$418	1,153	n/a	No	2	11.10%
						57	100%					5	8.80%	
3	Fourth Street Village Apartments 690 4th Street Athens, GA 30601 Clarke County	35.5 miles	Garden (2 stories) 2007 / n/a	@30%, @50%, Market	1BR / 1BA	2	1.70%	@30%	\$185	866	no	Yes	0	0.00%
					1BR / 1BA	13	10.80%	@50%	\$273	866	no	No	N/A	N/A
					1BR / 1BA	5	4.20%	Market	\$473	866	n/a	No	N/A	N/A
					2BR / 2BA	7	5.80%	@30%	\$230	1,074	no	Yes	0	0.00%
					2BR / 2BA	48	40.00%	@50%	\$447	1,074	no	No	N/A	N/A
					2BR / 2BA	15	12.50%	Market	\$549	1,074	n/a	No	N/A	N/A
					3BR / 2BA	3	2.50%	@30%	\$240	1,324	no	Yes	0	0.00%
					3BR / 2BA	21	17.50%	@50%	\$488	1,279	no	No	N/A	N/A
					3BR / 2BA	6	5.00%	Market	\$623	1,279	n/a	No	N/A	N/A
						120	100%					19	15.80%	
4	Oak Hill Apartments 210 Old Hull Road Athens, GA 30601 Clarke County	35.5 miles	Garden (3 stories) 2002 / n/a	@60%	1BR / 1BA	84	38.20%	@60%	\$507	815	no	No	9	10.70%
					2BR / 2BA	128	58.20%	@60%	\$535	1,080	no	No	9	7.00%
					3BR / 2BA	8	3.60%	@60%	\$671	1,520	no	No	0	0.00%
						220	100%					18	8.20%	
5	Waterford Place 131 N Pickens Street Milledgeville, GA 31059 Baldwin County	40.8 miles	Garden (2 stories) 2004 / n/a	@60%, Market	1BR / 1BA	18	22.50%	@60%	\$318	743	no	No	1	5.60%
					1BR / 1BA	N/A	N/A	Market	\$396	743	n/a	No	1	N/A
					2BR / 2BA	40	50.00%	@60%	\$368	1,011	no	No	5	12.50%
					2BR / 2BA	N/A	N/A	Market	\$456	1,011	n/a	No	0	N/A
					3BR / 2BA	24	30.00%	@60%	\$400	1,119	no	No	2	8.30%
					3BR / 2BA	N/A	N/A	Market	\$488	1,119	n/a	No	1	N/A
	80	100%					10	12.50%						
6	Fox Chase I 11 Fox Chase Greensboro, GA 30642 Greene County	1.3 miles	Various 1990s / n/a	Rural Development	1BR / 1BA (Garden)	N/A	N/A	Rural	\$376	643	n/a	Yes	0	N/A
					1BR / 1BA (Garden)	N/A	N/A	Rural	\$503	643	n/a	Yes	0	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	Rural	\$401	944	n/a	Yes	0	N/A
					2BR / 1.5BA (Townhouse)	N/A	N/A	Rural	\$524	944	n/a	Yes	0	N/A
					3BR / 1.5BA (Garden)	N/A	N/A	Rural	\$413	948	n/a	Yes	0	N/A
					3BR / 1.5BA (Garden)	N/A	N/A	Rural	\$554	948	n/a	Yes	0	N/A
	24	100%					0	0.00%						
7	Greensboro Village Apartments 108 Rachel St Greensboro, GA 30642 Greene County	1.6 miles	Lowrise 1990s / n/a	Rural Development (BASIC), Rural Development (NOTE)	1BR / 1BA	N/A	N/A	Rural	\$406	700	n/a	3 HH	0	N/A
					1BR / 1BA	N/A	N/A	Rural	\$591	700	n/a	3 HH	0	N/A
					2BR / 1BA	N/A	N/A	Rural	\$421	900	n/a	8 HH	0	N/A
					2BR / 1BA	N/A	N/A	Rural	\$596	900	n/a	8 HH	0	N/A
						33	100%					0	0.00%	
8	Knollwood Manor 205 Old Hull Road Athens, GA 30605 Clarke County	35.5 miles	Garden (2 stories) 1996 / n/a	Market	2BR / 2BA	32	50.00%	Market	\$494	1,056	n/a	No	1	3.10%
					3BR / 2BA	32	50.00%	Market	\$558	1,238	n/a	No	2	6.20%
						64	100%					3	4.70%	
9	The Crossroads At Lake Oconee 111 Sweet Magnolia Ln Eatonton, GA 31024 Putnam County	13.5 miles	Garden (3 stories) 2002 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$650	736	n/a	No	N/A	N/A
					2BR / 1BA	N/A	N/A	Market	\$745	1,011	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$785	1,063	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$905	1,387	n/a	No	N/A	N/A
	144	100%					11	7.60%						

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

Effective Rent Date:	Jun-13	Units Surveyed:	869	Weighted Occupancy:	89.40%
		Market Rate	265	Market Rate	94.70%
		Tax Credit	604	Tax Credit	87.10%

One Bedroom One Bath

Two Bedrooms Two Bath

Three Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	The Crossroads At Lake Oconee	\$650	The Crossroads At Lake Oconee	\$785	The Crossroads At Lake Oconee	\$905
	Greensboro Village Apartments	\$591	Greensboro Village Apartments (1BA)	\$596	Oak Hill Apartments * (60%)	\$671
	Oak Hill Apartments * (60%)	\$507	Fourth Street Village Apartments * (M)	\$549	Fourth Street Village Apartments * (M)	\$623
	Fox Chase I	\$503	Oak Hill Apartments * (60%)	\$535	Knollwood Manor	\$558
	Fourth Street Village Apartments * (M)	\$473	Fox Chase I (1.5BA)	\$524	Fox Chase I (1.5BA)	\$554
	Greensboro Village Apartments	\$406	Dogwood Park Apartments * (60%)	\$497	Dogwood Park Apartments * (60%)	\$543
	Waterford Place * (M)	\$396	Knollwood Manor	\$494	Fourth Street Village Apartments * (50%)	\$488
	Fox Chase I	\$376	Waterford Place * (M)	\$456	Waterford Place * (M)	\$488
	Mary-leila Lofts * (60%)	\$349	Fourth Street Village Apartments * (50%)	\$447	Mary-leila Lofts * (60%)	\$452
	Waterford Place * (60%)	\$318	Greensboro Village Apartments (1BA)	\$421	Edgewood Park Apartments * (60%)	\$418
	Fourth Street Village Apartments * (50%)	\$273	Mary-leila Lofts * (60%)	\$408	Fox Chase I (1.5BA)	\$413
	Mary-leila Lofts * (50%)	\$264	Fox Chase I (1.5BA)	\$401	Waterford Place * (60%)	\$400
	Fourth Street Village Apartments * (30%)	\$185	Edgewood Park Apartments * (60%)	\$371	Mary-leila Lofts * (50%)	\$334
	Dogwood Park Apartments * (30%)	\$174	Waterford Place * (60%)	\$368	Fourth Street Village Apartments * (30%)	\$240
Edgewood Park Apartments * (30%)	\$122	Mary-leila Lofts * (50%)	\$305			
		Fourth Street Village Apartments * (30%)	\$230			
SQUARE FOOTAGE	Fourth Street Village Apartments * (30%)	866	Oak Hill Apartments * (60%)	1,080	Oak Hill Apartments * (60%)	1,520
	Fourth Street Village Apartments * (50%)	866	Fourth Street Village Apartments * (30%)	1,074	The Crossroads At Lake Oconee	1,387
	Fourth Street Village Apartments * (M)	866	Fourth Street Village Apartments * (50%)	1,074	Fourth Street Village Apartments * (30%)	1,324
	Oak Hill Apartments * (60%)	815	Fourth Street Village Apartments * (M)	1,074	Fourth Street Village Apartments * (50%)	1,279
	Mary-leila Lofts * (50%)	750	The Crossroads At Lake Oconee	1,063	Fourth Street Village Apartments * (M)	1,279
	Mary-leila Lofts * (60%)	750	Knollwood Manor	1,056	Knollwood Manor	1,238
	Waterford Place * (60%)	743	Waterford Place * (60%)	1,011	Mary-leila Lofts * (50%)	1,200
	Waterford Place * (M)	743	Waterford Place * (M)	1,011	Mary-leila Lofts * (60%)	1,200
	The Crossroads At Lake Oconee	736	Dogwood Park Apartments * (60%)	987	Dogwood Park Apartments * (60%)	1,170
	Greensboro Village Apartments	700	Edgewood Park Apartments * (60%)	987	Edgewood Park Apartments * (60%)	1,153
	Greensboro Village Apartments	700	Fox Chase I (1.5BA)	944	Waterford Place * (60%)	1,119
	Dogwood Park Apartments * (30%)	650	Fox Chase I (1.5BA)	944	Waterford Place * (M)	1,119
	Edgewood Park Apartments * (30%)	650	Greensboro Village Apartments (1BA)	900	Fox Chase I (1.5BA)	948
	Fox Chase I	643	Greensboro Village Apartments (1BA)	900	Fox Chase I (1.5BA)	948
	Fox Chase I	643	Mary-leila Lofts * (50%)	840		
			Mary-leila Lofts * (60%)	840		
	RENT PER SQUARE FOOT	The Crossroads At Lake Oconee	\$0.88	The Crossroads At Lake Oconee	\$0.74	The Crossroads At Lake Oconee
Greensboro Village Apartments		\$0.84	Greensboro Village Apartments (1BA)	\$0.66	Fox Chase I (1.5BA)	\$0.58
Fox Chase I		\$0.78	Fox Chase I (1.5BA)	\$0.56	Fourth Street Village Apartments * (M)	\$0.49
Oak Hill Apartments * (60%)		\$0.62	Fourth Street Village Apartments * (M)	\$0.51	Dogwood Park Apartments * (60%)	\$0.46
Fox Chase I		\$0.58	Dogwood Park Apartments * (60%)	\$0.50	Knollwood Manor	\$0.45
Greensboro Village Apartments		\$0.58	Oak Hill Apartments * (60%)	\$0.50	Oak Hill Apartments * (60%)	\$0.44
Fourth Street Village Apartments * (M)		\$0.55	Mary-leila Lofts * (60%)	\$0.49	Waterford Place * (M)	\$0.44
Waterford Place * (M)		\$0.53	Knollwood Manor	\$0.47	Fox Chase I (1.5BA)	\$0.44
Mary-leila Lofts * (60%)		\$0.47	Greensboro Village Apartments (1BA)	\$0.47	Fourth Street Village Apartments * (50%)	\$0.38
Waterford Place * (60%)		\$0.43	Waterford Place * (M)	\$0.45	Mary-leila Lofts * (60%)	\$0.38
Mary-leila Lofts * (50%)		\$0.35	Fox Chase I (1.5BA)	\$0.42	Edgewood Park Apartments * (60%)	\$0.36
Fourth Street Village Apartments * (50%)		\$0.32	Fourth Street Village Apartments * (50%)	\$0.42	Waterford Place * (60%)	\$0.36
Dogwood Park Apartments * (30%)		\$0.27	Edgewood Park Apartments * (60%)	\$0.38	Mary-leila Lofts * (50%)	\$0.28
Fourth Street Village Apartments * (30%)		\$0.21	Waterford Place * (60%)	\$0.36	Fourth Street Village Apartments * (30%)	\$0.18
Edgewood Park Apartments * (30%)		\$0.19	Mary-leila Lofts * (50%)	\$0.36		
			Fourth Street Village Apartments * (30%)	\$0.21		

