



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**WATER TOWER PARK
SOUTH OF GRAY HIGHWAY, EAST OF ST. PAUL CIRCLE, NORTH OF BOULDER
DRIVE
Gray, Jones County, Georgia 31032**

**Effective Date: February 9, 2014
Report Date: February 25, 2014**

Prepared For

**Mr. Marvin Wilmoth
Miller-Valentine Group
9349 Water Stone Boulevard
Cincinnati, OH 45249**

Assignment Code

MVG601V-003

Prepared By

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February 25, 2014

Mr. Marvin Wilmoth
Miller-Valentine Group
9349 Water Stone Blvd
Cincinnati, OH 45249

Re: Market Study for Water Tower Park, located in Gray, Jones County, Georgia 31032.

Dear Mr. Wilmoth:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Gray, Jones 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 Water Tower Park, a proposed age-restricted development targeting seniors aged 55 and older consisting of 72 units. Units will be restricted to senior 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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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Water Tower Park, the Subject, is a proposed LIHTC development targeting seniors aged 55 and older located south of Gray Highway (US 129), east of St. Paul Circle, and north of Boulder Drive in Gray, Jones County, Georgia 31032. The Subject will consist of 18 one-story, townhouse-style residential buildings. The design will feature stick frame construction with brick façade and hardi-plank cement siding. The following table illustrates the proposed unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance based on information supplied by the client. As illustrated, the proposed LIHTC rents are at the maximum allowable level for all units and set asides.

PROPOSED RENTS

Unit Type	Unit Size (Sq. Ft.)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	800	3	\$361	\$131	\$492	\$492	\$616
2BR/2BA	950	12	\$424	\$167	\$591	\$591	\$730
<i>60% AMI</i>							
1BR/1BA	800	9	\$460	\$131	\$591	\$591	\$616
2BR/2BA	950	<u>48</u>	\$542	\$167	\$709	\$709	\$730
Total		72					

Notes (1) Source of Utility Allowance provided by Georgia Department of Community Affairs, Eff 6/1/2013

The Subject will offer the following amenities: blinds, cable/satellite/internet, carpeting, central air conditioning, dishwasher, garbage disposal, oven, pull cords, refrigerator, walk-in closet, and washer/dryer connections. Property amenities will include: fitness center, computer/business center, community room, on-site laundry facility, on-site management, elevators and off-street parking. Overall, the Subject’s amenities will be competitive with those at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located in Gray and is proximate to many area amenities that are desirable for affordable age-restricted developments. The Subject is located in a mixed use neighborhood. Immediate uses consist primarily of commercial and retail uses, a senior center, single-family

homes in average to good condition, and vacant land. Adjacent to the north of the Subject site is vacant wooded land and a vacant commercial lot; beyond the vacant commercial lot, to the northeast, is Jones County Senior Center. Further north and northeast, along Gray Highway (US 129), are retail and commercial uses including Marathon gas station and convenience store, Dairy Queen Restaurant, Sonic Drive-In, Bridges Funeral Home & Cemetery, BP gas station and convenience store, Krystal Restaurant, Fred's Grocery Store, Robins Federal Credit Union, Stan's Body Shop, and single-family homes in average to good condition. Adjacent to the south of the Subject site is vacant wooded land and a vacant commercial lot. Further south are single-family homes in average to good condition. Adjacent to the east are single family homes in good condition located along Boulder Drive. Further east is Stone Brooke Suites, a senior living center, and single-family homes in good condition located along Bateman Lake. Adjacent to the west of the Subject site is vacant wooded land and a single-family home in average condition. Further west are retail and commercial uses located along Gray Highway (US 129) including Exchange Bank, Piedmont Animal Hospital Services, Kelleher Chiropractic Clinic, Cotton States Insurance, El Sombrero Mexican Grill, Money Tree, and single-family homes in average to good condition. During the site inspection, it appeared that the commercial/retail uses are approximately 90 to 95 percent occupied. Overall, both the Subject site and the land uses in the Subject's neighborhood are considered compatible for multifamily use.

3. Market Area Definition:

The PMA is defined by the Jones County line to the north, Interstate 75, US 23, and US 57 to the south, US 243, Carl Vinson Road SE, US 112, Barrows Ferry Road NE, and Shiloh Ranch Drive to the east, and US 23 to the west. This area includes the cities of Gray, Bragg, Bradley, Blountsville, Round Oak, Ethridge, Haddoc, Fortville, Browns Crossing, Allenwood, Blandy, Harrisburg, Scottsburg, Pinesville, Pine Ridge, Morton, James, Greenberry Crossroads, Brooks, Lewiston, Mountain Springs, Gordon, Griswoldville, Jones Acres, Lake Arrowhead, Cumslo, Clinton, Postell, Five Points, Dames Ferry, East Juliette, and Popes Ferry as well as unincorporated parts of Jones County. The area was defined based on interviews with the local housing authority and property managers at comparable properties.

The north boundary of the PMA is approximately 11.1 miles from the Subject site; the eastern boundary of the PMA is approximately 14.8 miles from the Subject site; the southern boundary of the PMA is approximately 9.9 miles from the Subject site; and the western boundary of the PMA is approximately 10.5 miles from the Subject site.

4. Community Demographic Data:

The total population in the PMA in 2013 was 88,644. The number of households in the PMA increased annually by 0.8 percent from 2000 to 2013. This trend is anticipated to continue at a slower rate of 0.1 percent annually through 2018. The MSA and nation will grow at annual rates of 0.3 and 0.8 percent, respectively, annually through 2018. The PMA and MSA experienced increases in senior household formation from 2000 to 2013, a trend that is anticipated to continue at a faster rate through market entry and 2018 at an annual rate of 1.6 percent. The growth in population and households in the PMA will increase demand for housing of all types of housing.

The general median household income in the PMA for 2013 was \$37,984, which is slightly higher than the household income in the MSA but significantly lower than the household income in the nation during the same time period. The median household income in the PMA is anticipated to grow at a rate of 3.1 percent annually through 2018, compared to annual rates of 3.3 and 3.2 percent, respectively, annually for the MSA and nation over the same time period. Comparable data for senior households was not available, but seniors typically have lower fixed incomes and the general population and the low median income in the PMA bodes well for the demand for all types of affordable housing.

In 2013, approximately 77.3 percent of senior housing units aged 55 and older in the PMA were owner-occupied, and 22.7 percent were renter-occupied. In the SMA 73.2 percent of the senior housing units aged 55 and older were owner-occupied and 26.8 percent were renter-occupied in 2013. The percentage of senior renter-occupied units is anticipated to decrease slightly in the PMA through 2018. However, the number of senior renter-occupied units is projected to increase by 282 units through 2018, demonstrating a future demand for additional senior rental units. According to a REIS summary report for the metro Macon area, asking rents increased 0.2 percent in the

Macon metro from the third to fourth quarter 2013. In the fourth quarter of 2013, the vacancy rate was 7.1 percent, a 0.2 percentage point decrease compared to the fourth quarter of 2012.

According to RealtyTrac, one in every 740 housing units in Gray had received foreclosure filings in 2013. This compares to one in every 1,161 housing units in Jones County, one in every 841 housing units in the state of Georgia, and one in every 1,136 housing units in the nation at the same time. It appears that the mortgage and foreclosure crisis has affected Gray as its foreclosure rate is higher than the county, state, and nation. However, during our site inspection, there did not appear to be any vacant or abandoned homes in the Subject's neighborhood.

5. Economic Data:

The Macon, GA MSA has experienced employment growth for seven of the last 10 years. From 2003 through 2008, total employment in the MSA increased each year. However, from 2009 through 2010, the MSA experienced decreasing total employment and rising unemployment, due in part to the recent national recession and housing crisis. The job losses in the MSA in 2009 and 2010 were generally greater than the nation. Further, from November 2012 through November 2013, total employment decreased by 1.2 percent in the MSA, compared to a 0.9 percent increase in the nation. However, the unemployment rate decreased 1.2 percentage points for the twelve-month period ending in November 2013. As of November 2013, the unemployment rate in the MSA was 7.6 percent, compared to the national unemployment rate of 6.6 percent. Thus, it appears that the MSA is still affected by the recent national recession, though there has been a recent decrease in unemployment. The Gray Chamber reported that five companies had expanded in Jones County in 2013, creating 160 total jobs in the area. However, it appears the regional economy is still recovering from the impact of the recent national recession, as the current employment levels remain slightly below pre-recessionary levels.

The largest proportion of the workforce in the PMA is employed in the healthcare/social assistance, educational services, and retail trade sectors, which represent 18.8, 12.1, and 10.4 percent of total employment in the PMA, respectively. The healthcare/social assistance, educational services transportation/warehousing, public administration, and mining sectors are overrepresented in the PMA

compared to the nation. The retail trade, manufacturing, professional/scientific/tech services, and admin/support/waste management services sectors are underrepresented in the PMA compared to the nation. The relatively low representation of cyclical industries, compared to the nation, such as manufacturing, construction, and retail trade in the PMA likely provides some stability to the local economy and decreases the cyclical nature its employment. This bodes well for the rental housing demand in the area.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are approximately 895 income qualified senior renter households aged 55 and older in the PMA. The following table illustrates capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Income Limits	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	\$10,830-\$21,000	456	0	456	3	0.7%
1BR at 60% AMI	\$13,800-\$25,200	439	0	439	9	2.0%
2BR at 50% AMI	\$12,720-\$23,650	211	0	211	12	5.7%
2BR at 60% AMI	\$16,260-\$28,380	204	0	204	48	23.6%
Overall 50%	\$10,830-\$23,650	667	0	667	15	1.9%
Overall 60%	\$13,800-\$28,380	643	0	643	57	7.4%
Total Overall	\$10,830-\$28,380	927	0	927	72	8.5%

The overall capture rate is 8.5 percent. We believe that the capture rates are reasonable for the Subject based on its target population, and there is adequate demand based on our conclusions.

7. Competitive Rental Analysis:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 663 units in eight rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The comparable properties in our survey include a range of units targeting several different AMI levels and unrestricted units. The Subject will offer 50 and 60 percent AMI units. The Subject’s proposed 50 percent rents offer an advantage over the average rents at the comparable properties.

Vacancy rates in the market range from zero to 7.5 percent, averaging 3.2 percent. The average weighted vacancy rate among the LIHTC/mixed income comparables is 3.5

percent while the average weighted vacancy rate among the market rate comparables is 2.8 percent. However, it should be noted that one of the comparable LIHTC properties recently changed management or ownership, and reported higher vacancy rates resulting from a recent increase in turnover. Additionally, three LIHTC properties are reported to currently maintain waiting list. The Subject will be new construction and be superior to all of the comparables in terms of construction. The Subject's proposed rents are within the comparables and will be achievable. The following table compares the Subject's rents to the market rents.

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.

**Subject Comparison To Market Rents
@50%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$361	\$419	\$679	\$527	-31%
2 BR	\$424	\$437	\$819	\$619	-32%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$460	\$419	\$679	\$533	-14%
2 BR	\$542	\$483	\$819	\$640	-15%

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. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be significantly superior to the market rate inventory. It should be noted that the Subject will be in superior condition to the all of the comparables and thus, the LIHTC and market rate properties are not good rent comparisons at the 60 percent AMI level. Overall, we believe that the Subject's proposed rents are achievable in the market and will offer a substantial market rent advantage.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from three comparable properties. Pearl Stephens Village, a 61- unit age-restricted LIHTC/mixed income comparable was constructed in 2009. Management noted an absorption rate of 31 units per month, resulting in an absorption period of approximately two months. Additionally, 2009 Vineville, a 106-unit Public Housing/Market comparable, opened in 2004. Management noted an absorption rate of 12 units per month, resulting in an absorption period of nine months. It should be noted that this information is relatively old and we have tempered this data based on current market conditions. Further, both Pearl Stephens Village and 2009 Vineville receive subsidies, which have resulted in an accelerated lease up period. Pecan Hills of Milledgeville, a 54-unit age-restricted LIHTC comparable, opened in 2006, and management noted an absorption rate of 54 units per month, equating to an absorption period of one month. It should be noted that all of Pecan Hills at Milledgeville target senior households earning 50 percent of AMI or less, which would result in accelerated lease up. Thus, we anticipate that the Subject will absorb 15 units per month, for an absorption period of approximately five months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 663 units in eight rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The comparable properties in our survey include a range of units targeting several different AMI levels and unrestricted units. The Subject will offer 50 and 60 percent AMI units. The Subject's proposed 50 percent rents offer an advantage over the average rents at the comparable properties.

Vacancy rates in the market range from zero to 7.5 percent, averaging 3.2 percent. The average weighted vacancy rate among the LIHTC/mixed income comparables is 3.5 percent while the average weighted vacancy rate among the market rate comparables is 2.8 percent. However, it should be noted that one of the comparable LIHTC properties recently changed management or ownership, and reported higher vacancy rates resulting from a recent increase in turnover. Additionally, three LIHTC properties area

reported to currently maintain waiting list. The Subject will be new construction and be superior to all of the comparables in terms of construction. The Subject's proposed rents are within the comparables and will be achievable.

Summary Table:

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

Development Name:	Water Tower Park	Total # Units:	72
Location:	4678 Rockbridge Road	# LIHTC Units:	72
	South of Gray Highway, East of St. Paul Circle, North of Boulder Drive		
PMA Boundary:	North: Jones County Line; South: Interstate 75, US 23, US 57; East: US 243, Carl Vinson Road SE, US 112, Barrows Ferry Road NE, Shiloh Ranch Drive; West – US 23		
	Farthest Boundary Distance to Subject:		14.8 miles

Rental Housing Stock (found on pages 6 and 89)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	25	13,290	744	94.4%
Market-Rate Housing	14	12,606	618	95.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	6	369	N/Ap	N/Ap
LIHTC	5	315	25	92.2%
Stabilized Comps	25	13,290	744	94.4%
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% AMI	1	800	\$361	\$527	\$0.66	31%	\$679	\$0.83
12	2BR at 50% AMI	2	950	\$424	\$533	\$0.56	20%	\$533	\$0.47
9	1BR at 60% AMI	1	800	\$460	\$619	\$0.77	26%	\$619	\$0.54
48	2BR at 60% AMI	2	950	\$542	\$640	\$0.67	15%	\$640	\$0.83

Demographic Data (found on page 33)

	2000		2013		2016	
Renter Households Aged 55 and older	2,161	20.10%	3,198	22.70%	3,367	22.80%
Income-Qualified Renter HHs (LIHTC)	754	34.90%	916	28.64%	895	28.64%

Targeted Income-Qualified Renter Household Demand (found on pages 47-59)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	45	40	N/Ap	N/Ap	53
Existing Households (Overburdened + Substandard)	N/Ap	254	227	N/Ap	N/Ap	299
Homeowner conversion (Seniors)	N/Ap	571	571	N/Ap	N/Ap	571
Total Primary Market Demand	N/Ap	873	842			927
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	870	267	N/Ap	N/Ap	923

Capture Rates (found on page 62)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	1.90%	7.40%	N/Ap	N/Ap	8.50%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

The Subject site is located the south of Gray Highway (US 129), east of St. Paul Circle, and north of Boulder Drive in Gray, Jones County, Georgia 31032.

Construction Type:

The Subject will consist of 18 one-story townhouse-style residential buildings using stick frame construction with brick façade and hardi-plank cement siding.

Occupancy Type:

The Subject will target senior households aged 55 and older.

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 upon completion.

Proposed Development Amenities: See following property profile.

Property Profile Report

Water Tower Park

Location South Of Gray Highway,
East Of St. Paul Circle, North
Of Boulder Drive
Gray, GA 31032
Jones County
(verified)

Distance n/a

Units 72

Vacant Units N/A

Vacancy Rate N/A

Type Townhouse (age-restricted)

Year Built / Renovated 2016 / n/a

Marketing Began n/a

Leasing Began n/a

Last Unit Leased n/a

Major Competitors N/A

Tenant Characteristics Seniors aged 55
and older

Contact Name n/a

Phone n/a



Market

Program	@50%, @60%	Leasing Pace	N/A
Annual Turnover Rate	N/A	Change in Rent	N/A
Units/Month Absorbed	N/A	Concession	None
Section 8 Tenants	N/A		

Water Tower Park

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Townhouse	3	800	\$361	\$0	@50%	n/a	N/A	N/A	yes	
1	1	Townhouse	9	800	\$460	\$0	@60%	n/a	N/A	N/A	yes	
2	2	Townhouse	12	950	\$424	\$0	@50%	N/A	N/A	N/A	yes	
2	2	Townhouse	48	950	\$542	\$0	@60%	N/A	N/A	N/A	yes	

Amenities			
In-Unit	Blinds Cable/Satellite/Internet Carpeting Central A/C Dishwasher Garbage Disposal Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Limited Access
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management	Premium	none
Services	none	Other	none

Comments

Upon completion, Water Tower Park will target seniors aged 55 and older. The development will consist of 18, one-story townhouse-style residential buildings. The design will feature stick frame construction with brick facade and hardi-plank cement siding.

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 Subject's approximate market entry date is July 2016.

Conclusion: The Subject will consist of 18 excellent quality one-story townhouse-style residential buildings. As new construction, the Subject will not suffer from deferred maintenance or functional obsolescence.

C. SITE EVALUATION

1. Date of Site Visit and

Name of Site Inspector:

Ed Mitchell, an employee of Novogradac & Company LLP, visited the site on February 9, 2014.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

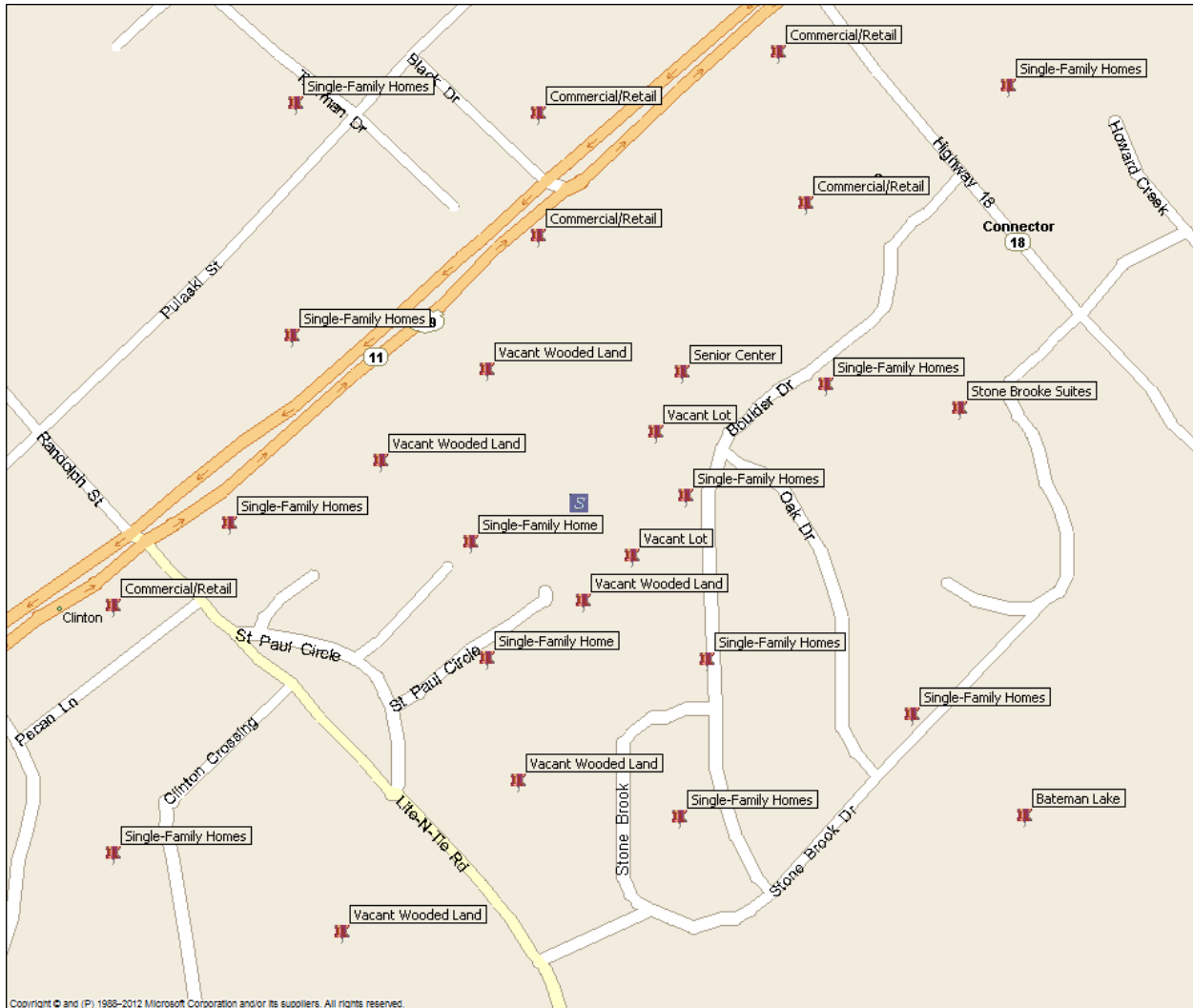
According to site plans from the developer, the Subject will have frontage on a public road which will be constructed as part of the development.

Visibility/Views:

As previously noted, the Subject site will have a public road constructed as part of the development and will have good visibility from this roadway. Additionally, the Subject will have limited visibility from Boulder Drive and St. Paul Circle. Views include vacant wooded land to the south, vacant wooded land, Jones County Senior Center, commercial and retail uses to the north and northeast, wooded land and single-family homes to the east and west. Overall, views are considered good.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject site is located in a developing mixed use neighborhood with retail and commercial uses nearby. The residential uses to the north, south, east, and west primarily consist of single family homes typically in average to good condition. There is significant retail and commercial development north and northeast of the Subject site, located along Gray Highway (US 129), and appeared to be around 90 to 95 percent occupied at the time of inspection and in good to condition. Retail/commercial uses along Gray Highway (US 129) include convenience/grocery stores, restaurants, gas stations, doctor's offices, banks, hotels, pharmacies, auto body shops, a funeral home, and retail stores. The Subject site is located approximately a half mile from Bateman Lake. The lake offers swimming during permitted times, walking trails, and other community events.

Positive/Negative Attributes of Site: There does not appear to be any negative attributes of the site. Positive attributes include walking distance to Jones County Senior Center, retail, and commercial uses, and proximity to Bateman Lake.

3. Physical Proximity to Locational Amenities:

The Subject site is located in Gray Georgia, in Jones County. There are restaurants, gas stations, banks, convenience/grocery stores, and other retail located within walking distance of the Subject site. There is also a community lake that is situated approximately 0.5 mile from the Subject site. One property manager indicated that this is an attraction for residents of Gray. Other amenities such as a pharmacy, a post office, and a library are less than a mile away. The proximity of these amenities is considered to be a very desirable attribute for senior households.

4. Pictures of Site and Adjacent Uses:



Subject Site Looking North



Subject Site Looking South



Subject Site Looking Northeast



Subject Site Looking West



Subject Site Looking East on Access Road



Senior Center Northeast of Subject Site



Restaurant and Retail Northeast of Subject Site



Fred's Grocery Store Northeast of Subject Site



Typical Single-Family Adjacent to East of Subject Site



Typical Single-Family Adjacent to East of Subject Site



Typical Single-Family Home North of Subject Site on Gray Highway



Funeral Home North of Subject Site on Gray Highway



Marathon Gas Station North of Subject Site on Gray Highway



DQ Restaurant North of Subject Site on Gray Highway



Sonic Restaurant North of Subject Site on Gray Highway



Robins Federal Credit Union North of Subject Site on Gray Highway



Typical Single-Family Home to West of Subject Site



View of Bateman Lake

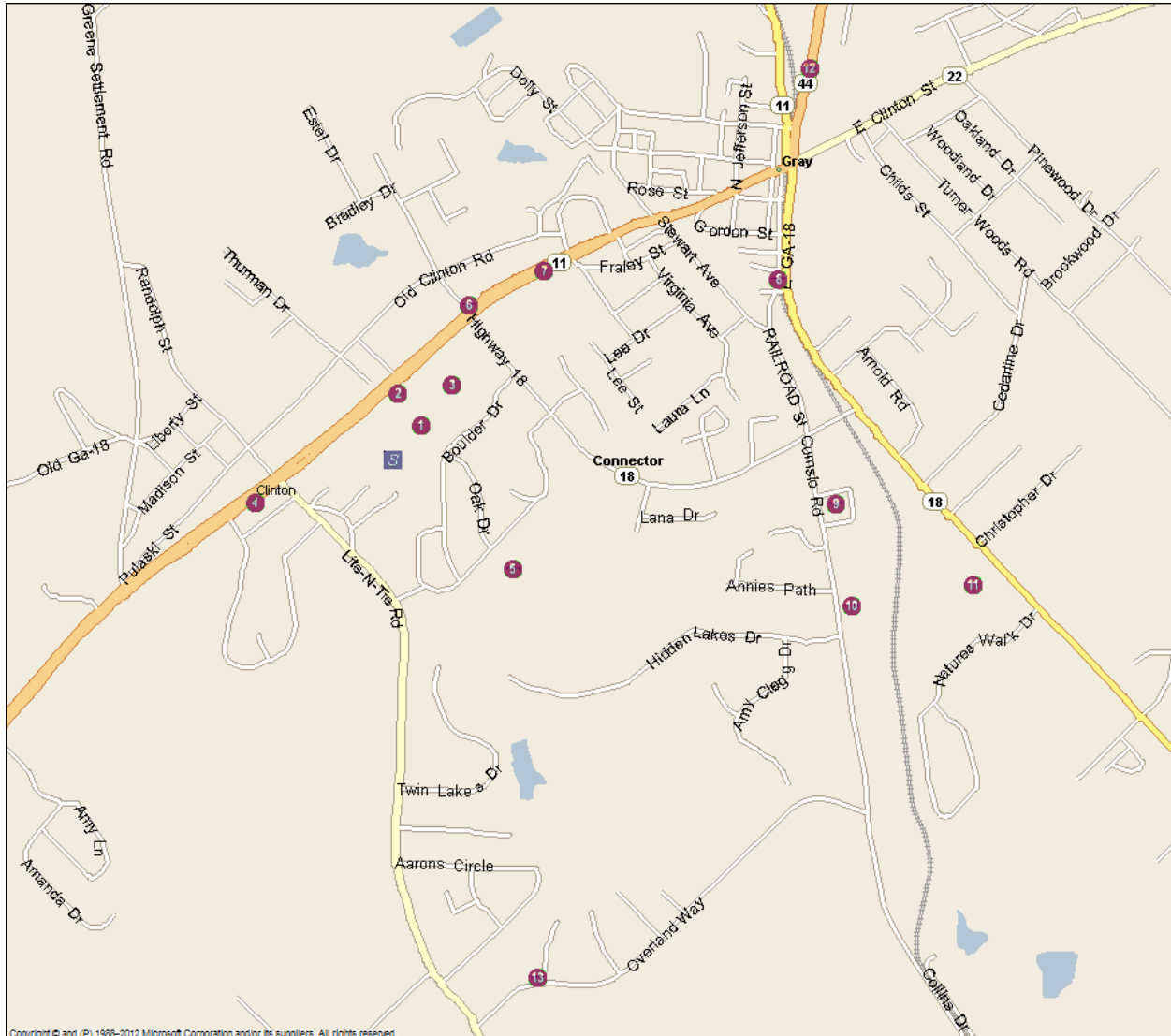
5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities. It should be noted that there is no public transportation available in Gray, which is common in rural markets.

LOCATIONAL AMENITIES

Map Number	Amenity	Service	Miles From Subject
1	Jones County Senior Center	Senior Center	0.1 Mile
2	Marathon Gas Station	Gas Station/Convenience Store	0.2 Mile
3	Fred's Grocery Store	Grocery	0.3 Mile
4	Exchange Bank	Bank	0.3 Mile
5	Bateman Lake	Park/Lake	0.4 Mile
6	Walgreens Pharmacy	Pharmacy	0.5 Mile
7	Gray Post Office	Post Office	0.6 Mile
8	Jones County Library	Library	0.9 Mile
9	Jones County High School	Education	1.2 Miles
10	Gray Elementary School	Education	1.2 Miles
11	Gray Middle School	Education	1.3 Miles
12	Gray Police Station	Police	1.4 Miles
13	McKesson Medical Clinic	Medical Clinic	1.4 Miles

LOCATIONAL AMENITY MAP



6. Description of Land Uses:

The Subject site is located in a developing mixed use neighborhood with retail and commercial uses nearby. The residential uses to the north, south, east, and west primarily consist of single family homes in average to good condition and Stone Brooke Suites senior living center. There is significant retail and commercial development north and west of the Subject site located along Gray Highway (US 129) and appeared to be around 90 to 95 percent occupied at the time of inspection and in good condition. Retail/commercial uses along Gray Highway (US 129) include convenience/grocery stores, restaurants, gas stations, doctor’s offices, banks, hotels, pharmacies, auto body shops, a funeral home, and other retail stores. The Subject site is located approximately a half mile from Bateman Lake. The lake offers swimming during permitted times, walking trails, and other community events. Additionally, the Subject site is located approximately 0.1 mile south of Jones County Senior Center. Overall, the Subject site is considered a desirable building site for senior multifamily housing and the Subject will be compatible with the surrounding uses.

7. Multifamily Residential within Two Miles:

The following table illustrates multifamily properties located within two miles of the Subject site.