PROPERTY PROFILE REPORT

Dogwood Park Apartments

Effective Rent Date	2/12/2013
Location	198 Old Hull Road Athens, GA 30601 Clarke County
Distance	35.5 miles
Units	127
Vacant Units	26
Vacancy Rate	20.5%
Type	Garden (2 stories)
Year Built/Renovated	1995 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Nolewood Manor, Oak Hill
Tenant Characteristics	Primarily families with hh size 4, including many single parent households
Contact Name	Ms. Jenny
Phone	(706) 369-6992



Market Information

Program	@30%, @60%
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	1 to 2 months
Annual Chg. in Rent	None
Concession	First month for \$299. Reduced deposits

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)	7	650	\$174	\$0	@30%	No	0	0.0%	no	None
2	2	Garden (2 stories)	68	987	\$515	\$18	@60%	No	14	20.6%	no	None
3	2	Garden (2 stories)	52	1,170	\$565	\$22	@60%	No	12	23.1%	no	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$174	\$0	\$174	\$0	\$174	2BR / 2BA	\$515	\$18	\$497	\$0	\$497
						3BR / 2BA	\$565	\$22	\$543	\$0	\$543

Dogwood Park Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Tennis Court

Exercise Facility
Off-Street Parking
Playground
Volleyball Court

Premium

None

Other

None

Comments

The contact reported that occupancy has been consistently low in the past two to three years ranging between 75 and 85 percent during that time. She stated that the company has strict tenancy standards and most applicants are denied due to poor credit. Out of 20 applicants on a given month, the contact noted only 10 percent will get approved. The contact also said that there are many applicants that get denied due to a felony on their criminal record which automatically disqualifies them from tenancy. On the other end of the spectrum, there are applicants who work at Caterpillar or at Pilgrims Pride and are over income qualified and are not eligible to reside at the property. The contact reported that the standards at the nearby Oak Hill Apartments, another affordable community, are not as high and therefore they typically have a higher occupancy rate.

Dogwood Park Apartments, continued

Trend Report

Vacancy Rates

3Q09	1Q10	1Q11	1Q13
8.7%	7.9%	26.0%	20.5%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$174	\$0	\$174	\$174
2010	1	0.0%	\$174	\$0	\$174	\$174
2011	1	0.0%	\$174	\$0	\$174	\$174
2013	1	0.0%	\$174	\$0	\$174	\$174

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	8.8%	\$495	\$33	\$462	\$462
2010	1	4.4%	\$495	\$0	\$495	\$495
2011	1	29.4%	\$495	\$0	\$495	\$495
2013	1	20.6%	\$515	\$18	\$497	\$497

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	9.6%	\$559	\$38	\$521	\$521
2010	1	13.5%	\$559	\$0	\$559	\$559
2011	1	25.0%	\$559	\$0	\$559	\$559
2013	1	23.1%	\$565	\$22	\$543	\$543

Trend: Comments

- 3Q09** The contact reported an improvement in the occupancy rate during the past two months. Occupancy has typically been 90 percent during 2009 and the contact noted some layoffs in the area have increased the occupancy rate.
- 1Q10** The contact reported that the occupancy is currently at 92 percent, but has fluctuated between 89 and 92 percent. The contact indicated most of the occupants are single mothers with children. The contact indicated there were between seven and eight households using housing choice vouchers. The contact attributed the low occupancy to the economy. Many of the households work at Walmart and Pilgrim's Pride, a poultry company. There are approximately 25 senior households which is about 20 percent. Although this property was interviewed in March 2010, market conditions were reported to be the same in January 2010.
- 1Q11** The property has had many evictions over the past three months due to non-payment of rent and not meeting income restrictions. Tenants work at Pilgrim's Pride, a poultry company, the area hospitals, Wal-Mart, fast food restaurants or other service occupations.
- 1Q13** The contact reported that occupancy has been consistently low in the past two to three years ranging between 75 and 85 percent during that time. She stated that the company has strict tenancy standards and most applicants are denied due to poor credit. Out of 20 applicants on a given month, the contact noted only 10 percent will get approved. The contact also said that there are many applicants that get denied due to a felony on their criminal record which automatically disqualifies them from tenancy. On the other end of the spectrum, there are applicants who work at Caterpillar or at Pilgrim's Pride and are over income qualified and are not eligible to reside at the property. The contact reported that the standards at the nearby Oak Hill Apartments, another affordable community, are not as high and therefore they typically have a higher occupancy rate.

PROPERTY PROFILE REPORT

Edgewood Park Apartments

Effective Rent Date	2/11/2013
Location	2671 N Columbia Street Milledgeville, GA 31061 Baldwin County
Distance	35.2 miles
Units	57
Vacant Units	5
Vacancy Rate	8.8%
Type	Garden (3 stories)
Year Built/Renovated	1997 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Mostly families from Milledgeville
Contact Name	Rena
Phone	478.452.1806



Market Information

Program	@30% (HOME), @60% (HOME)
Annual Turnover Rate	42%
Units/Month Absorbed	N/A
HCV Tenants	4%
Leasing Pace	Pre-lease
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	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 (3 stories)	3	650	\$181	\$0	@30% (HOME)	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	987	\$445	\$0	@60% (HOME)	No	3	8.3%	N/A	None
3	2	Garden (3 stories)	18	1,153	\$510	\$0	@60% (HOME)	No	2	11.1%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$181	\$0	\$181	-\$59	\$122	2BR / 2BA	\$445	\$0	\$445	-\$74	\$371
						3BR / 2BA	\$510	\$0	\$510	-\$92	\$418

Edgewood Park Apartments, continued

Amenities

In-Unit

Blinds
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Cable/Satellite/Internet
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Sport Court

Premium

None

Other

None

Comments

The contact reported a four year wait for the one bedroom units which experienced no turnover during the past year. She noted rents have remained stable with the last change occurring in 2010.

Edgewood Park Apartments, continued

Trend Report

Vacancy Rates

1Q07	1Q09	1Q13
0.0%	0.0%	8.8%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$181	\$0	\$181	\$122

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	0.0%	\$175	\$0	\$175	\$116
2009	1	0.0%	\$250	\$0	\$250	\$191

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	0.0%	\$399	\$0	\$399	\$325
2009	1	0.0%	\$435	\$0	\$435	\$361
2013	1	8.3%	\$445	\$0	\$445	\$371

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	0.0%	\$469	\$0	\$469	\$377
2009	1	0.0%	\$499	\$0	\$499	\$407
2013	1	11.1%	\$510	\$0	\$510	\$418

Trend: Comments

- 1Q07** Edgewood Park Apartments is a LIHTC property offering one, two, and three-bedroom units at the 60 percent AMI level. The property is 100 percent occupied and not offering rental concessions. Management stated the property does not have any competitors and the majority of tenants are families from the Milledgeville area.
- HUD_ID: GAA1997010
Total number of low income (LIHTC) units: 57
Year placed in service: 1997
Allocation year: 1995
TYPE: New construction
Was there a non-profit sponsor?: No
Was there an increase in eligible basis?: No
Was a tax-exempt bond received?: No
FmHA (RHS) Section 515 loans used?: No
CREDIT: 70% present value
- 1Q09** Rents do not appear to be at the maximum allowable. The regional property manager indicated that tenants could probably afford the maximum allowable but will likely not pay for the maximum. The contact reported that turnover has increased because Rheem Manufacturing Co. closed their Milledgeville plant in fourth quarter 2008.
- 1Q13** The contact reported a four year wait for the one bedroom units which experienced no turnover during the past year. She noted rents have remained stable with the last change occurring in 2010.

PROPERTY PROFILE REPORT

Fourth Street Village Apartments

Effective Rent Date	2/12/2013
Location	690 4th Street Athens, GA 30601 Clarke County
Distance	35.5 miles
Units	120
Vacant Units	19
Vacancy Rate	15.8%
Type	Garden (2 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	11/01/2007
Last Unit Leased	9/01/2008
Major Competitors	Oak Hill and Dogwood Park
Tenant Characteristics	Low Income Families from Athens; most work in retail, food and beverage, and healthcare
Contact Name	Cindy
Phone	706-543-5915



Market Information

Program	@30%, @50%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	11
HCV Tenants	20%
Leasing Pace	One week
Annual Chg. in Rent	None since 2010
Concession	See comments

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)	2	866	\$244	\$0	@30%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	13	866	\$362	\$30	@50%	No	N/A	N/A	no	None
1	1	Garden (2 stories)	5	866	\$580	\$48	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	7	1,074	\$304	\$0	@30%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	48	1,074	\$568	\$47	@50%	No	N/A	N/A	no	None
2	2	Garden (2 stories)	15	1,074	\$680	\$57	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	3	1,324	\$332	\$0	@30%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	21	1,279	\$633	\$53	@50%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	6	1,279	\$780	\$65	Market	No	N/A	N/A	N/A	None

Fourth Street Village Apartments, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$244	\$0	\$244	-\$59	\$185	1BR / 1BA	\$362	\$30	\$332	-\$59	\$273
2BR / 2BA	\$304	\$0	\$304	-\$74	\$230	2BR / 2BA	\$568	\$47	\$521	-\$74	\$447
3BR / 2BA	\$332	\$0	\$332	-\$92	\$240	3BR / 2BA	\$633	\$53	\$580	-\$92	\$488
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$580	\$48	\$532	-\$59	\$473						
2BR / 2BA	\$680	\$57	\$623	-\$74	\$549						
3BR / 2BA	\$780	\$65	\$715	-\$92	\$623						

Amenities

In-Unit

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

Blinds
 Central A/C
 Ceiling Fan
 Microwave
 Refrigerator

Security

Limited Access
 Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

Premium

None

Other

None

Comments

The contact reported a two year waiting list for the units restricted at 30 percent of AMI. She noted the property has performed in the mid 80 percent range during the past 12 to 18 months. She noted many of the vacancies are in the income restricted units as applicants for those units are typically over income qualified. The current concession consists of residents spinning a wheel and having the prize taken off their rent which typically includes the first month free, but can be as low as two weeks free and as high as two free months.

Fourth Street Village Apartments, continued

Trend Report

Vacancy Rates

3Q09	1Q10	1Q11	1Q13
5.0%	9.2%	9.2%	15.8%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$258	\$0	\$258	\$199
2010	1	0.0%	\$244	\$20	\$224	\$165
2011	1	N/A	\$304	\$0	\$304	\$245
2013	1	0.0%	\$244	\$0	\$244	\$185

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$307	\$0	\$307	\$233
2010	1	0.0%	\$296	\$25	\$271	\$197
2011	1	N/A	\$304	\$0	\$304	\$230
2013	1	0.0%	\$304	\$0	\$304	\$230

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	33.3%	\$325	\$0	\$325	\$233
2010	1	0.0%	\$325	\$27	\$298	\$206
2011	1	N/A	\$304	\$0	\$304	\$212
2013	1	0.0%	\$332	\$0	\$332	\$240

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	7.7%	\$459	\$0	\$459	\$400
2010	1	15.4%	\$456	\$38	\$418	\$359
2011	1	N/A	\$362	\$0	\$362	\$303
2013	1	N/A	\$362	\$30	\$332	\$273

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$549	\$0	\$549	\$475
2010	1	6.2%	\$549	\$46	\$503	\$429
2011	1	N/A	\$568	\$31	\$537	\$463
2013	1	N/A	\$568	\$47	\$521	\$447

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	4.8%	\$618	\$0	\$618	\$526
2010	1	4.8%	\$618	\$52	\$566	\$474
2011	1	N/A	\$633	\$36	\$597	\$505
2013	1	N/A	\$633	\$53	\$580	\$488

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$580	\$0	\$580	\$521
2010	1	0.0%	\$580	\$48	\$532	\$473
2011	1	N/A	\$580	\$0	\$580	\$521
2013	1	N/A	\$580	\$48	\$532	\$473

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	13.3%	\$680	\$0	\$680	\$606
2010	1	26.7%	\$680	\$57	\$623	\$549
2011	1	N/A	\$680	\$40	\$640	\$566
2013	1	N/A	\$680	\$57	\$623	\$549

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	16.7%	\$780	\$0	\$780	\$688
2010	1	16.7%	\$780	\$52	\$728	\$636
2011	1	N/A	\$780	\$44	\$736	\$644
2013	1	N/A	\$780	\$65	\$715	\$623

Fourth Street Village Apartments, continued

Trend: Comments

- 3Q09** The historical occupancy is typically 92 to 95 percent. The tenant utility allowance is based on electricity audit from Georgia Power dated 12/24/08, which is \$61 for the one-bedroom units, \$75 for the two-bedroom units, and \$117 for the three-bedroom units.
- 1Q10** The contact indicated that all units come equipped with dryers, and handicap units come with washers and dryers. The contact also informed us that the property has a courtesy officer, and 24 hour maintenance. The contact also commented that many of the residents work at local restaurants, Georgia Options (medical) and St. Mary's hospital. The property was reported as experiencing higher occupancy than last year, with occupancy rates in the 80 to 90 percent range during 2009. Although this property was interviewed in March 2010, market conditions were reported to be the same in January 2010.
- 1Q11** The contact indicated that all units come equipped with dryers, and handicap units come with washers and dryers. The property has a courtesy officer, and 24 hour maintenance. The leasing agent commented that many of the residents work at local restaurants, Georgia Options (medical) and St. Mary's hospital. According to our interview, all of the vacancies were in the 50 percent AMI and market rate units. Specials are applied to market and 50 percent AMI two and three-bedroom units.
- 1Q13** The contact reported a two year waiting list for the units restricted at 30 percent of AMI. She noted the property has performed in the mid 80 percent range during the past 12 to 18 months. She noted many of the vacancies are in the income restricted units as applicants for those units are typically over income qualified. The current concession consists of residents spinning a wheel and having the prize taken off their rent which typically includes the first month free, but can be as low as two weeks free and as high as two free months.

PROPERTY PROFILE REPORT

Oak Hill Apartments

Effective Rent Date	2/11/2013
Location	210 Old Hull Road Athens, GA 30601 Clarke County
Distance	35.5 miles
Units	220
Vacant Units	18
Vacancy Rate	8.2%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Dogwood Apartments
Tenant Characteristics	A large number of single parent households
Contact Name	Darnice
Phone	(706) 369-9936



Market Information

Program	@60%
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	8%
Leasing Pace	5-10 days
Annual Chg. in Rent	Increase 2%-3%
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)	84	815	\$507	\$0	@60%	No	9	10.7%	no	None
2	2	Garden (3 stories)	128	1,080	\$535	\$0	@60%	No	9	7.0%	no	None
3	2	Garden (3 stories)	8	1,520	\$671	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$507	\$0	\$507	\$0	\$507
2BR / 2BA	\$535	\$0	\$535	\$0	\$535
3BR / 2BA	\$671	\$0	\$671	\$0	\$671

Oak Hill Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Washer/Dryer hookup

Security

In-Unit Alarm

Services

None

Property

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported a significant improvement in the occupancy rate since we last surveyed the property in January of 2011 when the vacancy rate was reported at 33.2 percent. The property has been under new management since that time which the contact attributes to a higher occupancy rate. Majority of vacancies are located on the third floor which rent for \$515 per month or \$20 less than units located on the first and second floor.