Property Name	Type	Tenancy	Distance
Dulles Park Apartments*	LIHTC	Senior	0.6 Mile
Chehaw Creek Properties*	Market	Family	1.2 Miles
Colonnade Apartments	Market	Family	1.5 Miles
Gray Gardens	Section 8/USDA	Family	1.6 Miles
Northside Villas	Section 8	Family	1.8 Miles

* Utilized as rent comparable

8. Existing Assisted Rental Housing Property Map:

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

Map#	Name	Address	City	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
S	<i>Water Park Tower</i>	<i>South of Gray Hwy, north of Boulder Dr</i>	<i>Gray</i>	<i>GA</i>	<i>Subject</i>	<i>Family</i>	-	<i>Subject</i>	-
1	Edgewood Park Apartments	2671 N Columbia Street	Milledgeville	GA	LIHTC	Family	Excluded	More comparable properties used	18.3 Miles
2	Waterford Place	131 N Pickens Street	Milledgeville	GA	LIHTC	Family	Included	Included	18.2 Miles
3	Dulles Park Apartments	220 Old Clinton Road	Gray	GA	LIHTC	Senior	Included	Included	0.6 Mile
4	Baldwin Park	200 S Irwin Street	Milledgeville	GA	LIHTC	Senior	Excluded	Unable to contact	18.6 Miles
5	Pecan Hills of Milledgeville	900 W Montgomery Street	Milledgeville	GA	LIHTC	Senior	Included	Included	18.6 Miles
6	Gray Gardens Apartments	200 Eatonton Highway	Gray	GA	Section 8/USDA	Family	Excluded	Different rent/income restrictions	1.6 Miles
7	Northside Villas of Gray	256 Eatonton Highway	Gray	GA	Section 8	Family	Excluded	Different rent/income restrictions	1.8 Miles
8	Dogwood Retirement Housing	101 S Columbia Street	Milledgeville	GA	Section 8	Elderly	Excluded	Different rent/income restrictions	18.7 Miles
9	Milledgeville Manor	1498 S Jefferson Street SE	Milledgeville	GA	Section 8	Family	Excluded	Different rent/income restrictions	18.8 Miles
10	Oconee VOA Housing	1974 N. Jefferson	Milledgeville	GA	Section 8	Disabled	Excluded	Different rent/income restrictions	18.8 Miles
11	River Bend Apartments	221 North Warren Street	Milledgeville	GA	Section 8	Elderly	Excluded	Different rent/income restrictions	18.8 Miles

9. Road/Infrastructure**Proposed Improvements:**

According to site plans from the developer, there will be a public road constructed as part of the development which will provide access to the Subject site from Bill Conn Parkway (Highway Connector 18).

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

The Subject will have access from the public road that will be constructed as part of the development. The public road will provide access to Bill Conn Parkway (Highway Connector 18) approximately 0.3 mile northeast of the Subject site. Bill Conn Parkway (Highway Connector 18) is a moderate to highly trafficked roadway that provides access to Gray Highway (US 129) approximately 0.4 mile north of the Subject site. The Subject site will have good visibility from the public road that will be constructed as part of the development and limited visibility from Boulder Drive and St. Paul Circle. Overall visibility, access, and ingress/egress are considered average.

11. Environmental Concerns:

We requested but were not provided with a Phase I environmental report for the Subject. No obvious environmental conditions were observed during our site inspection. Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report.

Detrimental Influences:

There were no significant detrimental off-site influences observed during the site inspection.

12. Conclusion:

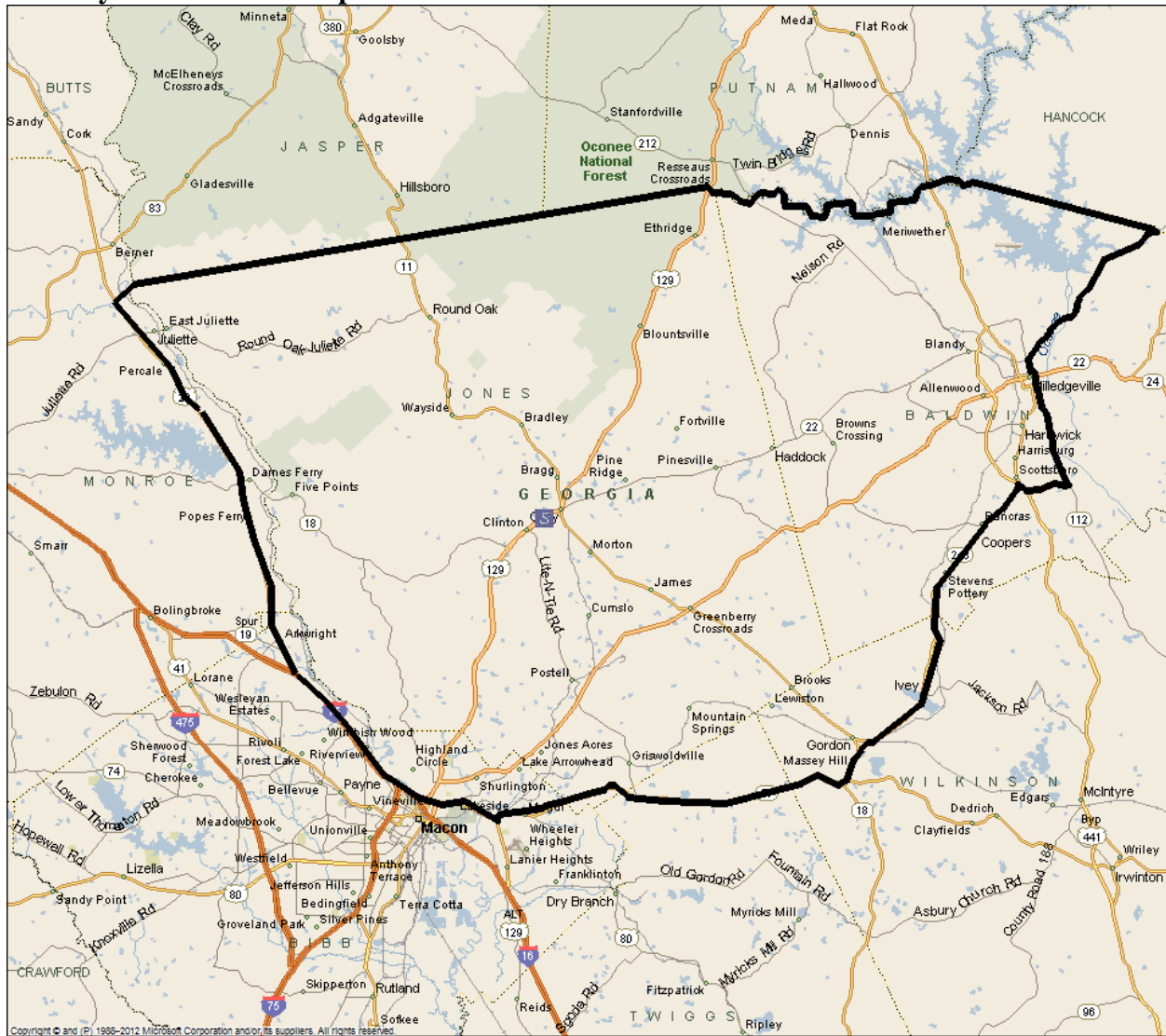
The Subject is located approximately 0.2 mile south Gray Highway (US 129), which contains a mixture of retail/commercial and residential uses. The Subject is located within proximity of an abundance of retail as well as the newly constructed Jones Senior Center. Retail in the area is in good condition and occupancy appears to be approximately 90 to 95 percent. Single family homes in the immediate area appear to be in average to good condition. The Subject site is within walking distance to retail and recreational uses such as Bateman Lake. Overall, the community presents a desirable location for an affordable, age-restricted multifamily development and we believe that the Subject will have a positive impact on the local neighborhood.

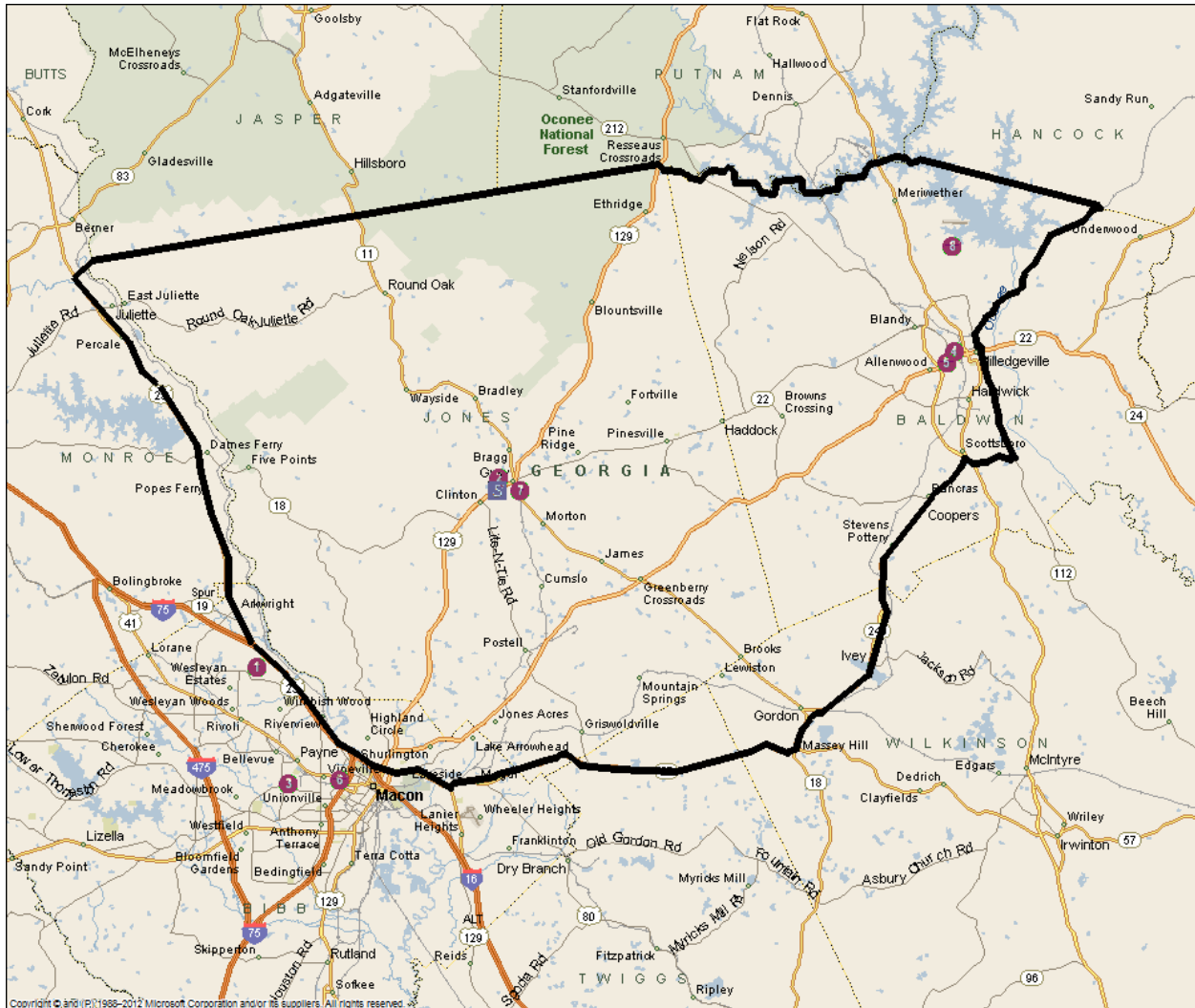
D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map

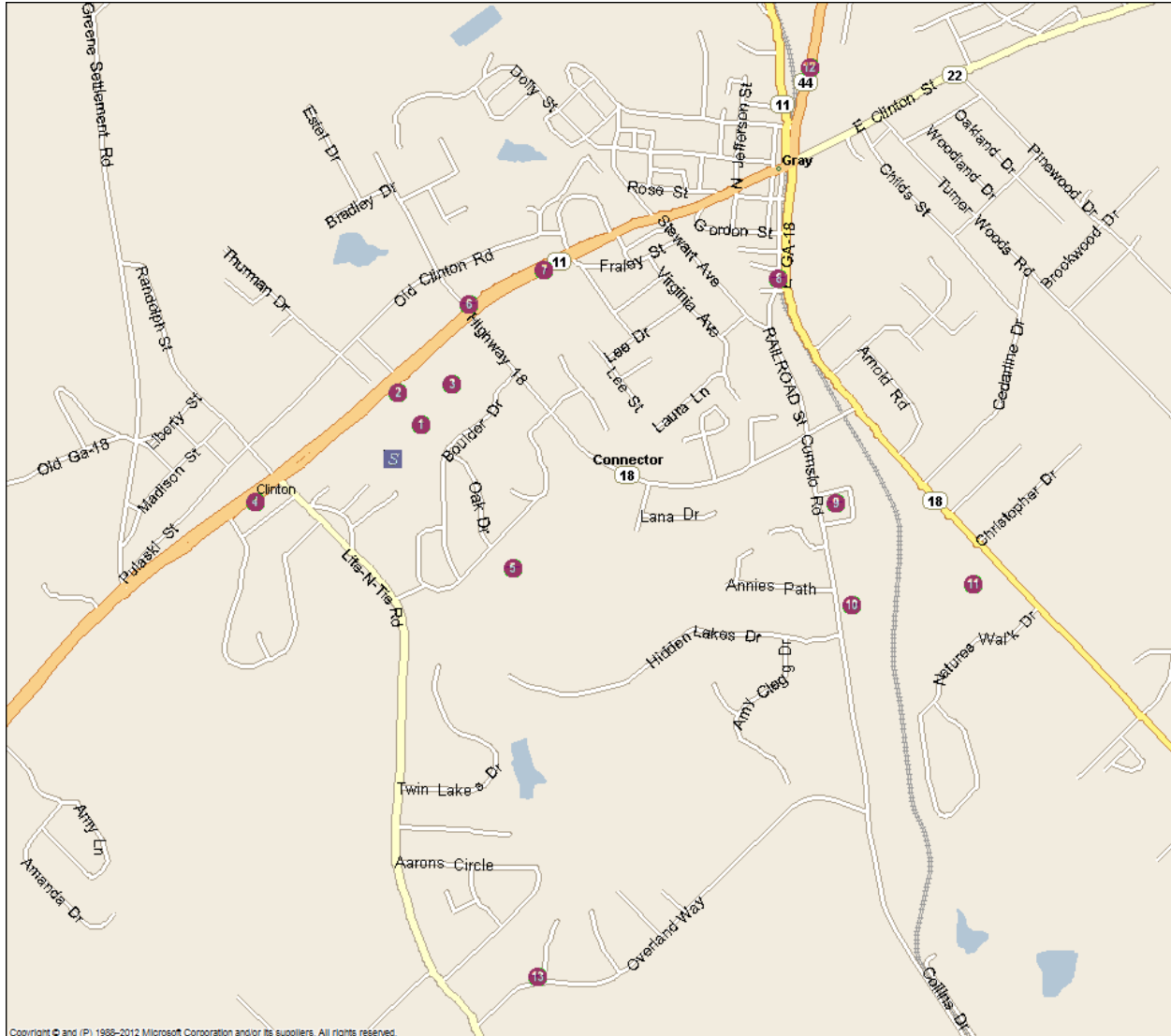




COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashton Hill Apartments	Macon	LIHTC	11.6 miles
2	Dulles Park Apartments	Gray	LIHTC	0.8 miles
3	Pearl Stephens Village	Macon	LIHTC (Section 8)/Market	13.6 miles
4	Pecan Hills Of Milledgeville	Milledgeville	LIHTC	18.1 miles
5	Waterford Place	Milledgeville	LIHTC/Market	18.1 miles
6	2009 Vineville	Macon	Market, Public Housing	12.6 miles
7	Chehaw Creek Properties	Gray	Market	1.2 miles
8	Villamar Apartments	Milledgeville	Market	19.6 miles

LOCATIONAL AMENITY MAP



LOCATIONAL AMENITIES

Map Number	Amenity	Service	Miles From Subject
1	Jones County Senior Center	Senior Center	0.1 Mile
2	Marathon Gas Station	Gas Station/Convenience Store	0.2 Mile
3	Fred's Grocery Store	Grocery	0.3 Mile
4	Exchange Bank	Bank	0.3 Mile
5	Bateman Lake	Park/Lake	0.4 Mile
6	Walgreens Pharmacy	Pharmacy	0.5 Mile
7	Gray Post Office	Post Office	0.6 Mile
8	Jones County Library	Library	0.9 Mile
9	Jones County High School	Education	1.2 Miles
10	Gray Elementary School	Education	1.2 Miles
11	Gray Middle School	Education	1.3 Miles
12	Gray Police Station	Police	1.4 Miles
13	McKesson Medical Clinic	Medical Clinic	1.4 Miles

It should be noted that there is no public transportation available in Gray, which is common in rural markets.

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 Macon, GA MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

North – Jones County Line

South – Interstate 75, US 23, US 57

East – US 243, Carl Vinson Road SE, US 112, Barrows Ferry Road NE, Shiloh Ranch Drive

West – US 23

The PMA is defined by the Jones County line to the north, Interstate 75, US 23, and US 57 to the south, US 243, Carl Vinson Road SE, US 112, Barrows Ferry Road NE, and Shiloh Ranch Drive to the east, and US 23 to the west. This area includes the cities of Gray, Bragg, Bradley, Blountsville, Round Oak, Ethridge, Haddoc, Fortville, Browns Crossing, Allenwood, Blandy, Harrisburg, Scottsburg, Pinesville, Pine Ridge, Morton, James, Greenberry Crossroads, Brooks, Lewiston, Mountain Springs, Gordon, Griswoldville, Jones Acres, Lake Arrowhead, Cumslo, Clinton, Postell, Five Points, Dames Ferry, East Juliette, and Popes Ferry as well as unincorporated parts of Jones County. The area was defined based on interviews with the local housing authority and property managers at comparable properties. The north boundary of the PMA is approximately 11.1 miles from the Subject site; the eastern boundary of the PMA is approximately 14.8 miles from the Subject site; the southern boundary of the PMA is approximately 9.9 miles from the Subject site; and the western boundary of the PMA is approximately 10.5 miles from the Subject site.

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 PMA and Macon, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population from 1990 through 2018 and (b) Total Senior Population (55+) from 1990 through 2018 (c) Population by Age Group within population in MSA, the PMA and nationally.

TOTAL POPULATION

Year	PMA		Macon, GA MSA		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
1990	79,608	-	206,615	-	248,709,873	-
2000	85,071	0.7%	222,367	0.8%	281,421,906	1.3%
2013	88,644	0.3%	233,788	0.4%	315,444,544	0.9%
Projected Mkt Entry July 2016	88,750	0.0%	235,296	0.2%	322,291,911	0.7%
2018	88,820	0.0%	236,302	0.2%	326,856,823	0.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

TOTAL SENIOR POPULATION (55+)

Year	PMA		Macon, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	15,818	-	42,731	-	52,389,754	-
2000	17,569	1.1%	46,228	0.8%	59,266,437	1.3%
2013	23,662	2.6%	63,691	2.9%	83,746,996	3.1%
Projected Mkt Entry July 2016	25,017	1.9%	67,527	2.0%	90,040,724	2.5%
2018	25,921	1.9%	70,084	2.0%	94,236,542	2.5%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

POPULATION BY AGE IN 2013

Age Cohort	PMA		Macon, GA MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	5,572	6.3%	15,627	6.7%	20,027,834	6.3%
5-9	5,709	6.4%	15,714	6.7%	20,305,969	6.4%
10-14	5,574	6.3%	15,822	6.8%	20,664,258	6.6%
15-19	6,563	7.4%	16,133	6.9%	21,217,478	6.7%
20-24	8,042	9.1%	16,413	7.0%	22,842,251	7.2%
25-29	5,816	6.6%	14,963	6.4%	21,494,659	6.8%
30-34	5,378	6.1%	14,401	6.2%	21,041,804	6.7%
35-39	4,953	5.6%	13,717	5.9%	19,423,837	6.2%
40-44	5,366	6.1%	14,744	6.3%	20,789,809	6.6%
45-49	5,738	6.5%	15,566	6.7%	21,274,128	6.7%
50-54	6,271	7.1%	16,997	7.3%	22,615,522	7.2%
55-59	5,977	6.7%	16,377	7.0%	21,155,463	6.7%
60-64	5,480	6.2%	14,651	6.3%	18,575,616	5.9%
65-69	4,322	4.9%	11,126	4.8%	14,286,322	4.5%
70-74	3,051	3.4%	7,938	3.4%	10,422,155	3.3%
75-79	2,099	2.4%	5,650	2.4%	7,612,501	2.4%
80-84	1,414	1.6%	4,040	1.7%	5,754,938	1.8%
85+	1,319	1.5%	3,909	1.7%	5,940,001	1.9%
Total	88,644	100.0%	233,788	100.0%	315,444,545	100.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

The total population in the PMA in 2013 was 88,644. The total population in the PMA and MSA increased annually by 0.3 and 0.4 percent, respectively, from 2000 to 2013. The total population in the PMA is anticipated to increase by 176 through 2018. The MSA and nation will grow at annual rates of 0.2 and 0.7 percent, respectively, annually through market entry and 2018. The growth in population in the PMA will increase demand for housing of all types of housing. Both the PMA and MSA experienced significant increases in senior population from 2000 to 2013. The senior population in the PMA is anticipated to increase at a slightly slower rate than the MSA and nation through market entry and 2018. The projected growth rates for senior population and is significantly greater than the general population for all areas, which creates additional demand for all types of age-restricted housing.

2. Household Trends

2a. Total Number of Households, Total Number of Senior households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Macon, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	27,057	-	75,810	-	91,947,410	-
2000	30,562	1.3%	85,031	1.2%	105,991,193	1.5%
2013	33,823	0.8%	89,808	0.4%	119,423,008	1.0%
Projected Mkt Entry July 2016	33,896	0.1%	90,525	0.3%	122,125,250	0.8%
2018	33,945	0.1%	91,003	0.3%	123,926,744	0.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

TOTAL NUMBER OF SENIOR HOUSEHOLDS (55+)

Year	PMA		Macon, GA MSA	
	Number	Annual Change	Number	Annual Change
1990	-	-	-	-
2000	10,730	-	30,035	-
2013	14,115	2.4%	39,328	2.3%
Projected Mkt Entry July 2016	14,787	1.6%	41,500	1.8%
2018	15,235	1.6%	42,948	1.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

AVERAGE HOUSEHOLD SIZE

Year	PMA		Macon, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.54	-	2.58	-
2013	2.51	-0.1%	2.52	-0.1%	2.57	0.0%
Projected Mkt Entry July 2016	2.51	0.0%	2.51	0.0%	2.57	0.0%
2018	2.51	0.0%	2.51	0.0%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

General household growth in the PMA and MSA increased at an annual rate of 0.8 and 0.4 percent, respectively, between 2000 and 2013, slower than the nation's increase of 1.0 percent annually through the same time period. The PMA's population growth is expected to increase at a slower annual rate than the MSA and nation through market entry date and 2018. The PMA and MSA experienced increases in senior household formation from 2000 to 2013, a trend that is anticipated to continue at a faster rate through market entry and 2018. The average household size of 2.51 in the PMA and MSA is slightly smaller than the national average of 2.57 in 2013. The average household size in the PMA, MSA, and nation is anticipated to remain stable through market entry and 2018. It should be noted, the growth in senior households in the PMA will increase demand for housing of all types of affordable age-restricted housing in Gray.

2b. Households by Tenure

The tables below depicts general and senior (55+) household growth by tenure from 2000 through 2018.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	20,939	68.5%	9,623	31.5%
2013	20,533	60.7%	13,290	39.3%
Projected Mkt Entry July 2016	20,644	60.9%	13,252	39.1%
2018	20,718	61.0%	13,227	39.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	8,569	79.9%	2,161	20.1%
2013	10,918	77.3%	3,198	22.7%
Projected Mkt Entry July 2016	11,420	77.2%	3,367	22.8%
2018	11,755	77.2%	3,480	22.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

In 2013, approximately 60.7 percent of households in the PMA were owner-occupied, while the remaining 39.3 percent are renter-occupied. The percentage of renter-occupied households in the PMA is expected to decrease slightly through both the market entry date and through 2018. The percentage of renter households in the PMA is higher than the national average of 36.4 percent (not shown). In 2013, the majority, 77.3 percent, of the senior housing units in the PMA are owner-occupied units. The percentage of senior renter-occupied housing units is expected to decrease slightly, by 0.1 percentage points from 2013 through market entry and 2018. However, the number of senior renter-occupied units is projected to increase by 282 units through 2018, demonstrating a future demand for additional senior rental units. According to the 2000 U.S. Census, the national average for senior renter-occupied housing units was approximately 13 percent; thus, the PMA has a significantly higher portion of senior renter households than the national average, indicating an ongoing need for quality affordable senior renter housing in the PMA.

2c. Households by Income

The following table depicts both the general population and senior households aged 55 and older income in 2013, at market entry, and in 2018 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2013		Projected Mkt Entry July 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	4,471	13.2%	4,479	13.2%	4,484	13.2%
\$10,000-19,999	4,952	14.6%	4,967	14.7%	4,977	14.7%
\$20,000-29,999	4,516	13.4%	4,402	13.0%	4,327	12.7%
\$30,000-39,999	3,909	11.6%	3,861	11.4%	3,829	11.3%
\$40,000-49,999	2,605	7.7%	2,670	7.9%	2,714	8.0%
\$50,000-59,999	2,716	8.0%	2,591	7.6%	2,507	7.4%
\$60,000-74,999	3,254	9.6%	3,264	9.6%	3,271	9.6%
\$75,000-99,999	3,272	9.7%	3,307	9.8%	3,330	9.8%
\$100,000-124,999	2,028	6.0%	2,046	6.0%	2,058	6.1%
\$125,000-149,999	817	2.4%	917	2.7%	984	2.9%
\$150,000-199,999	879	2.6%	909	2.7%	929	2.7%
\$200,000+	405	1.2%	483	1.4%	535	1.6%
Total	33,823	100.0%	33,896	100.0%	33,945	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, February 2014

HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 55+)

Income Cohort	2013		Projected Mkt Entry July 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,632	11.6%	1,720	11.6%	1,778	11.7%
\$10,000-	2,258	16.0%	2,350	15.9%	2,411	15.8%
\$20,000-	1,915	13.6%	1,931	13.1%	1,941	12.7%
\$30,000-	1,658	11.7%	1,737	11.7%	1,790	11.7%
\$40,000-	1,110	7.9%	1,189	8.0%	1,241	8.1%
\$50,000-	1,132	8.0%	1,116	7.5%	1,105	7.3%
\$60,000-	1,398	9.9%	1,477	10.0%	1,530	10.0%
\$75,000-	1,355	9.6%	1,435	9.7%	1,489	9.8%
\$100,000-	767	5.4%	827	5.6%	867	5.7%
\$125,000-	311	2.2%	373	2.5%	414	2.7%
\$150,000-	407	2.9%	419	2.8%	426	2.8%
\$200,000+	172	1.2%	214	1.5%	243	1.6%
Total	14,115	100.0%	14,787	100.0%	15,235	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, February 2014

According to the previous tables, 52.8 percent of the households in the PMA make less than \$40,000 per year, and 41.1 percent make less than \$30,000 per year. Additionally, 60.7 percent of the senior household aged 55 and older make less than \$40,000 per year, and 52.9 percent make less than \$30,000 per year. This data bodes well for affordable age-restricted housing in the Subject's area.

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

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

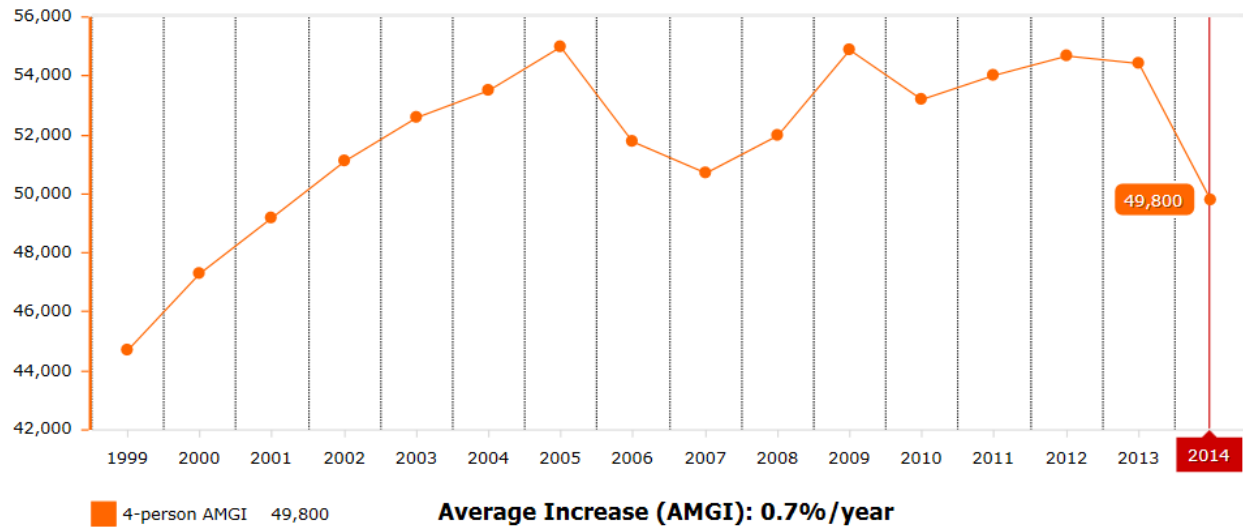
RENTER HOUSEHOLDS BY NUMBER OF PERSONS (AGE 55+) - PMA

	2000		2013		Projected Mkt Entry July 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,167	54.0%	1,777	55.6%	1,875	55.7%	1,940	55.7%
With 2 Persons	665	30.8%	662	20.7%	697	20.7%	720	20.7%
With 3 Persons	196	9.1%	347	10.9%	373	11.1%	391	11.2%
With 4 Persons	49	2.2%	233	7.3%	246	7.3%	254	7.3%
With 5+ Persons	84	3.9%	178	5.6%	176	5.2%	175	5.0%
Total Renter Households	2,161	100.0%	3,198	100.0%	3,367	100.0%	3,480	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, February 2014

Approximately 87.2 percent of the senior renter households aged 55 and older in the PMA have three or fewer total persons, and the percentage is anticipated to grow slightly to approximately 88 percent through both the market entry date and through 2018. This data bodes well for the Subject’s proposed one- and two-bedroom units and indicated the Subject’s proposed unit sizes are compatible with the renter household sizes in the MSA.