Oak Hill Apartments, continued

Trend Report

Vacancy Rates

3Q09	1Q10	1Q11	1Q13
15.0%	12.7%	33.2%	8.2%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	7.1%	\$479	\$0	\$479	\$479
2010	1	6.0%	\$501	\$52	\$449	\$449
2011	1	N/A	\$479	\$28	\$451	\$451
2013	1	10.7%	\$507	\$0	\$507	\$507

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	21.1%	\$550	\$51	\$499	\$499
2010	1	16.4%	\$592	\$93	\$499	\$499
2011	1	N/A	\$550	\$33	\$517	\$517
2013	1	7.0%	\$535	\$0	\$535	\$535

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$639	\$0	\$639	\$639
2010	1	25.0%	\$669	\$25	\$644	\$644
2011	1	N/A	\$644	\$41	\$603	\$603
2013	1	0.0%	\$671	\$0	\$671	\$671

Trend: Comments

- 3Q09** The contact reported overall occupancy has steadily declined over the past year.
- 1Q10** The contact indicated there was a fire in June 2009 that damaged 12 units, but they are in the process of repairing the damage. According to the contact, there are 17 households using housing choice vouchers. Although this property was interviewed in March 2010, market conditions were reported to be the same in January 2010. The rent change occurred in 2009.
- 1Q11** Our contact was new to the property and therefore could not contact on annual data. She stated that the low occupancy was due to recent evictions due to non-payment of rent and job losses. Two-bedroom units on the second and third floor rent for \$525 and \$499, respectively.
- 1Q13** The contact reported a significant improvement in the occupancy rate since we last surveyed the property in January of 2011 when the vacancy rate was reported at 33.2 percent. The property has been under new management since that time which the contact attributes to a higher occupancy rate. Majority of vacancies are located on the third floor which rent for \$515 per month or \$20 less than units located on the first and second floor.

PROPERTY PROFILE REPORT

Waterford Place

Effective Rent Date 2/12/2013
Location 131 N Pickens Street
 Milledgeville, GA 31059
 Baldwin County
Distance 40.8 miles
Units 80
Vacant Units 10
Vacancy Rate 12.5%
Type Garden (2 stories)
Year Built/Renovated 2004 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Edgewood Park
Tenant Characteristics Mix of single mothers and other families from the area
Contact Name Sheila
Phone (478) 453-8049



Market Information

Program @60%, Market
Annual Turnover Rate 36%
Units/Month Absorbed Could not report
HCV Tenants 6%
Leasing Pace 1-3 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 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)	18	743	\$377	\$0	@60%	No	1	5.6%	no	None
1	1	Garden (2 stories)	N/A	743	\$455	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (2 stories)	40	1,011	\$442	\$0	@60%	No	5	12.5%	no	None
2	2	Garden (2 stories)	N/A	1,011	\$530	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	24	1,119	\$492	\$0	@60%	No	2	8.3%	no	None
3	2	Garden (2 stories)	N/A	1,119	\$580	\$0	Market	No	1	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$377	\$0	\$377	-\$59	\$318	1BR / 1BA	\$455	\$0	\$455	-\$59	\$396
2BR / 2BA	\$442	\$0	\$442	-\$74	\$368	2BR / 2BA	\$530	\$0	\$530	-\$74	\$456
3BR / 2BA	\$492	\$0	\$492	-\$92	\$400	3BR / 2BA	\$580	\$0	\$580	-\$92	\$488

Waterford Place, 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
Swimming Pool

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact attributes local economic conditions and a high double digit unemployment rate for the lower occupancy rate which has remained under 90 percent during the past 18 to 24 months. She noted several households have left the area to find work while others have been evicted due to failure to pay rent. The contact was unable to provide a more detailed unit mix but noted the property offers less of the market rate units than the income restricted units.

Waterford Place, continued

Trend Report

Vacancy Rates

1Q09	3Q09	1Q13
0.0%	0.0%	12.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$337	\$0	\$337	\$278
2009	3	0.0%	\$337	\$0	\$337	\$278
2013	1	5.6%	\$377	\$0	\$377	\$318

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$402	\$0	\$402	\$328
2009	3	0.0%	\$402	\$0	\$402	\$328
2013	1	12.5%	\$442	\$0	\$442	\$368

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$452	\$0	\$452	\$360
2009	3	0.0%	\$452	\$0	\$452	\$360
2013	1	8.3%	\$492	\$0	\$492	\$400

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$425	\$0	\$425	\$366
2009	3	N/A	\$425	\$0	\$425	\$366
2013	1	N/A	\$455	\$0	\$455	\$396

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$500	\$0	\$500	\$426
2009	3	N/A	\$500	\$0	\$500	\$426
2013	1	N/A	\$530	\$0	\$530	\$456

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$550	\$0	\$550	\$458
2009	3	N/A	\$550	\$0	\$550	\$458
2013	1	N/A	\$580	\$0	\$580	\$488

Trend: Comments

- 1Q09** The contact reported that the LIHTC rents are set at the maximum allowable but they do not appear to be. The contact stated that the property typically remains 100 percent occupied with a waiting list and therefore there is demand for additional LIHTC units in the area.
- 3Q09** N/A
- 1Q13** The contact attributes local economic conditions and a high double digit unemployment rate for the lower occupancy rate which has remained under 90 percent during the past 18 to 24 months. She noted several households have left the area to find work while others have been evicted due to failure to pay rent. The contact was unable to provide a more detailed unit mix but noted the property offers less of the market rate units than the income restricted units.

PROPERTY PROFILE REPORT

Fox Chase I

Effective Rent Date 1/21/2013
Location 11 Fox Chase
 Greensboro, GA 30642
 Greene County
Distance 1.3 miles
Units 24
Vacant Units 0
Vacancy Rate 0.0%
Type Various
Year Built/Renovated 1990s / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Stated None
Tenant Characteristics Mixed tenancy
Contact Name Veronica
Phone 706.453.4690



Market Information

Program Rural Development
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace preleased to a few weeks
Annual Chg. in Rent N/A
Concession None

Utilities

A/C not included -- central
Cooking not included -- gas
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	N/A	643	\$435	\$0	Rural Development	Yes	0	N/A	N/A	None
1	1	Garden	N/A	643	\$562	\$0	Rural Development	Yes	0	N/A	N/A	None
2	1.5	Townhouse	N/A	944	\$475	\$0	Rural Development	Yes	0	N/A	N/A	None
2	1.5	Townhouse	N/A	944	\$598	\$0	Rural Development	Yes	0	N/A	N/A	None
3	1.5	Garden	N/A	948	\$505	\$0	Rural Development	Yes	0	N/A	N/A	None
3	1.5	Garden	N/A	948	\$646	\$0	Rural Development	Yes	0	N/A	N/A	None

Unit Mix

Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$435 - \$562	\$0	\$435 - \$562	-\$59	\$376 - \$503
2BR / 1.5BA	\$475 - \$598	\$0	\$475 - \$598	-\$74	\$401 - \$524
3BR / 1.5BA	\$505 - \$646	\$0	\$505 - \$646	-\$92	\$413 - \$554

Fox Chase I, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Oven
Washer/Dryer hookup

Blinds
Coat Closet
Refrigerator

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking

Premium

None

Other

None

Comments

Management indicated that half (12) of the units have rural rental assistance and the remaining twelve pay the basic rent. An average tenant paid rent for the units with rural rental assistance where they are paying 30 percent of their income was estimated by management to be between \$0 and \$250 .

Management indicated that they do accept individual housing choice vouchers but do not have any tenants currently utilizing them. The wait list consists of nine people currently.

Management informed us that they see the most demand for family units, and that in her opinion, the market would be best suited by adding a community with small units, as opposed to say, a 100 unit property. From their experience, a family complex of 30-50 units would fare well in the Greensboro area. Management reported that they see family and senior tenancy coming from cities such as Union Point, Greensboro, Canaan, and Madison.

The property manager reported that a new LIHTC property in Greensboro would be able to achieve approximately \$450 for its one-bedroom units, \$500 to \$515 for its two-bedroom units, and \$535 to \$540 for its three-bedroom units, assuming that they include water, sewer, and trash costs in the rent.

PROPERTY PROFILE REPORT

Greensboro Village Apartments

Effective Rent Date 1/21/2013
Location 108 Rachel St
 Greensboro, GA 30642
 Greene County
Distance 1.6 miles
Units 33
Vacant Units 0
Vacancy Rate 0.0%
Type Lowrise
Year Built/Renovated 1990's / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Stated None
Tenant Characteristics Mixed tenancy
Contact Name Emma
Phone 706.453.0808



Market Information

Program Rural Development (BASIC), Rural
Annual Turnover Rate 18%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace preleased to a few weeks
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	Lowrise	N/A	700	\$465	\$0	Rural Development (BASIC)	3 HH	0	N/A	N/A	None
1	1	Lowrise	N/A	700	\$650	\$0	Rural Development (NOTE)	3 HH	0	N/A	N/A	None
2	1	Lowrise	N/A	900	\$495	\$0	Rural Development (BASIC)	8 HH	0	N/A	N/A	None
2	1	Lowrise	N/A	900	\$670	\$0	Rural Development (NOTE)	8 HH	0	N/A	N/A	None

Unit Mix

Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$465 - \$650	\$0	\$465 - \$650	-\$59	\$406 - \$591
2BR / 1BA	\$495 - \$670	\$0	\$495 - \$670	-\$74	\$421 - \$596

Greensboro Village Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Refrigerator

Carpeting
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management indicated that 32 of the 33 units have rural rental assistance at the property and that an average tenant paid rent would be in the low to mid \$200 range and that they do have some tenants paying zero. The additional unit is reserved for a manager unit. Management is on site Mondays from 1 to 5 and Thursday and Friday from 8 to noon.

Management indicated that they see demand for family and senior units and that both may be in need. Per management, they have seen tenancy and traffic for senior housing for seniors who no longer can make a mortgage payment or maintain their homes both physically and financially. For family units, management indicated that for a 50/60 percent LIHTC units, there is definitely demand in the market for low/median income housing. While the complex commented that they are a small community, only 33 units, they predicted that a family or senior property ranging from 50 to 70 units would fare well. Management reported tenancy from out of state as well as from Greensboro, Union Point and isolated areas all over Georgia.

Knollwood Manor, continued

Comments

The contact reported this property no longer operates as a LIHTC property. The property was in foreclosure and purchased in 2012. Some minor upgrades were performed to get the property up to standard and the contact noted there may be other improvements to the property at a later time.

Knollwood Manor, continued

Trend Report

Vacancy Rates

3Q07	3Q09	1Q10
7.8%	25.0%	4.7%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	3.1%	\$530	\$36	\$494	\$494

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	6.2%	\$600	\$42	\$558	\$558

Trend: Comments

- 3Q07** The contact stated that on this side of town, there is enough affordable housing. However, on the other side of town, more units would be greatly helpful.
- 3Q09** The contact reported the vacancy rate has increased over the past year and attributes several evictions due to failure to pay rent. She noted approximately 50 percent of households that apply to the property are over income qualified or do not qualify because they are full time students at the University of Georgia. She also said approximately 25 percent of applicants do not qualify due to past rental credit history.
- 1Q10** The contact reported this property no longer operates as a LIHTC property. The property was in foreclosure and purchased in 2012. Some minor upgrades were performed to get the property up to standard and the contact noted there may be other improvements to the property at a later time.

PROPERTY PROFILE REPORT

The Crossroads At Lake Oconee

Effective Rent Date	1/18/2013
Location	111 Sweet Magnolia Ln Eatonton, GA 31024 Putnam County
Distance	13.5 miles
Units	144
Vacant Units	11
Vacancy Rate	7.6%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Mixed tenancy
Contact Name	Jessica
Phone	706-485-4886



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to a few weeks
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	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)	N/A	736	\$650	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,011	\$745	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,063	\$785	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,387	\$905	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$0	\$650
2BR / 1BA	\$745	\$0	\$745	\$0	\$745
2BR / 2BA	\$785	\$0	\$785	\$0	\$785
3BR / 2BA	\$905	\$0	\$905	\$0	\$905

The Crossroads At Lake Oconee, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking

Premium

None

Other

None

Comments

Management indicated that there are not any market comps or non-subsidized comparables close to the property. Management reported that tenants come from Madison, Milledgeville, Atlanta area, and out of state. The contact indicated that there would be demand for a family affordable property if it were located in or near downtown Greensboro. If the property were located on the Lake Oconee side, demand for affordable housing would be limited due to the distance from the area's employers.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Dogwood Park Apartments	@ 30%, @ 60%	5%
Edgewood Park Apartments	@ 30% (HOME), @ 60% (HOME)	4%
Fourth Street Village Apartments	@ 30%, @ 50%, Market	20%
Oak Hill Apartments	@ 60%	8%
Waterford Place	@ 60%, Market	6%
Fox Chase I	Rural Development	0%
Greensboro Village Apartments	Rural Development	0%
Knollwood Manor	Market	5%
The Crossroads At Lake Oconee	Market	0%
Average		5%

As illustrated in the table, all of the LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is nine percent and the overall market average is five percent. As an affordable property, we would expect the Subject to operate with a voucher tenancy of approximately 10 percent. We would expect the Subject to operate with a voucher usage of five percent as a market rate property.

Lease Up History

The newest LIHTC comparable is Fourth Street Village in Athens. The property offers 120 one, two, and three-bedroom units that are restricted at 30 and 50 percent of AMI as well as unrestricted units. This property opened in 2007 and stabilized at a rate of approximately 11 units per month over a period of approximately 10 months.

This property is located in Athens where there are two other family LIHTC properties with which this property competes. The Subject will offer fewer units (71 total) and they will be restricted at 50 and 60 percent of AMI. We anticipate that the Subject will stabilize at 93 percent occupancy within one year at a rate ranging from five to six units per month as the Subject will be the first nonsubsidized LIHTC property in the PMA. Therefore, management at the Subject will have to aggressively market within the area and in surrounding towns to create awareness of the property as well as the LIHTC program itself.

Rural Areas

We have not included classified listings in Greensboro as the ones available are for lakeside cabin rentals. The lakeside cabin rentals are not comparable to the Subject as their location allows them to achieve very high rents. Further, the majority of these properties feature luxury amenities, which decreases comparability further.

3. COMPETITIVE PROJECT MAP

There are no competitive LIHTC properties proposed or located in the Subject's PMA.

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.

The Subject will lack dishwashers, exterior storage and ceiling fans, a combination of which are offered at the majority of the comparable properties. As a result, the Subject will be slightly inferior compared to these properties in terms of in-unit amenities. Its in-unit amenity package will be similar to slightly superior to the balance of the comparables. The majority of the comparables lack a business center. The Subject will be slightly superior to these properties. However, a number of comparables offer a varying combination of an exercise facility, picnic area and/or swimming pool. These properties will be slightly superior compared to the Subject in terms community amenities.

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

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY IN THE PMA

Property name	Rent Structure	Location	Total Units	Vacant Units	Vacancy Rate
Fox Chase I	USDA Rural Development	Greensboro	24	0	0.00%
Greensboro Village Apartments	USDA Rural Development	Greensboro	33	0	0.00%
The Crossroads At Lake Oconee	Market	Eatonton	144	11	7.60%
Total			201	11	5.47%

OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Dogwood Park Apartments	@30%, @60%	127	26	20.50%
Edgewood Park Apartments	@30% (HOME), @60% (HOME)	57	5	8.80%
Fourth Street Village Apartments	@30%, @50%, Market	120	19	15.80%
Oak Hill Apartments	@60%	220	18	8.20%
Waterford Place	@60%, Market	80	10	12.50%
Fox Chase I	Rural Development	24	0	0.00%
Greensboro Village Apartments	Rural Development	33	0	0.00%
Knollwood Manor	Market	64	3	4.70%
<u>The Crossroads At Lake Oconee</u>	Market	<u>144</u>	<u>11</u>	<u>7.60%</u>
Total		869	92	10.60%

There are no unsubsidized LIHTC properties in the PMA. We have included two of the family USDA Rural Development properties and one market rate property in the PMA.

Fox Chase I is a USDA Rural Development property in Greensboro. Of its 24 units, 12 operate with rental assistance and the remaining households are paying the basic rents (\$376 to \$413 for its one to three-bedroom units). These rents are above the Subject’s proposed 50 percent AMI rents and at or slightly below the Subject’s proposed 60 percent AMI rents. This property is currently 100 percent occupied with a waiting list of nine households. Therefore, the property’s rents have been accepted in the market. The property manager at Fox Chase I reported that there is demand for a family LIHTC property in Greensboro as it would draw tenants from Union Point, Canaan, and Madison in addition to Greensboro. Greensboro Village offers rental assistance for 32 of its 33 units; therefore, almost all of its tenants are paying 30 percent of their income towards the monthly rent. Greensboro Village is currently 100 percent occupied with a waiting list of three households for the one-bedroom units and eight households for the two-bedroom units.

The Crossroads at Lake Oconee is a market rate property that is located southwest of Greensboro in Eatonton in the PMA. The property manager reported that the property does not have competition in this market as there is limited multifamily housing in the area. Management indicated that tenants come from Madison, Milledgeville, the Atlanta area, and out of state and that there is demand for LIHTC housing in downtown Greensboro as downtown Greensboro is a center for employment. In addition to the tourism, education, and public administration industries, demand for affordable housing would come from employees in the manufacturing industry as there are several manufacturing employers in Greensboro and Union Point. The property is currently 92 percent occupied and is achieving rents that are 73 to 85 percent above those at the Subject. Therefore, the Subject will have a significant rent advantage.