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Jones County.



Overall, the AMI has increased by an average 0.7 percent annually between 1999 and 2014. Many areas throughout the nation had a decreasing or stable AMI between 2006 and 2007, which was a result of the system and underlying data sources that HUD uses to establish income limits changing, by shifting to data from the American Community Survey (ACS), which has replaced previous census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. The Subject’s area appears to have been affected by this change. It should be noted that the AMI in Jones County decreased in 2013 and 2014. Therefore, developments placed in service on or before 2012 will be held harmless at the 2012 maximum allowable levels, developments placed in service after 2012 and before 2014 will be held harmless at the 2013 maximum allowable levels, while developments placed in service in 2014 and later will be restricted to lower maximum allowable rent and income levels. The Subject will be restricted by the lower 2014 maximum allowable rent and income levels. Thus, the Subject’s proposed rents for its units at 50 and 60 percent of AMI are set at the 2014

maximum allowable levels; future rental increases will be limited by increases in AMI and market conditions.

CONCLUSION

The Subject is located in Gray, Jones County, GA. The senior population in the PMA is anticipated to increase at a slightly slower rate than the MSA and nation through market entry and 2018. The projected growth rates for senior population and is significantly greater than the general population for all areas, which creates additional demand for all types of age-restricted housing. Approximately 60.7 percent of senior households aged 55 and older in the PMA have annual earnings below \$30,000. The Subject will target households earning between \$10,830 and \$28,380. Persons within these income cohorts are expected to create demand for the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

The Macon, GA MSA has a stable economy with increasing total employment for seven of the last 10 years. The only decreases in employment occurred from 2009 through 2010, which is largely a result of the recent national recession, and decreased recently for the twelve-month period ending in November 2013. From 2002 through 2004, the unemployment rate in the MSA was below the national unemployment rate. However, from 2005 through November 2013, the unemployment rate in the MSA has been consistently above the national average. It appears that the local economy is still recovering, as total employment numbers have yet to surpass pre-recessionary levels. The local economy appears to be diverse and consist of relatively low-paying jobs offered in the education, retail trade, manufacturing, government, and accommodation/food services sectors, which are expected to generate demand for affordable housing in the PMA.

1. Total Jobs

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

TOTAL JOBS IN JONES COUNTY

Year	Total Employment	% Change
2005	3,267	-
2006	3,484	6.6%
2007	3,584	2.9%
2008	3,579	-0.1%
2009	3,308	-7.6%
2010	3,460	4.6%
2011	3,324	-3.9%
2012	3,629	9.2%
June 2013	4,208	16.0%
Jun-12	3,581	-
Jun-13	4,208	17.5%

Source: U.S. Bureau of Labor Statistics, 2/2014

Total employment in Jones County has significantly increased from 2011 through June of 2013. However, total employment decreased in Jones County from 2008 through 2009, which can be attributed to the recent national recession.

2. Total Jobs by Industry

The following table illustrates the annual total jobs by employment sectors within the PMA, MSA, and USA as of 2013.

2013 EMPLOYMENT BY INDUSTRY

	PMA	SMA	USA
Agric/Forestry/Fishing/Hunting	1.2%	1.1%	1.3%
Mining	1.7%	0.9%	0.5%
Construction	5.7%	6.2%	6.5%
Manufacturing	8.0%	7.8%	9.6%
Wholesale Trade	1.9%	3.1%	3.2%
Retail Trade	10.4%	11.4%	11.4%
Transportation/Warehousing	3.3%	3.8%	4.0%
Utilities	1.3%	0.9%	0.8%
Information	1.2%	1.4%	2.3%
Finance/Insurance	4.6%	5.9%	5.1%
Real Estate/Rental/Leasing	1.8%	2.2%	2.1%
Prof/Scientific/Tech Services	2.9%	4.1%	6.3%
Mgmt of Companies/Enterprises	0.3%	0.2%	0.1%
Admin/Support/Waste Mgmt Svcs	2.6%	2.9%	3.8%
Educational Services	12.1%	10.8%	10.4%
Health Care/Social Assistance	18.8%	15.5%	13.9%
Arts/Entertainment/Recreation	1.8%	1.2%	1.9%
Accommodation/Food Services	6.6%	7.6%	6.7%
Other Services (excl Publ Adm)	5.9%	5.7%	4.9%
Public Administration	8.0%	7.3%	5.1%
Total Employment	37,083	100,536	136,013,961

Source: ESRI Demographics 2010, Novogradac & Company LLP, February 2014

*Industry data current as of 2010. Other projections current as of 2013.

The largest sector in the PMA is the health care/social assistance industry. Overall, the PMA's employment base seems to be fairly diversified.

3. Major Employers

The tables below illustrate the major employers in Macon, GA as provided by the Macon Economic Development Corporation and the major employers in Jones County, GA as provided by the Development Authority of Jones County. It should be noted, the number employed at the major employers of Jones County was unavailable.

MAJOR EMPLOYERS**Macon, GA**

Employer	Industry	Number Employed
Medical Center of Central Georgia	Healthcare	6,200
GEICO	Insurance	5,000
Bibb County Board of Education	Education	3,700
Coliseum Health System	Healthcare	1,400
City of Macon	Government	1,142
Mercer University	Education	900
Bibb County	Government	780
YKK (USA)	Manufacturing	750
Wal-Mart Super Stores	Retail	740
United States Postal Service	Government	600
Georgia Farm Bureau	Insurance	525
Graphic Packaging Corporation	Manufacturing	520
The Boeing Company	Manufacturing	500
IKON	Finance	500
First Quality	Healthcare	486
Armstrong World Industries	Manufacturing	454

Source: Macon Economic Development Corporation, Novogradac & Company LLP 2/2014

Medical Center of Central Georgia, GEICO, Bibb County Board of Education, Coliseum Health System, and the City of Macon each employ over 1,000 people. Twelve of the top 16 employers in the MSA are from the healthcare, education, government and manufacturing sectors. Lower skilled employees in these industries are likely to have incomes inline with the Subject's income restrictions. Other industries are also heavily represented in the major employers in the MSA including the insurance, retail, and finance sectors. The top 10 major employers account for approximately 20.4 percent of the total employment within the MSA. Additionally, seven of the top 10 major employers are in relatively stable industries such as healthcare, education, and government.

MAJOR EMPLOYERS**Jones County, GA**

Employer	Industry
Jounes County Board of Education	Education
Ethica Health & Retirement	Healthcare
Gray Nursing Home	Healthcare
Lynn Haven Nursing Home, LLC	Healthcare
Tri-County Electric Membership Corporation	Utilities

Source: The Development Authority of Jones County, 2/2014

The education, health care, and utilities industries dominate the major employer list of Jones County and are generally stable industries. All of the major employers of Jones County are located in Gray, GA.

Expansions/Contractions

According to Randy Griffin, Director of the Development Authority of Jones County, there were several announcements for expansions in Jones County during 2013 and 2014. The following table details these expansions.

JONES COUNTY EXPANSIONS - 2013

Name	Industry	Number of New Jobs	Description
Georgia Distilling Company	Food & Beverage	50	Corporate HQ relocation
NFI Installations	Mining	40	New business
CARBO Ceramics	Manufacturing	35	Corporate HQ relocation
Gray Nursing Home	Healthcare	25	Expansion of existing facility
Tri-County Electric Membership Corporation	Utilities	10	Expansion of existing facility

Source: The Development Authority of Jones County, 2/2014

While this announced job growth is notable, it does not reflect actual jobs added to the market in 2013. Additionally, this figure does not take into consideration closures and redundancies at other companies in the area. According to the Worker Adjustment and Retraining Notification (WARN) filings provided by the Georgia Governor's Office of Workforce Development in 2013 to year-to-date 2014, there have been no major layoffs listed for Jones County during that time period.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Macon, GA MSA from 2002 through November 2013.

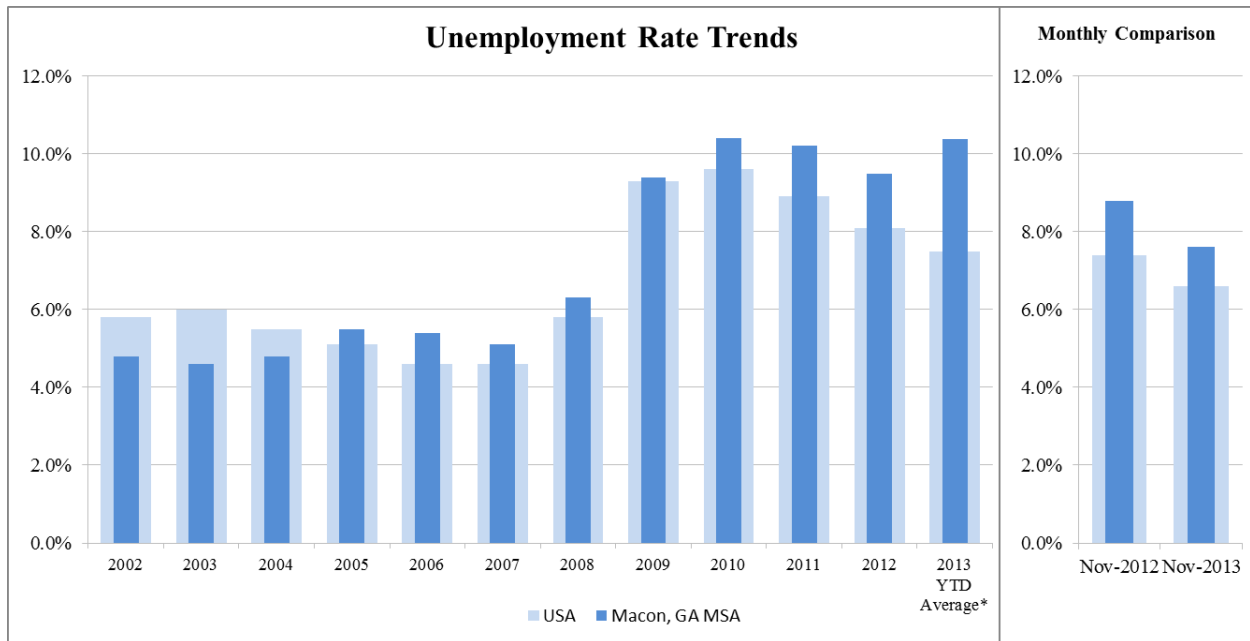
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Macon, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	100,401	-	4.8%	-	136,485,000	-	5.8%	-
2003	102,705	2.3%	4.6%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	104,116	1.4%	4.8%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	104,739	0.6%	5.5%	0.7%	141,730,000	1.8%	5.1%	-0.4%
2006	105,357	0.6%	5.4%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	106,421	1.0%	5.1%	-0.3%	146,047,000	1.1%	4.6%	0.0%
2008	107,219	0.7%	6.3%	1.2%	145,362,000	-0.5%	5.8%	1.2%
2009	102,098	-4.8%	9.4%	3.1%	139,877,000	-3.8%	9.3%	3.5%
2010	100,516	-1.5%	10.4%	1.0%	139,064,000	-0.6%	9.6%	0.3%
2011	101,782	1.3%	10.2%	-0.2%	139,869,000	0.6%	8.9%	-0.7%
2012	103,556	1.7%	9.5%	-0.7%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	103,491	-0.1%	10.4%	0.9%	143,884,455	1.0%	7.5%	-0.6%
Nov-2012	105,005	-	8.8%	-	143,549,000	-	7.4%	-
Nov-2013	103,736	-1.2%	7.6%	-1.2%	144,775,000	0.9%	6.6%	-0.8%