We have also included the closest LIHTC properties to Greensboro, which are located in Athens and Milledgeville. Both Athens and Milledgeville are larger towns with the University of Georgia in Athens and Georgia College & State University (GCSU) in Milledgeville. The LIHTC properties in these two markets are experiencing vacancy issues for a variety of reasons.

Dogwood Park is a family LIHTC property in Athens, approximately 36 miles north of the Subject site that is currently 21 percent vacant. The property manager at Dogwood Park reported that the property's qualification standards limit the number of prospective tenants who qualify for the property. While the property experiences traffic from an estimated 20 households per month, only ten percent will get approved while the remainder will not qualify based upon poor credit and/or criminal history. Management indicated that other LIHTC properties in the market, including Oak Hill, maintain higher occupancy rates because their qualification standards regarding credit history are more lax. Further, many prospective tenants are over income qualified as they are employed at Caterpillar or Pilgrims Pride.

Fourth Street Village is another family LIHTC property in Athens, approximately 36 miles north of the Subject site, that is maintaining a high vacancy rate. The property manager reported that there is high demand for units at the 30 percent AMI level and for the market rate units. Demand for the units at 50 percent AMI is limited due to tenants being over income qualified.

Of the two family LIHTC properties that we have included in Milledgeville, one is maintaining a high vacancy rate of greater than 10 percent: Waterford Place. Management indicated that the property has maintained a high vacancy rate in the past 1.5 to two years due to the state of the economy in Milledgeville. As a result, tenants have been evicted for nonpayment and others have moved from Milledgeville to find employment.

While the LIHTC properties in Milledgeville and Athens are the closest LIHTC properties to the Subject, we believe that these markets are distinct from Greensboro. They reflect the performance of LIHTC properties regionally but are greatly impacted by the local economies of these college towns as well as competition from one another, which the Subject will not face as it will be the first unsubsidized family LIHTC property in the PMA.

The Subject will face limited competition in Greensboro and will draw tenants from surrounding areas (Union Point, Canaan, Madison, etc.) and the Atlanta area due to its location on Interstate 20. There are no unsubsidized family LIHTC properties in Greensboro and the closest market rate property is located in Eatonton. Further, the Subject will offer 71 units and will be smaller

Mary-Leila Lofts, Greensboro, GA; Market Study

than the majority of the LIHTC properties in Athens and Milledgeville, which range in size from 57 units to 220 units, with an average of 121 units. As the rent discussion will demonstrate, the Subject's rents at 50 percent AMI are below those being achieved at a USDA Rural Development property in Greensboro and the Subject's 60 percent AMI rents are at the same level or higher than the rural development rents, within a reasonable margin. The Subject will offer a significantly superior age/condition when compared to these properties and we assume a significantly superior amenity package. Overall, we anticipate that the Subject will maintain a vacancy rate of five percent, or less once stabilized.

7. Properties Under Construction and Proposed

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

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Dogwood Park Apartments	@30%, @60%	Slightly Superior	Superior	Superior	Inferior	Slightly Inferior	10
2	Edgewood Park Apartments	@30% (HOME), @60% (HOME)	Similar	Superior	Similar	Inferior	Slightly Superior	5
3	Fourth Street Village Apartments	@30%, @50%, Market	Superior	Superior	Superior	Slightly Inferior	Superior	35
4	Oak Hill Apartments	@60%	Superior	Superior	Superior	Slightly Inferior	Superior	35
5	Waterford Place	@60%, Market	Slightly Superior	Superior	Similar	Slightly Inferior	Slightly Inferior	5
6	Fox Chase I	Rural Development	Inferior	Slightly Superior	Similar	Inferior	Similar	-15
7	Greensboro Village Apartments	Rural Development (BASIC)	Inferior	Slightly Inferior	Similar	Inferior	Similar	-25
8	Knollwood Manor	Market	Inferior	Superior	Superior	Inferior	Slightly Superior	0
9	The Crossroads At Lake Oconee	Market	Inferior	Superior	Similar	Slightly Inferior	Slightly Superior	0

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

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

LIHTC Rent Comparison - @50%

Property Name	Location	1BR	2BR	3BR
Mary-leila Lofts (Subject)	Greene County	\$264	\$305	\$334
LIHTC Maximum (Net)	Greene County	\$264	\$305	\$334
LIHTC Maximum (Net)	Baldwin County	\$311	\$363	\$400
LIHTC Maximum (Net)	Clarke Coutny	\$384	\$449	\$500
Fourth Street Village Apartments	Clarke Coutny	\$273	\$447	\$488
Average (excluding Subject)		\$273	\$447	\$488

LIHTC Rent Comparison - @60%

Property Name	Location	1BR	2BR	3BR
Mary-leila Lofts (Subject)	Greene County	\$349	\$408	\$452
LIHTC Maximum (Net)	Greene County	\$349	\$408	\$452
LIHTC Maximum (Net)	Baldwin County	\$311	\$363	\$400
LIHTC Maximum (Net)	Clarke Coutny	\$384	\$449	\$500
Oak Hill Apartments	Clarke County	\$507	\$535	\$671
Dogwood Park Apartments	Clarke County	--	\$497	\$543
Edgewood Park Apartments	Baldwin County	--	\$371	\$418
Waterford Place	Baldwin County	\$318	\$368	\$400
Average (excluding Subject)		\$413	\$443	\$508

The Subject’s rents at both 50 and 60 percent AMI will be set at the maximum allowable levels. Due to the income disparities between Greene County and Baldwin and Clark counties, the LIHTC maximum allowable rents are lower in Greene County in comparison.

Fourth Street Village in Milledgeville is offering 50 percent AMI rents that appear to be just below the maximum allowable levels for the two and three-bedroom units. Fourth Street Village reported having difficulty finding qualified tenants at the 50 percent AMI level because prospective tenant traffic tends to be over income qualified. The Subject site is located in a rural market that relies on retail trade, tourism, healthcare, and manufacturing. Further, as the demographic analysis demonstrated and the Demand Analysis will demonstrate, there is adequate demand for rental housing for rental households earning between \$14,674 and \$24,650 in the PMA, which is the income cohort the Subject’s 50 percent AMI units will target. The Subject’s 50 percent AMI rents will be lower than those at Fourth Street Village. The Subject’s 50 percent AMI rents will also be lower than the basic rents that Fox Chase I is currently achieving. Fox Chase I is a family USDA Rural Development property in Greensboro that offers rental assistance for 12 of its 24 units. The property is 100 percent occupied and is achieving the basic rents for the remaining units. Therefore, we believe that the Subject’s rents at 50 percent AMI are achievable as proposed.

The Subject’s 60 percent AMI rents are set at the maximum allowable levels. There is a clear disparity between the rents that the LIHTC properties in Athens are offering versus those in Milledgeville. The median household incomes in Greensboro are comparable to that of Milledgeville. As a result, Edgewood Park, located in Milledgeville, is considered the most similar property in terms of location. Edgewood Park is maintaining a stable occupancy rate at 91 percent, which indicates that the property is testing the market. The property was built in 1997 and therefore will be significantly inferior to the Subject in terms of age/condition. Edgewood Park features similar property amenities but superior unit features as it offers dishwashers, exterior storage, ceiling fans and walk-in closets. Its one and three-bedroom units are smaller than what are proposed for the Subject. We believe the Subject’s 60 percent AMI rents are achievable compared to Edgewood Park.

The Subject’s proposed rents at 60 percent AMI are below the one-bedroom Rural Development basic rents that Fox Chase I is currently achieving, and within the range of its two and three-bedroom units. Fox Chase I was built in the 1990s and has not undergone major renovations. Further, the property offers inferior common area amenities and slightly superior in-unit amenities. Given the Subject’s significantly superior age/condition as new construction, we believe that the Subject’s rents are feasible as proposed.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit 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 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"
@50%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$264	\$273	\$650	\$449	70%
2 BR	\$305	\$368	\$785	\$496	63%
3 BR	\$334	\$400	\$905	\$551	65%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$349	\$318	\$650	\$469	34%
2 BR	\$408	\$368	\$785	\$500	23%
3 BR	\$452	\$400	\$905	\$557	23%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject’s proposed 50 percent AMI LIHTC rents are lower than the surveyed minimum while its 60 percent AMI rents are on the low end of the range. As the newest LIHTC property in the market, the Subject will be similar to superior to the existing housing stock. There is a strong need for additional LIHTC units in the market and we believe that the Subject’s units will be successful with the proposed rents.

9. LIHTC Competition – Recent Allocations within Ten Miles

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there are no family LIHTC properties planned or under construction in the PMA.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	7,394	77.9%	2,093	22.1%
2012	8,717	74.6%	2,972	25.4%
Projected Mkt Entry July 2015	8,980	74.9%	3,009	25.1%
2017	9,155	75.1%	3,033	24.9%

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

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Owner-occupied units are projected to increase slightly by July 2015 and renter-occupied units are slated to decrease a nominal 0.03 percent. Nationally, approximately a third of the nation resides in renter-occupied housing units. As a result, the number of people in the PMA who are renters is lower than the national average. However, this is more indicative of the lack of rental housing in the PMA.

Historical Vacancy

Historical data was not available for the comparable properties.

Change in Rental Rates

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

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Dogwood Park Apartments	@ 30%, @ 60%	None
Edgewood Park Apartments	@ 30% (HOME), @ 60% (HOME)	None
Fourth Street Village Apartments	@ 30%, @ 50%, Market	None since 2010
Oak Hill Apartments	@ 60%	Increase 2%-3%
Waterford Place	@ 60%, Market	None
Fox Chase I	Rural Development	N/A
Greensboro Village Apartments	Rural Development	N/A
Knollwood Manor	Market	Increase 10%
The Crossroads At Lake Oconee	Market	N/A

Three of the comparable properties were unable to comment on rent growth. Four of the comparable LIHTC properties reported stable rents while one reported increases ranging from two to three percent. One market rate property reported increasing rents of 10 percent. Based on the lack of rent growth in the area, we believe the Subject will achieve rent growth between one to two percent annually.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac, there are currently 65 properties in Greensboro that are in some stage of foreclosure. In April, the number of properties that received a foreclosure filing in Greensboro, GA was 60 percent lower than the previous month and 54 percent lower than the same time last year. In April 2013, the number of properties that received a foreclosure filing in Greene County, GA was 50 percent lower than the previous month and 38 percent lower than the same time last year. We do not anticipate any tenants to sell homes in order to move to the Subject, however the former homeowners who lost their homes may be attracted to the rental units of the Subject. Per our site visit, we did note a number of abandoned or vacant structures in the Subject site's immediate neighborhood.

12. Primary Housing Void

The Subject will be the only nonsubsidized LIHTC property in the PMA. As a result, it will fill a void in the market.

13. Affect of Subject on Other Affordable Units in Market

There is a lack of competition in the Subject's PMA. Post completion, it will be the only nonsubsidized LIHTC property within 35 miles. As a result, the Subject will have minimal, if any, affect on other affordable units in the greater market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Fourth Street Village in Milledgeville is offering 50 percent AMI rents that appear to be just below the maximum allowable levels for the two and three-bedroom units. Fourth Street Village reported having difficulty finding qualified tenants at the 50 percent AMI level because prospective tenant traffic tends to be over income qualified. The Subject site is located in a rural market that relies on retail trade, tourism, healthcare, and manufacturing. Further, as the demographic analysis demonstrated and the Demand Analysis will demonstrate, there is adequate demand for rental housing for rental households earning between \$14,674 and \$24,650 in the PMA, which is the income cohort the Subject's 50 percent AMI units will target. The Subject's 50 percent AMI rents will be lower than those at Fourth Street Village. The Subject's 50 percent AMI rents will also be lower than the basic rents that Fox Chase I is currently achieving. Fox Chase I is a family USDA Rural Development property in Greensboro that offers rental assistance for 12 of its 24 units. The property is 100 percent occupied and is achieving the basic rents for the remaining units. Therefore, we believe that the Subject's rents at 50 percent AMI are achievable as proposed. The Subject's 60 percent AMI rents are set at the maximum allowable levels. There is a clear disparity between the rents that the LIHTC properties in Athens are offering versus those in Milledgeville. The median household incomes in Greensboro are comparable to that of Milledgeville. As a result, Edgewood Park, located in Milledgeville, is considered the most similar property in terms of location. Edgewood Park is maintaining a stable occupancy rate at 91 percent, which indicates that the property is testing the market. The property was built in 1997 and therefore will be significantly inferior to the Subject in terms of age/condition. Edgewood Park features similar property amenities but superior unit features as it offers dishwashers, exterior storage, ceiling fans and walk-in closets. Its one and three-bedroom units are smaller than what are proposed for the Subject. We believe the Subject's 60 percent AMI rents are achievable compared to Edgewood Park.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

The newest LIHTC comparable is Fourth Street Village in Athens. The property offers 120 one, two, and three-bedroom units that are restricted at 30 and 50 percent of AMI as well as unrestricted units. This property opened in 2007 and stabilized at a rate of approximately 11 units per month over a period of approximately 10 months.

This property is located in Athens where there are two other family LIHTC properties with which this property competes. The Subject will offer fewer units (71 total) and they will be restricted at 50 and 60 percent of AMI. We anticipate that the Subject will stabilize at 93 percent occupancy within one year at a rate ranging from five to six units per month as the Subject will be the first nonsubsidized LIHTC property in the PMA. Therefore, management at the Subject will have to aggressively market within the area and in surrounding towns to create awareness of the property as well as the LIHTC program itself.

J. INTERVIEWS

Georgia Department of Community Affairs, Carrollton Regional Office

According to Lynn Spring, a Regional Housing Administrator for the Georgia Department of Community Affairs, the department currently has 15,375 vouchers under contract throughout the state. Of those vouchers, 21 are in use in Greene County and of those, 14 are in use in Greensboro, Georgia. The current payment standard for Greene County can be found in the following table.

PAYMENT STANDARDS	
1BR	\$815
2BR	\$906
3BR	\$1,103
4BR	\$1,203

The Subject’s gross rents at 50 and 60 percent AMI are well below the payment standards.

Planning

We spoke with Rick Zeier, the Planning and Building Officer for the city of Greensboro. According to Mr. Zeier, the only development project that he is aware of is that of the Subject. Other than the development of the Subject, Mr. Zeier stated that there is no other development in the city. There is one vacant, two acre parcel of land near the Greensboro interstate exit that generates a great deal of interest and may possibly be turned into hotel, but to date not official plans have been accepted. Additionally, Mr. Zeier stated that there has been a staggeringly low level of residential development in Greensboro. This was somewhat of a concern to Mr. Zeier.

We made several attempts to speak with someone in the planning department of the nearby city of Union Pointe, but our phone calls have not been returned.

Greene County Georgia Chamber of Commerce

We spoke with Becky Cronic, president of the Greene County Chamber of Commerce. According to Ms. Cronic, a new addition to the St Mary’s Hospital is currently under construction. The new addition is scheduled for completion in early 2014.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- From 2012 through 2017, the total population in the PMA is projected to grow at a slightly lesser pace than both the SMA and the nation. This trend will continue from the predicted market entry date of July 2015, through 2017. The population of the SMA and nation during this time will grow approximately 0.5 percent, which is 0.2 percentage points higher than the PMA. Annual household growth in the PMA was strong 1.9 percent in 2012 annually and estimated to increase by 0.9 percent by 2015, and surpasses that of nation but will lag growth in the SMA. The SMA experienced a 1.6 percent annual growth in 2012, but will outpace the PMA and nation with 1.1 percent growth in 2015 and continuing into 2017. The projected growth in population and households is considered positive and bodes well for the subject.
- Total employment in Greene County began decreasing sharply in 2009 and the decline continued through 2010. While total employment in the county began to increase in 2012, the total employment level in the county as of March 2013 decreased by 2.2 percent and the year to date average remains below the peak employment of 2008. The unemployment rate in the county has historically been one to three percentage points greater than that of the nation. As of March 2013, the unemployment rate in the county remains approximately 1.7 percentage points above that of the nation. This trend can be attributed to the rural nature of the local economy and its reliance on industries such as manufacturing, retail trade, and tourism. These figures demonstrate a SMA that is still slowly recovering from the economic downturn.
- The Subject's capture rates at the 50 percent AMI level will range from 5.0 to 10.2 percent, with an overall capture rate of 7.4 percent. The Subject's 60 percent AMI capture rates range from 16.5 to 33.2 percent, with an overall capture rate of 24.6 percent. The overall capture rate for the project's 50 and 60 percent units is 16.6 percent. Therefore, we believe there is adequate demand for the Subject.
- The newest LIHTC comparable is Fourth Street Village in Athens. The property offers 120 one, two, and three-bedroom units that are restricted at 30 and 50 percent of AMI as well as unrestricted units. This property opened in 2007 and stabilized at a rate of approximately 11 units per month over a period of approximately 10 months.

This property is located in Athens where there are two other family LIHTC properties with which this property competes. The Subject will offer fewer units (71 total) and they will be restricted at 50 and 60 percent of AMI. We anticipate that the Subject will experience an absorption rate ranging from five to six units per month. At this pace, the Subject will reach a stabilized occupancy of 93 percent within one year. Further, as the Subject will be the first nonsubsidized LIHTC property in the PMA, management will have to aggressively market within the area and in surrounding towns to create awareness of the property as well as the LIHTC program itself.