Source: U.S. Bureau of Labor Statistics February 2014

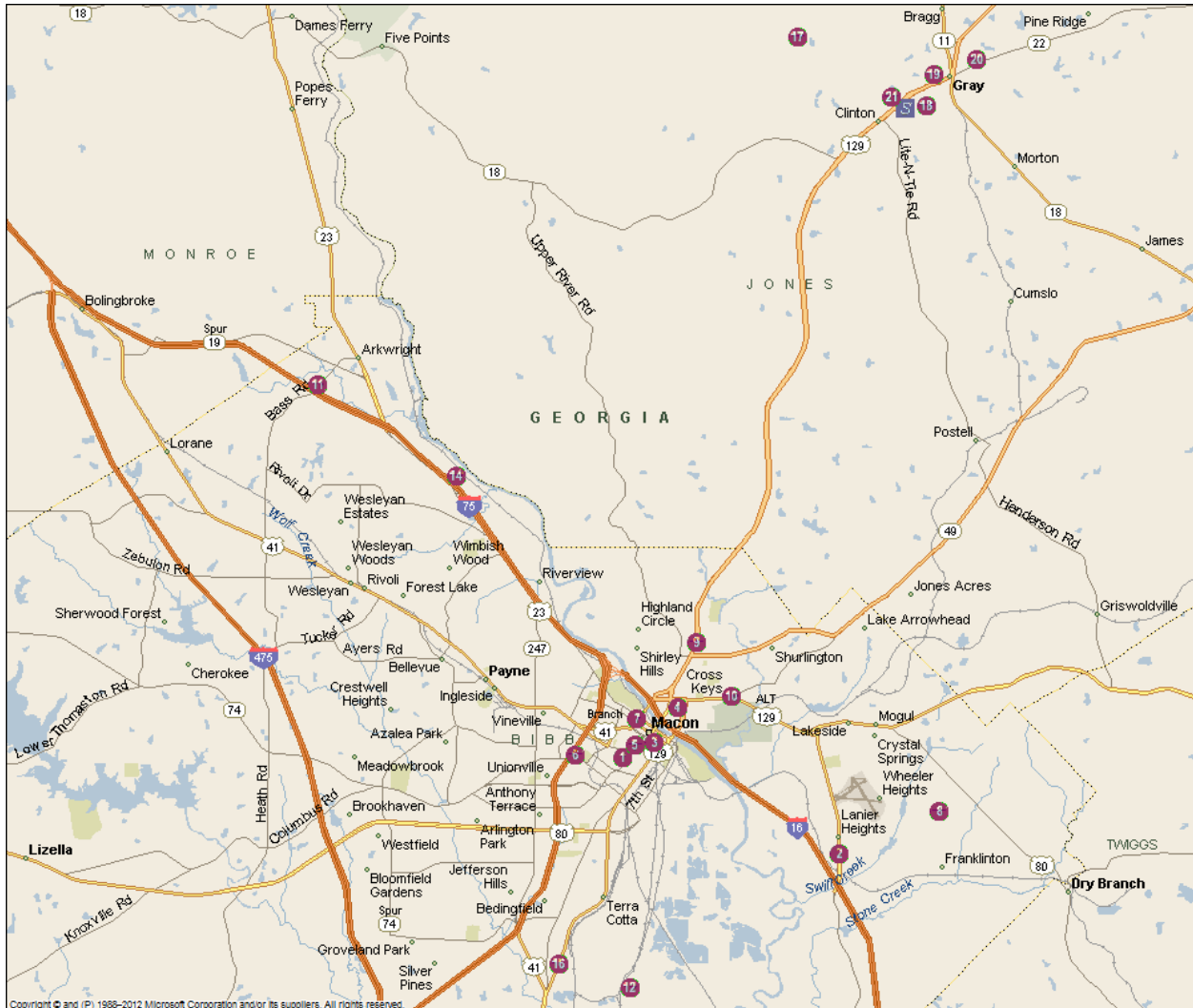
*2013 data is through Nov

The Macon, GA MSA has experienced employment growth for seven of the last 10 years. From 2003 through 2008, total employment in the MSA increased each year. However, from 2009 through 2010, the MSA experienced decreasing total employment and rising unemployment, due in part to the recent national recession and housing crisis. The job losses in the MSA in 2009 and 2010 were generally greater than the nation. Additionally, between November 2012 and November 2013, total employment decreased by 1.2 percent in the MSA, compared to a 0.9 percent increase in the nation. However, the unemployment rate decreased 1.2 percentage points for the same time period in the MSA. As of November 2013, the unemployment rate in the MSA was 7.6 percent, compared to the national unemployment rate of 6.6 percent. Thus, it appears that the MSA is still recovering from the recent national recession, though there has been a recent decrease in unemployment but the current employment levels remain slightly below pre-recessionary levels.



5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Macon, GA and Jones County.



#	Name	Industry	Number of Jobs
1	Medical Center of Central Georgia	Healthcare	6,200
2	GEICO	Insurance	5,000
3	Bibb County Board of Education	Education	3,700
4	Coliseum Health System	Healthcare	1,400
5	City of Macon	Government	1,142
6	Mercer University	Education	900
7	Bibb County	Government	780
8	YKK (USA)	Manufacturing	750
9	Wal-Mart Super Stores	Retail	740
10	United States Postal Service	Government	600
11	Georgia Farm Bureau	Insurance	525
12	Graphic Packaging Corporation	Manufacturing	520
13	The Boeing Company	Manufacturing	500
14	IKON	Finance	500
15	First Quality	Healthcare	486
16	Armstrong World Industries	Manufacturing	454
17	Jounes County Board of Education	Education	N/A
18	Ethica Health & Retirement	Healthcare	N/A
19	Gray Nursing Home	Healthcare	N/A
20	Lynn Haven Nursing Home, LLC	Healthcare	N/A
21	Tri-County Electric Membership Corporation	Utilities	N/A
TOTAL			24,197

Conclusion

The Macon MSA has an improving economy with increasing total employment for seven of the last 10 years. The only decreases in employment occurred from 2008 through 2010, which is largely a result of the recent national recession, and recently from November 2012 through November 2013. From 2002 through 2004, the unemployment rate in the MSA was below the national unemployment rate. However, from 2005 through November 2013, the unemployment rate in the MSA has been consistently above the national average, despite recent decreases in unemployment. It appears that the local economy is still recovering, as total employment numbers have yet to surpass pre-recessionary levels. The local economy appears to be diverse and consist of relatively low-paying jobs offered in the education, retail trade, manufacturing, government, and accommodation/food services sectors which are expected to generate demand for affordable housing in the PMA.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 40 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 senior households entering the market is the first level of demand calculated. We have utilized 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2013 household and population estimates are inflated to 2016 by interpolation of the difference between 2013 estimates and 2018 projections. This change in senior 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 senior households in 2016. This number takes the overall growth from 2013 to 2016 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.

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

3C. SECONDARY MARKET AREA

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

3D. OTHER

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

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

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2011 and 2013.
- 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 to 2013. 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.

Based on DCA’s allocation lists, there have been no age-restricted properties proposed for the Subject’s PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2011 to 2013. However, Heritage Vista Apartments was allocated in 2011 for a proposed LIHTC family Development in Milledgeville. This development will offer 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. Based on the proposed tenancy of this property, we do not believe it will be directly competitive with the Subject, upon completion. Thus, no units have been removed from the demand analysis.

PMA OCCUPANCY

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

GENERAL MARKET OVERVIEW

Map #	Name	Occupancy Rate	Address	City	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
S	<i>Piedmont Village</i>	<i>N/Av</i>	<i>South of Gray Hwy, north of Boulder Dr</i>	<i>Gray</i>	<i>GA</i>	<i>Subject</i>	<i>Family</i>	-	<i>Subject</i>	-
1	Edgewood Park Apartments	91.2%	2671 N Columbia Street	Milledgeville	GA	LIHTC	Family	Excluded	More comparable properties used	18.3 Miles
2	Waterford Place	87.5%	131 N Pickens Street	Milledgeville	GA	LIHTC	Family	Included	Included	18.2 Miles
3	Dulles Park Apartments	95.6%	220 Old Clinton Road	Gray	GA	LIHTC	Senior	Included	Included	0.6 Mile
4	Baldwin Park	N/Av	200 S Irwin Street	Milledgeville	GA	LIHTC	Senior	Excluded	Unable to contact	18.6 Miles
5	Pecan Hills of Milledgeville	94.4%	900 W Montgomery Street	Milledgeville	GA	LIHTC	Senior	Included	Included	18.6 Miles
6	Colonnade Apartments	N/Av	153 E Clinton Street	Gray	GA	Market	Family	Excluded	Unable to contact	1.5 Miles
7	Chehaw Creek Properties	100.0%	133 Office Park Drive	Gray	GA	Market	Family	Included	Included	1.2 Miles
8	102-106 Sycamore St	100.0%	102-106 Sycamore St	Gordon	GA	Market	Family	Excluded	More comparable properties used	13.7 Miles
9	201 Gray Highway	100.0%	201 Gray Highway	Gordon	GA	Market	Family	Excluded	More comparable properties used	13.8 Miles
10	Bobcat Village	N/Av	120 W. Campus Drive	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.3 Miles
11	Carrington Woods Apartments	98.7%	1980 Briarcliff Road	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	19.0 Miles
12	Cedar Ridge Apartments	90.0%	141 Frank Bone Road SW	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.8 Miles
13	College Station Apartments	100.0%	501 N. Wilkinon Street	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	19.0 Miles
14	Colonial Village	100.0%	600 W Franklin Street	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.6 Miles
15	Cottages At Woodland Terrace	95.7%	1010 Fernwood Drive	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.8 Miles
16	Georgetown Village Apartments	93.7%	196 Highway 49 W	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	17.0 Miles
17	Glenwood Village	83.5%	1420 Gray Highway	Macon	GA	Market	Family	Excluded	More comparable properties used	10.0 Miles
18	Highland Hills	N/Av	2275 Gray Highway	Macon	GA	Market	Family	Excluded	More comparable properties used	8.5 Miles
19	Ivy League Estates	84.9%	2051 Ivey Drive	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	17.7 Miles
20	Lakeview Apartments	92.2%	2800 Masseyville Rd	Macon	GA	Market	Family	Excluded	More comparable properties used	10.0 Miles
21	Overlook Gardens	N/Av	1400 Garden Highway	Macon	GA	Market	Family	Excluded	More comparable properties used	8.3 Miles
22	Pine Knoll Apartments	N/Av	2300 Sherry Circle	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.8 Miles
23	Riverbend Apartments	100.0%	441 East Mcintosh Street	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.1 Miles
24	The Cliffs	93.0%	1895 Old Clinton Rd	Macon	GA	Market	Family	Excluded	More comparable properties used	9.7 Miles
25	Willowood Apartments	N/Av	1251 Dunlap Road, NE	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.6 Miles
AVERAGE		94.4%								

As the previous table demonstrates, the overall occupancy rate in the PMA is stable at approximately 94.4 percent.

Rehab Developments and PBRA

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

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

Capture Rates

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

Renter Household Income Distribution 2013 to Projected Market Entry July 2016					
Water Tower Park					
PMA					
	2013		Projected Mkt Entry July 2016		Percent Growth
	#	%	#	%	
\$0-9,999	749	23.4%	804	23.9%	6.8%
\$10,000-19,999	811	25.3%	856	25.4%	5.4%
\$20,000-29,999	331	10.3%	344	10.2%	3.9%
\$30,000-39,999	266	8.3%	272	8.1%	2.2%
\$40,000-49,999	195	6.1%	196	5.8%	0.8%
\$50,000-59,999	171	5.4%	178	5.3%	3.5%
\$60,000-74,999	164	5.1%	174	5.2%	5.8%
\$75,000-99,999	285	8.9%	303	9.0%	5.9%
\$100,000-124,999	85	2.6%	82	2.4%	-2.9%
\$125,000-149,999	49	1.5%	65	1.9%	24.1%
\$150,000-199,999	66	2.1%	62	1.9%	-5.3%
\$200,000+	27	0.8%	30	0.9%	12.2%
Total	3,198	100.0%	3,367	100.0%	5.0%

Renter Household Income Distribution Projected Market Entry July 2016			
Water Tower Park			
	PMA		Change 2013 to Prj Mrkt Entry July 2016
	Projected Mkt Entry July 2016		
	#	%	#
\$0-9,999	804	23.9%	40
\$10,000-19,999	856	25.4%	43
\$20,000-29,999	344	10.2%	17
\$30,000-39,999	272	8.1%	14
\$40,000-49,999	196	5.8%	10
\$50,000-59,999	178	5.3%	9
\$60,000-74,999	174	5.2%	9
\$75,000-99,999	303	9.0%	15
\$100,000-124,999	82	2.4%	4
\$125,000-149,999	65	1.9%	3
\$150,000-199,999	62	1.9%	3
\$200,000+	30	0.9%	2
Total	3,367	100.0%	169

Tenure Prj Mrkt Entry July 2016	
Renter	22.8%
Owner	77.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2016		
Size	Number	Percentage
1 Person	1,875	55.7%
2 Person	697	20.7%
3 Person	373	11.1%
4 Person	246	7.3%
5+ Person	176	5.2%
Total	3,367	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,167	54.0%
2 Person	665	30.8%
3 Person	196	9.1%
4 Person	49	2.2%
5+ Person	84	3.9%
Total	2,161	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$10,830		
Maximum Income Limit			\$23,300 3 persons		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Count	Percentage			
\$0-9,999	40.42	23.9%		0.0%	0
\$10,000-19,999	43.06	25.4%	9,169	91.7%	39
\$20,000-29,999	17.30	10.2%	3,300	33.0%	6
\$30,000-39,999	13.68	8.1%		0.0%	0
\$40,000-49,999	9.88	5.8%		0.0%	0
\$50,000-59,999	8.93	5.3%		0.0%	0
\$60,000-74,999	8.74	5.2%		0.0%	0
\$75,000-99,999	15.22	9.0%		0.0%	0
\$100,000-124,999	4.13	2.4%		0.0%	0
\$125,000-149,999	3.25	1.9%		0.0%	0
\$150,000-199,999	3.14	1.9%		0.0%	0
\$200,000+	1.53	0.9%		0.0%	0
	169	100.0%			45
Percent of renter households within limits versus total number of renter households					26.70%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$10,830		
Maximum Income Limit			\$23,300 3 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
\$0-9,999	804	23.9%	\$0	0%	0
\$10,000-19,999	856	25.4%	\$9,169	92%	785
\$20,000-29,999	344	10.2%	\$3,300	33%	114
\$30,000-39,999	272	8.1%	\$0	0%	0
\$40,000-49,999	196	5.8%	\$0	0%	0
\$50,000-59,999	178	5.3%	\$0	0%	0
\$60,000-74,999	174	5.2%	\$0	0%	0
\$75,000-99,999	303	9.0%	\$0	0%	0
\$100,000-124,999	82	2.4%	\$0	0%	0
\$125,000-149,999	65	1.9%	\$0	0%	0
\$150,000-199,999	62	1.9%	\$0	0%	0
\$200,000+	30	0.9%	\$0	0%	0
	3,367	100.0%			899
Percent of renter households within limits versus total number of renter households					26.70%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Rural
Percent of Income for Housing	40%
2000 Median Income	\$36,972
2013 Median Income	\$41,553
Change from 2013 to Prj Mrkt Entry July 2016	\$4,581
Total Percent Change	12.4%
Average Annual Change	2.1%
Inflation Rate	2.1%
Maximum Allowable Income	\$23,300
Maximum Allowable Income Inflation Adjusted	\$23,300
Maximum Number of Occupants	3 persons
Rent Income Categories	50%
Initial Gross Rent for Smallest Unit	\$361
Initial Gross Rent for Smallest Unit Inflation Adj	\$361.00

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry July 2016

Income Target Population		50%
New Renter Households PMA		169
Percent Income Qualified		26.7%
New Renter Income Qualified Households		45

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		3,367
Income Qualified		26.7%
Income Qualified Renter Households		899
Percent Rent Overburdened Prj Mrkt Entry July 2016		28.2%
Rent Overburdened Households		254

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		899
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		3

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		11420
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		571

Total Demand

Total Demand from Existing Households		828
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		828
Total New Demand		45
Total Demand (New Plus Existing Households)		873

Demand from Seniors Who Convert from Homeownership		571
Percent of Total Demand From Homeownership Conversion		65.4%
Is this Demand Over 2 percent of Total Demand?		Yes

By Bedroom Demand

One Person	55.7%	486
Two Persons	20.7%	181
Three Persons	11.1%	97
Four Persons	7.3%	64
Five Persons	5.2%	46
Total	100.0%	873

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	437
Of two-person households in 1BR units	10%	18
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	49
Of two-person households in 2BR units	90%	163
Of three-person households in 2BR units	80%	77
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	20%	19
Of four-person households in 3BR units	80%	51
Of five-person households in 3BR units	70%	32
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	13
Of five-person households in 4BR units	30%	14
Total Demand		873
Check		OK
Total Demand by Bedroom		50%
1 BR		456
2 BR		211
Total Demand		667
Additions To Supply 2013 to Prj Mrkt Entry July 2016		50%
1 BR		0
2 BR		0
Total		0
Net Demand		50%
1 BR		456
2 BR		211
Total		667
Developer's Unit Mix		50%
1 BR		3
2 BR		12
Total		15
Capture Rate Analysis		50%
1 BR		0.7%
2 BR		5.7%
Total		1.9%

60% AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$13,800		
Maximum Income Limit			\$27,960 3 persons		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Pj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	40.42			
\$10,000-19,999	43.06	25.4%	6,199	62.0%	27
\$20,000-29,999	17.30	10.2%	7,960	79.6%	14
\$30,000-39,999	13.68	8.1%		0.0%	0
\$40,000-49,999	9.88	5.8%		0.0%	0
\$50,000-59,999	8.93	5.3%		0.0%	0
\$60,000-74,999	8.74	5.2%		0.0%	0
\$75,000-99,999	15.22	9.0%		0.0%	0
\$100,000-124,999	4.13	2.4%		0.0%	0
\$125,000-149,999	3.25	1.9%		0.0%	0
\$150,000-199,999	3.14	1.9%		0.0%	0
\$200,000+	1.53	0.9%		0.0%	0
	169	100.0%			40
Percent of renter households within limits versus total number of renter households					23.91%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$13,800		
Maximum Income Limit			\$27,960 3 persons		
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	804			
\$10,000-19,999	856	25.4%	\$6,199	62%	531
\$20,000-29,999	344	10.2%	\$7,960	80%	274
\$30,000-39,999	272	8.1%	\$0	0%	0
\$40,000-49,999	196	5.8%	\$0	0%	0
\$50,000-59,999	178	5.3%	\$0	0%	0
\$60,000-74,999	174	5.2%	\$0	0%	0
\$75,000-99,999	303	9.0%	\$0	0%	0
\$100,000-124,999	82	2.4%	\$0	0%	0
\$125,000-149,999	65	1.9%	\$0	0%	0
\$150,000-199,999	62	1.9%	\$0	0%	0
\$200,000+	30	0.9%	\$0	0%	0
	3,367	100.0%			805
Percent of renter households within limits versus total number of renter households					23.91%

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

2013 Median Income

Change from 2013 to Pj Mrkt Entry July 2016

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Rural
40%
\$36,972
\$41,553
\$4,581
12.4%
2.1%
2.1%
Two year adjustment
1,0000
\$27,960
\$27,960
3 persons
60%
\$460
\$460.00

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry July 2016

Income Target Population	60%
New Renter Households PMA	169
Percent Income Qualified	23.9%
New Renter Income Qualified Households	40

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	3,367
Income Qualified	23.9%
Income Qualified Renter Households	805
Percent Rent Overburdened Prj Mrkt Entry July 2016	28.2%
Rent Overburdened Households	227

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	805
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	11420
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	571

Total Demand

Total Demand from Existing Households		801
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		801
Total New Demand		40
Total Demand (New Plus Existing Households)		842

Demand from Seniors Who Convert from Homeownership	571
Percent of Total Demand From Homeownership Conversion	67.8%
Is this Demand Over 2 percent of Total Demand?	Yes

By Bedroom Demand

One Person	55.7%	469
Two Persons	20.7%	174
Three Persons	11.1%	93
Four Persons	7.3%	61
Five Persons	5.2%	44
Total	100.0%	842

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	422
Of two-person households in 1BR units	10%	17
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	47
Of two-person households in 2BR units	90%	157
Of three-person households in 2BR units	80%	75
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	20%	19
Of four-person households in 3BR units	80%	49
Of five-person households in 3BR units	70%	31
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	12
Of five-person households in 4BR units	30%	13
Total Demand		842
Check		OK

Total Demand by Bedroom	60%
1 BR	439
2 BR	204
Total Demand	643

Additions To Supply 2013 to Prj Mrkt Entry July 2016	60%
1 BR	0
2 BR	0
Total	0

Net Demand	60%
1 BR	439
2 BR	204
Total	643

Developer's Unit Mix	60%
1 BR	9
2 BR	48
Total	57

Capture Rate Analysis	60%
1 BR	2.0%
2 BR	23.6%
Total	7.4%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$10,830		
Maximum Income Limit			\$27,960		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Proj Mkt Entry July 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	40.42			
\$10,000-19,999	43.06	25.4%	9,169	91.7%	39
\$20,000-29,999	17.30	10.2%	7,960	79.6%	14
\$30,000-39,999	13.68	8.1%		0.0%	0
\$40,000-49,999	9.88	5.8%		0.0%	0
\$50,000-59,999	8.93	5.3%		0.0%	0
\$60,000-74,999	8.74	5.2%		0.0%	0
\$75,000-99,999	15.22	9.0%		0.0%	0
\$100,000-124,999	4.13	2.4%		0.0%	0
\$125,000-149,999	3.25	1.9%		0.0%	0
\$150,000-199,999	3.14	1.9%		0.0%	0
\$200,000+	1.53	0.9%		0.0%	0
	169	100.0%			53
Percent of renter households within limits versus total number of renter households					31.46%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$10,830		
Maximum Income Limit			\$27,960		
Income Category	Total Renter Households PMA Proj Mkt Entry July 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	804			
\$10,000-19,999	856	25.4%	\$9,169	92%	785
\$20,000-29,999	344	10.2%	\$7,960	80%	274
\$30,000-39,999	272	8.1%	\$0	0%	0
\$40,000-49,999	196	5.8%	\$0	0%	0
\$50,000-59,999	178	5.3%	\$0	0%	0
\$60,000-74,999	174	5.2%	\$0	0%	0
\$75,000-99,999	303	9.0%	\$0	0%	0
\$100,000-124,999	82	2.4%	\$0	0%	0
\$125,000-149,999	65	1.9%	\$0	0%	0
\$150,000-199,999	62	1.9%	\$0	0%	0
\$200,000+	30	0.9%	\$0	0%	0
	3,367	100.0%			1,059
Percent of renter households within limits versus total number of renter households					31.46%

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

2013 Median Income

Change from 2013 to Proj Mkt Entry July 2016

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Rural
40%
\$36,972
\$41,553
\$4,581
12.4%
2.1%
2.1%
Two year adjustment
1,0000
\$0
\$0
0
Overall
\$361
\$361.00

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry July 2016

Income Target Population	Overall
New Renter Households PMA	169
Percent Income Qualified	31.5%
New Renter Income Qualified Households	53

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	3,367
Income Qualified	31.5%
Income Qualified Renter Households	1,059
Percent Rent Overburdened Prj Mrkt Entry July 2016	28.2%
Rent Overburdened Households	299

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,059
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	4

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

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	11420
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	571

Total Demand

Total Demand from Existing Households		874
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		874
Total New Demand		53
Total Demand (New Plus Existing Households)		927

Demand from Seniors Who Convert from Homeownership	571
Percent of Total Demand From Homeownership Conversion	61.6%
Is this Demand Over 20 percent of Total Demand?	Yes

By Bedroom Demand

One Person	55.7%	516
Two Persons	20.7%	192
Three Persons	11.1%	103
Four Persons	7.3%	68
Five Persons	5.2%	49
Total	100.0%	927

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	465
Of two-person households in 1BR units	10%	19
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	52
Of two-person households in 2BR units	90%	173
Of three-person households in 2BR units	80%	82
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	20%	21
Of four-person households in 3BR units	80%	54
Of five-person households in 3BR units	70%	34
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	20%	14
Of five-person households in 4BR units	30%	15
Total Demand		927
Check		OK

Total Demand by Bedroom	Overall
1 BR	484
2 BR	224
Total Demand	708

Additions To Supply 2013 to Prj Mrkt Entry July 2016	Overall
1 BR	0
2 BR	0
Total	0

Net Demand	Overall
1 BR	484
2 BR	224
Total	708

Developer's Unit Mix	Overall
1 BR	12
2 BR	60
Total	72

Capture Rate Analysis	Overall
1 BR	2.5%
2 BR	26.7%
Total	8.5%

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 senior households in the PMA is expected to increase 1.6 percent between 2013 and 2016.
- 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

Bedrooms/AMI Level	Income Limits	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate	Absorption	Average Market Rent	Market Rents Band Mini-Max	Proposed Rents
1BR at 50% AMI	\$10,830-\$21,000	456	0	456	3	0.7%	Two months	\$527	\$419-\$679	\$361
1BR at 60% AMI	\$13,800-\$25,200	439	0	439	9	2.0%	Two months	\$533	\$419-\$533	\$460
2BR at 50% AMI	\$12,720-\$23,650	211	0	211	12	5.7%	Two months	\$619	\$437-\$619	\$424
2BR at 60% AMI	\$16,260-\$28,380	204	0	204	48	23.6%	Two months	\$640	\$483-\$640	\$542
Overall 50%	\$10,830-\$23,650	667	0	667	15	1.9%	Two months	\$573	\$419-\$619	\$362-\$424
Overall 60%	\$13,800-\$28,380	643	0	643	57	7.4%	Two months	\$587	\$419-\$819	\$460-\$542
Total Overall	\$10,830-\$28,380	927	0	927	72	8.5%	Two months	\$580	\$419-\$640	\$362-\$542

Demand and Net Demand

	HH at 50% AMI		All Tax Credit Households
	(\$10,830- \$21,000)	HH at 60% AMI (\$13,800-\$25,200)	
Demand from New Households (age and income appropriate)	45	40	53
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	3	4
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	254	227	299
PLUS	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0
Sub Total	302.34	270.74	356.29
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	571	571	571
Equals Total Demand	873	842	927
Less	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
Equals Net Demand	873	842	927

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 0.7 to 5.7 percent with an overall capture rate of 1.9 percent. The Subject's capture rates at the 60 percent AMI level will range from 2.0 to 23.6 percent, with an overall capture rate of 7.4 percent. The overall capture rate for the Subject's 50 and 60 percent units is 8.5 percent. It should be noted that these capture rates appear very reasonable for an age-restricted development and are also well supported by anecdotal evidence. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Project

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 663 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

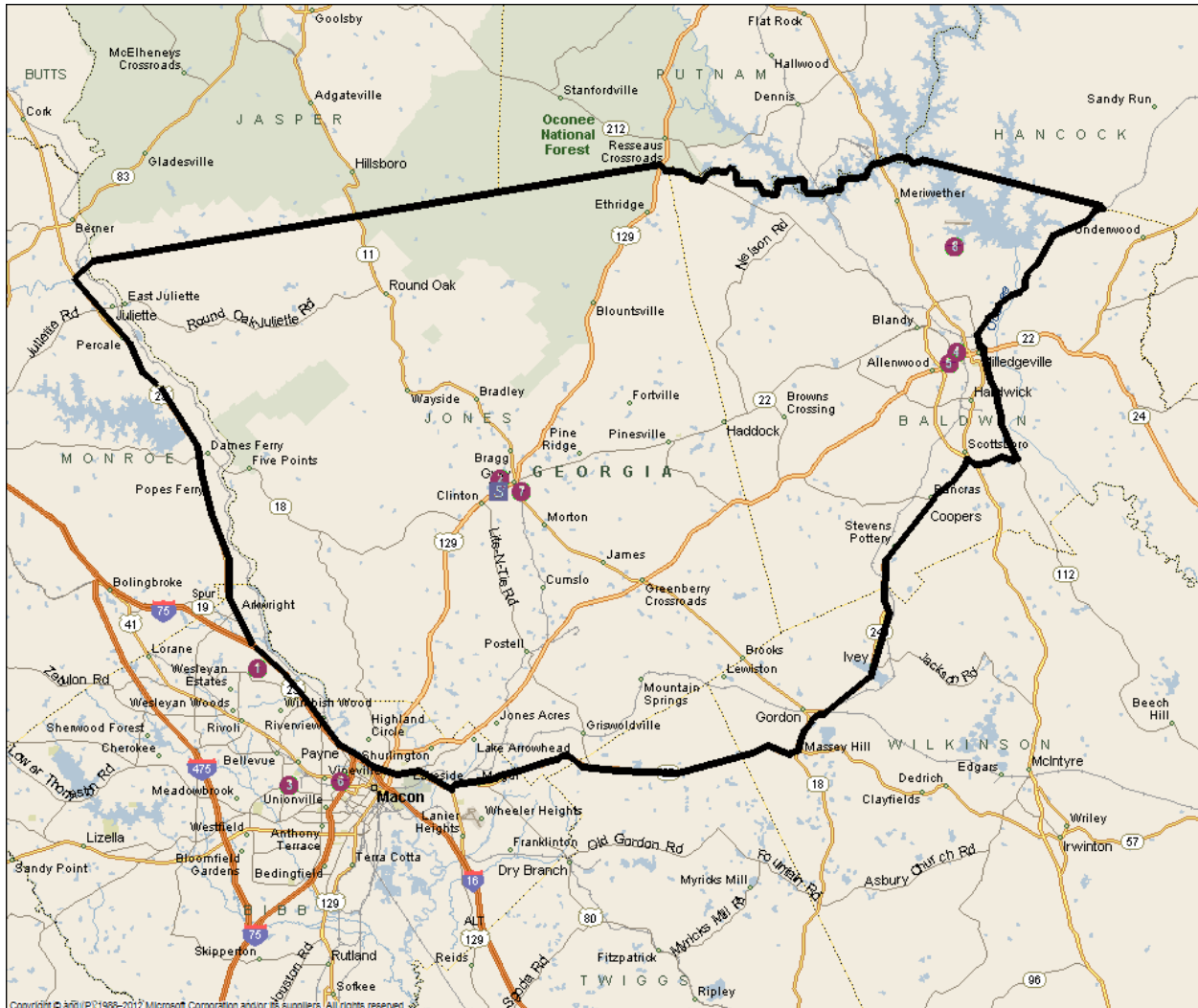
The availability of LIHTC is considered average. We have included three LIHTC and two mixed-income properties. Three of the LIHTC/mixed-income comparables are located in the PMA. We have included three market rate properties located between 1.2 and 12.6 miles of the Subject. Therefore, we consider the availability of market data to be average. It should be noted that we have utilized mixed-income properties in our analysis since they target senior households and offer market rate units in addition to LIHTC and/or public housing units. We have added these comparables as additional support for demand for senior housing in the area; however we have placed limited weight on these comparables when deriving our achievable rents. A total of five of the eight comparables are age-restricted, similar to the Subject.