- There are no unsubsidized LIHTC properties in the PMA. We have included two of the family USDA Rural Development properties and one market rate property in the PMA.

Fox Chase I is a USDA Rural Development property in Greensboro. Of its 24 units, 12 operate with rental assistance and the remaining households are paying the basic rents (\$376 to \$413 for its one to three-bedroom units). These rents are above the Subject's proposed 50 percent AMI rents and at or slightly below the Subject's proposed 60 percent AMI rents. This property is currently 100 percent occupied with a waiting list of nine households. Therefore, the property's rents have been accepted in the market. The property manager at Fox Chase I reported that there is demand for a family LIHTC property in Greensboro as it would draw tenants from Union Point, Canaan, and Madison in addition to Greensboro. Greensboro Village offers rental assistance for 32 of its 33 units; therefore, almost all of its tenants are paying 30 percent of their income towards the monthly rent. Greensboro Village is currently 100 percent occupied with a waiting list of three households for the one-bedroom units and eight households for the two-bedroom units.

The Crossroads at Lake Oconee is a market rate property that is located southwest of Greensboro in Eatonton in the PMA. The property manager reported that the property does not have competition in this market as there is limited multifamily housing in the area. Management indicated that tenants come from Madison, Milledgeville, the Atlanta area, and out of state and that there is demand for LIHTC housing in downtown Greensboro as downtown Greensboro is a center for employment. In addition to the tourism, education, and public administration industries, demand for affordable housing would come from employees in the manufacturing industry as there are several manufacturing employers in Greensboro and Union Point. The property is currently 92 percent occupied and is achieving rents that are 73 to 85 percent above those at the Subject. Therefore, the Subject will have a significant rent advantage.

We have also included the closest LIHTC properties to Greensboro, which are located in Athens and Milledgeville. Both Athens and Milledgeville are larger towns with the University of Georgia in Athens and Georgia College & State University (GCSU) in Milledgeville. The LIHTC properties in these two markets are experiencing vacancy issues for a variety of reasons.

Dogwood Park is a family LIHTC property in Athens, approximately 36 miles north of the Subject site, that is currently 21 percent vacant. The property manager at Dogwood Park reported that the property's qualification standards limit the number of prospective tenants who qualify for the property. While the property experiences traffic from an estimated 20 households per month, only ten percent will get approved while the remainder will not qualify based upon poor credit and/or criminal history. Management indicated that other LIHTC properties in the market, including Oak Hill, maintain higher occupancy rates because their qualification standards regarding credit history are more lax. Further, many prospective tenants are over income qualified as they are employed at Caterpillar or Pilgrims Pride.

Fourth Street Village is another family LIHTC property in Athens, approximately 36 miles north of the Subject site, that is maintaining a high vacancy rate. The property manager reported that there is high demand for units at the 30 percent AMI level and for the market rate units. Demand for the units at 50 percent AMI is limited due to tenants being over income qualified.

Of the two family LIHTC properties that we have included in Milledgeville, one is maintaining a high vacancy rate of greater than 10 percent: Waterford Place. Management indicated that the property has maintained a high vacancy rate in the past 1.5 to two years due to the state of the economy in Milledgeville. As a result, tenants have been evicted for nonpayment and others have moved from Milledgeville to find employment.

While the LIHTC properties in Milledgeville and Athens are the closest LIHTC properties to the Subject, we believe that these markets are distinct from Greensboro. They reflect the performance of LIHTC properties regionally but are greatly impacted by the local economies of these college towns as well as competition from one another, which the Subject will not face as it will be the first unsubsidized family LIHTC property in the PMA.

The Subject will face limited competition in Greensboro and will draw tenants from surrounding areas (Union Point, Canaan, Madison, etc.) and the Atlanta area due to its location on Interstate 20. There are no unsubsidized family LIHTC properties in Greensboro and the closest market rate property is located in Eatonton. Further, the Subject will offer 71 units and will be smaller than the majority of the LIHTC properties in Athens and Milledgeville, which range in size from 57 units to 220 units, with an average of 121 units. As the rent discussion will demonstrate, the Subject's rents at 50 percent AMI are below those being achieved at a USDA Rural Development property in Greensboro and the Subject's 60 percent AMI rents are at the same level or higher than the rural development rents, within a reasonable margin. The Subject will offer a significantly superior age/condition when compared to these properties and we assume a significantly superior amenity package. Overall, we anticipate that the Subject will maintain a vacancy rate of five percent, or less once stabilized.

- Strengths of the Subject will include its new construction and lack of nearby competition.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Fourth Street Village in Milledgeville is offering 50 percent AMI rents that appear to be just below the maximum allowable levels for the two and three-bedroom units. Fourth Street Village reported having difficulty finding qualified tenants at the 50 percent AMI level because prospective tenant traffic tends to be over income qualified. The Subject site is located in a rural market that relies on retail trade, tourism, healthcare, and manufacturing. Further, as the demographic analysis demonstrated and the Demand Analysis will demonstrate, there is adequate demand for rental housing for rental households earning between \$14,674 and \$24,650 in the PMA, which is the income cohort the Subject's 50 percent AMI units will target. The Subject's 50 percent AMI rents will be lower than those at Fourth Street Village. The

Subject's 50 percent AMI rents will also be lower than the basic rents that Fox Chase I is currently achieving. Fox Chase I is a family USDA Rural Development property in Greensboro that offers rental assistance for 12 of its 24 units. The property is 100 percent occupied and is achieving the basic rents for the remaining units. Therefore, we believe that the Subject's rents at 50 percent AMI are achievable as proposed. The Subject's 60 percent AMI rents are set at the maximum allowable levels. There is a clear disparity between the rents that the LIHTC properties in Athens are offering versus those in Milledgeville. The median household incomes in Greensboro are comparable to that of Milledgeville. As a result, Edgewood Park, located in Milledgeville, is considered the most similar property in terms of location. Edgewood Park is maintaining a stable occupancy rate at 91 percent, which indicates that the property is testing the market. The property was built in 1997 and therefore will be significantly inferior to the Subject in terms of age/condition. Edgewood Park features similar property amenities but superior unit features as it offers dishwashers, exterior storage, ceiling fans and walk-in closets. Its one and three-bedroom units are smaller than what are proposed for the Subject. We believe the Subject's 60 percent AMI rents are achievable compared to Edgewood Park.

Recommendations

- We recommend the Subject as proposed. There are currently no unsubsidized family or senior LIHTC properties in the PMA and the existing subsidized and market rate family multifamily supply is performing well with an overall vacancy rate of approximately six percent. Overall, due to the lack of affordable housing in the PMA in conjunction with the stable occupancy rates at the existing USDA Rural Development and market rate properties in the PMA, we believe that the Subject is feasible as proposed.

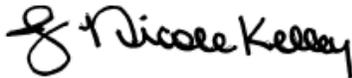
L. SIGNED STATEMENT REQUIREMENTS

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 (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-12-2013
Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

6-12-2013
Date



Patrick Bush
Real Estate Analyst
Novogradac & Company LLP

6-12-2013
Date

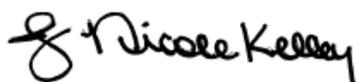
M. MARKET STUDY REPRESENTATION

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

6-12-2013
Date



J. Nicole Kelley
Manager
Novogradac & Company LLP

6-12-2013
Date



Patrick Bush
Real Estate Analyst
Novogradac & Company LLP

6-12-2013
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
PATRICK B. BUSH**

EDUCATION

University at Albany, Bachelor of Arts in English

PROFESSIONAL EDUCATION

Basic Appraisal Principles	Basic Appraisal Procedures
Residential Market Analysis and Highest and Best Use	Residential Appraiser Site Valuation and Cost Approach
Residential Sales Comparison and Income Approach	Residential Report Writing and Case Studies
National USPAP	General Appraiser Income Approach
	General Appraiser Site Valuation & Cost Approach

PROFESSIONAL DESIGNATIONS

New York State Licensed Appraiser Assistant
Associate Member of the Appraisal Institute

EXPERIENCE

Novogradac & Company LLP – March 2010 – Present
Analyst

Alvey & DiMura, Inc, Albany, New York – August 2006-February 2010
Appraiser

REAL ESTATE ASSIGNMENTS

A representative sample of work on various types of projects:

- Conducted commercial and residential appraisal reports for the following types of properties: multiple and single tenant industrial uses, multiple and single tenant professional offices, multiple family apartment buildings, medical offices, institutional uses, vacant commercial and residential land tracks, and single family residences.
- Prepared market studies and appraisals for proposed new construction and existing Low Income Housing Tax Credit, Section 8 and market rate developments. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, expense comparability analysis, cost, sales and income capitalization approaches to value.
- Inspected Subject properties to evaluate physical condition and location. Visited comparable properties to take photographs and conduct assessments on condition and overall comparability to Subject property.