General Market Overview/Included/Excluded Properties

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

GENERAL MARKET OVERVIEW											
Map #	Name	Occupancy Rate	Address	City	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject	
S	<i>Piedmont Village</i>	N/Av	<i>South of Gray Hwy, north of Boulder Dr</i>	Gray	GA	<i>Subject</i>	<i>Family</i>	-	<i>Subject</i>	-	
1	Edgewood Park Apartments	91.2%	2671 N Columbia Street	Milledgeville	GA	LIHTC	Family	Excluded	More comparable properties used	18.3 Miles	
2	Waterford Place	87.5%	131 N Pickens Street	Milledgeville	GA	LIHTC	Family	Included	Included	18.2 Miles	
3	Dulles Park Apartments	95.6%	220 Old Clinton Road	Gray	GA	LIHTC	Senior	Included	Included	0.6 Mile	
4	Baldwin Park	N/Av	200 S Irwin Street	Milledgeville	GA	LIHTC	Senior	Excluded	Unable to contact	18.6 Miles	
5	Pecan Hills of Milledgeville	94.4%	900 W Montgomery Street	Milledgeville	GA	LIHTC	Senior	Included	Included	18.6 Miles	
6	Colonnade Apartments	N/Av	153 E Clinton Street	Gray	GA	Market	Family	Excluded	Unable to contact	1.5 Miles	
7	Chehaw Creek Properties	100.0%	133 Office Park Drive	Gray	GA	Market	Family	Included	Included	1.2 Miles	
8	102-106 Sycamore St	100.0%	102-106 Sycamore St	Gordon	GA	Market	Family	Excluded	More comparable properties used	13.7 Miles	
9	201 Gray Highway	100.0%	201 Gray Highway	Gordon	GA	Market	Family	Excluded	More comparable properties used	13.8 Miles	
10	Bobcat Village	N/Av	120 W. Campus Drive	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.3 Miles	
11	Carrington Woods Apartments	98.7%	1980 Briarcliff Road	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	19.0 Miles	
12	Cedar Ridge Apartments	90.0%	141 Frank Bone Road SW	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.8 Miles	
13	College Station Apartments	100.0%	501 N. Wilkinson Street	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	19.0 Miles	
14	Colonial Village	100.0%	600 W Franklin Street	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.6 Miles	
15	Cottages At Woodland Terrace	95.7%	1010 Fernwood Drive	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.8 Miles	
16	Georgetown Village Apartments	93.7%	196 Highway 49 W	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	17.0 Miles	
17	Glenwood Village	82.5%	1420 Gray Highway	Macon	GA	Market	Family	Excluded	More comparable properties used	10.0 Miles	
18	Highland Hills	N/Av	2275 Gray Highway	Macon	GA	Market	Family	Excluded	More comparable properties used	8.5 Miles	
19	Ivy League Estates	84.9%	2051 Ivy Drive	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	17.7 Miles	
20	Lakeview Apartments	92.2%	2800 Masseyville Rd	Macon	GA	Market	Family	Excluded	More comparable properties used	10.0 Miles	
21	Overlook Gardens	N/Av	1400 Garden Highway	Macon	GA	Market	Family	Excluded	More comparable properties used	8.3 Miles	
22	Pine Knoll Apartments	N/Av	2300 Sherry Circle	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.8 Miles	
23	Riverbend Apartments	100.0%	441 East McIntosh Street	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.1 Miles	
24	The Cliffs	93.0%	1895 Old Clinton Rd	Macon	GA	Market	Family	Excluded	More comparable properties used	9.7 Miles	
25	Willowood Apartments	N/Av	1251 Dunlap Road, NE	Milledgeville	GA	Market	Family	Excluded	More comparable properties used	18.6 Miles	
AVERAGE		94.4%									

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashton Hill Apartments*	Macon	LIHTC	11.6 miles
2	Dulles Park Apartments*	Gray	LIHTC	0.8 miles
3	Pearl Stephens Village*	Macon	LIHTC (Section 8), Market	13.6 miles
4	Pecan Hills Of Milledgeville*	Milledgeville	LIHTC	18.1 miles
5	Waterford Place	Milledgeville	LIHTC/Market	18.1 miles
6	2009 Vineville*	Macon	Market/ Public Housing	12.6 miles
7	Chehaw Creek Properties	Gray	Market	1.2 miles
8	Villamar Apartments	Milledgeville	Market	19.6 miles

* Senior Property

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	Water Tower Park South Of Gray Highway, East Of St. Paul Circle, North Of Boulder Drive Gray, GA 31032 Jones County	n/a	Townhouse (age-restricted) 2016 / n/a	@50%, @60%	1BR / 1BA	3	4.20%	@50%	\$361	800	yes		N/A	N/A					
					1BR / 1BA	9	12.50%	@60%	\$460	800	yes		N/A	N/A					
					2BR / 2BA	12	16.70%	@50%	\$424	950	yes		N/A	N/A					
					2BR / 2BA	48	66.70%	@60%	\$542	950	yes		N/A	N/A					
						72	100%								N/A	N/A			
1	Ashton Hill Apartments 925 Toliver Place Macon, GA 31204 Bibb County	11.6 miles	Garden (age-restricted) 3 stories) 2001 / n/a	@50%, @60%	1BR / 1BA	46	57.50%	@50%	\$482	697	yes	Yes	0	0.00%					
					1BR / 1BA	10	12.50%	@60%	\$547	697	yes	Yes	0	0.00%					
					2BR / 2BA	20	25.00%	@50%	\$575	951	yes	Yes	0	0.00%					
					2BR / 2BA	4	5.00%	@60%	\$613	951	yes	Yes	0	0.00%					
						80	100%								0	0.00%			
2	Dulles Park Apartments 220 Old Clinton Road Gray, GA 31032 Jones County	0.8 miles	One-story (age-restricted) 2005 / n/a	@30%, @50%, @60%, Non-Rental	1BR / 1BA	2	2.90%	@30%	\$288	891	yes	Yes	0	0.00%					
					1BR / 1BA	1	1.50%	@50%	\$517	891	yes	Yes	0	0.00%					
					1BR / 1BA	13	19.10%	@60%	\$517	891	no	Yes	0	0.00%					
					2BR / 1BA	4	5.90%	@30%	\$343	1,139	yes	Yes	0	0.00%					
					2BR / 1BA	2	2.90%	@50%	\$599	1,139	no	Yes	0	0.00%					
					2BR / 1BA	40	58.80%	@60%	\$599	1,139	no	No	2	5.00%					
					3BR / 2BA	1	1.50%	@30%	\$305	1,337	yes	Yes	0	0.00%					
					3BR / 2BA	1	1.50%	@50%	\$580	1,337	no	No	0	0.00%					
					3BR / 2BA	3	4.40%	@60%	\$580	1,337	no	No	1	3.30%					
					3BR / 2BA	1	1.50%	Non-Rental	N/A	1,337	n/a	None	0	0.00%					
						68	100%								3	4.40%			
					3	Pearl Stephens Village 3321 Napier Avenue Macon, GA 31204 Bibb County	13.6 miles	Lowrise (age-restricted) (2 stories) 2009 / n/a	@60% (Section 8), Market	1BR / 1BA	28	45.90%	@60%	\$549	801	n/a	Yes	0	0.00%
										1BR / 1BA	13	21.30%	@60%	\$549	854	n/a	Yes	0	0.00%
1BR / 1BA	4	6.60%	Market	\$565						801	n/a	No	0	0.00%					
2BR / 2BA	13	21.30%	@60%	\$640						1,051	n/a	Yes	0	0.00%					
2BR / 2BA	3	4.90%	Market	\$645						1,051	n/a	No	0	0.00%					
	61	100%													0	0.00%			
4	Pecan Hills Of Milledgeville 900 W Montgomery Milledgeville, GA 31061 Baldwin County	18.1 miles	Midrise (age-restricted) (3 stories) 2006 / n/a	@30%, @50%	2BR / 1BA	6	11.10%	@30%	\$205	975	no	No	0	0.00%					
					2BR / 1BA	48	88.90%	@50%	\$437	975	no	No	3	6.20%					
						54	100%								3	5.60%			
5	Waterford Place 131 N Pickets Street Milledgeville, GA 31059 Baldwin County	18.1 miles	Garden (2 stories) 2004 / n/a	@60%, Market	1BR / 1BA	18	22.50%	@60%	\$444	743	no	No	0	0.00%					
					1BR / 1BA	N/A	N/A	Market	\$524	743	n/a	No	0	N/A					
					2BR / 2BA	40	50.00%	@60%	\$526	1,011	no	No	4	10.00%					
					2BR / 2BA	N/A	N/A	Market	\$614	1,011	n/a	No	0	N/A					
					3BR / 2BA	24	30.00%	@60%	\$502	1,119	no	No	2	8.30%					
					3BR / 2BA	N/A	N/A	Market	\$590	1,119	n/a	No	0	N/A					
						80	100%								6	7.50%			
6	2009 Vineville 2009 Vineville Avenue Macon, GA 31201 Bibb County	12.6 miles	Midrise (age-restricted) (5 stories) 2004 / n/a	Market, Public Housing	1BR / 1BA	1	0.90%	Market	\$419	618	n/a	Yes	0	0.00%					
					1BR / 1BA	85	80.20%	Public Housing (\$131)	618	n/a	Yes	1	1.20%						
					2BR / 2BA	1	0.90%	Market	\$483	908	n/a	Yes	0	0.00%					
					2BR / 2BA	19	17.90%	Public Housing	N/A	908	n/a	Yes	0	0.00%					
						106	100%								1	0.90%			
7	Chelav Creek Properties Arnold Road And Office Park Drive Gray, GA 31032 Jones County	1.2 miles	Duplex 2004-2008 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$679	800	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$819	1,000	n/a	No	0	N/A					
					3BR / 2BA	N/A	N/A	Market	\$825	1,200	n/a	No	0	N/A					
						24	100%								0	0.00%			
8	Villamar Apartments 342 Log Cabin Rd NE Milledgeville, GA 31061 Baldwin County	19.6 miles	Various 1988&1998 / n/a	Market	1BR / 1BA (Garden)	2	1.10%	Market	\$535	1,200	n/a	Yes	0	0.00%					
					2BR / 2BA (Garden)	39	20.50%	Market	\$605	1,400	n/a	No	2	5.10%					
					2BR / 2BA (Garden)	39	20.50%	Market	\$665	1,400	n/a	No	2	5.10%					
					2BR / 2BA (Townhouse)	45	23.70%	Market	\$705	1,296	n/a	No	2	4.40%					
					2BR / 2BA (Townhouse)	45	23.70%	Market	\$765	1,296	n/a	No	2	4.40%					
					3BR / 2.5BA (Garden)	20	10.50%	Market	\$650	1,500	n/a	Yes	0	0.00%					
						190	100%								8	4.20%			

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

Effective Rent Date:	Feb-14	Units Surveyed:	663	Weighted Occupancy:	96.80%
		Market Rate	320	Market Rate	97.20%
		Tax Credit	343	Tax Credit	96.50%

One Bedroom One Bath

Two Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	Chehaw Creek Properties	\$679	Chehaw Creek Properties	\$819		
	Pearl Stephens Village * (M)	\$565	Villamar Apartments	\$765		
	Pearl Stephens Village * (60%)	\$549	Villamar Apartments	\$705		
	Pearl Stephens Village * (60%)	\$549	Villamar Apartments	\$665		
	Ashton Hill Apartments * (60%)	\$547	Pearl Stephens Village * (M)	\$645		
	Villamar Apartments	\$535	Pearl Stephens Village * (60%)	\$640		
	Waterford Place * (M)	\$524	Waterford Place * (M)	\$614		
	Dulles Park Apartments * (50%)	\$517	Ashton Hill Apartments * (60%)	\$613		
	Dulles Park Apartments * (60%)	\$517	Villamar Apartments	\$605		
	Ashton Hill Apartments * (50%)	\$482	Dulles Park Apartments * (1BA 50%)	\$599		
	Water Tower Park * (60%)	\$460	Dulles Park Apartments * (1BA 60%)	\$599		
	Waterford Place * (60%)	\$444	Ashton Hill Apartments * (50%)	\$575		
	2009 Vineville	\$419	Water Tower Park * (60%)	\$542		
	Water Tower Park * (50%)	\$361	Waterford Place * (60%)	\$526		
	Dulles Park Apartments * (30%)	\$288	2009 Vineville	\$483		
			Pecan Hills Of Milledgeville * (1BA 50%)	\$437		
			Water Tower Park * (50%)	\$424		
			Dulles Park Apartments * (1BA 30%)	\$343		
			Pecan Hills Of Milledgeville * (1BA 30%)	\$205		
	SQUARE FOOTAGE	Villamar Apartments	1,200	Villamar Apartments	1,400	
Dulles Park Apartments * (30%)		891	Villamar Apartments	1,400		
Dulles Park Apartments * (50%)		891	Villamar Apartments	1,296		
Dulles Park Apartments * (60%)		891	Villamar Apartments	1,296		
Pearl Stephens Village * (60%)		854	Dulles Park Apartments * (1BA 30%)	1,139		
Pearl Stephens Village * (60%)		801	Dulles Park Apartments * (1BA 50%)	1,139		
Pearl Stephens Village * (M)		801	Dulles Park Apartments * (1BA 60%)	1,139		
Water Tower Park * (50%)		800	Pearl Stephens Village * (60%)	1,051		
Water Tower Park * (60%)		800	Pearl Stephens Village * (M)	1,051		
Chehaw Creek Properties		800	Waterford Place * (60%)	1,011		
Waterford Place * (60%)		743	Waterford Place * (M)	1,011		
Waterford Place * (M)		743	Chehaw Creek Properties	1,000		
Ashton Hill Apartments * (50%)		697	Pecan Hills Of Milledgeville * (1BA 30%)	975		
Ashton Hill Apartments * (60%)		697	Pecan Hills Of Milledgeville * (1BA 50%)	975		
2009 Vineville		618	Ashton Hill Apartments * (50%)	951		
			Ashton Hill Apartments * (60%)	951		
			Water Tower Park * (50%)	950		
			Water Tower Park * (60%)	950		
			2009 Vineville	908		
RENT PER SQUARE FOOT		Chehaw Creek Properties	\$0.85	Chehaw Creek Properties	\$0.82	
	Ashton Hill Apartments * (60%)	\$0.78	Ashton Hill Apartments * (60%)	\$0.64		
	Pearl Stephens Village * (M)	\$0.71	Pearl Stephens Village * (M)	\$0.61		
	Waterford Place * (M)	\$0.71	Pearl Stephens Village * (60%)	\$0.61		
	Ashton Hill Apartments * (50%)	\$0.69	Waterford Place * (M)	\$0.61		
	Pearl Stephens Village * (60%)	\$0.69	Ashton Hill Apartments * (50%)	\$0.60		
	2009 Vineville	\$0.68	Villamar Apartments	\$0.59		
	Pearl Stephens Village * (60%)	\$0.64	Water Tower Park * (60%)	\$0.57		
	Waterford Place * (60%)	\$0.60	Villamar Apartments	\$0.54		
	Dulles Park Apartments * (50%)	\$0.58	2009 Vineville	\$0.53		
	Dulles Park Apartments * (60%)	\$0.58	Dulles Park Apartments * (1BA 50%)	\$0.53		
	Water Tower Park * (60%)	\$0.58	Dulles Park Apartments * (1BA 60%)	\$0.53		
	Water Tower Park * (50%)	\$0.45	Waterford Place * (60%)	\$0.52		
	Villamar Apartments	\$0.45	Villamar Apartments	\$0.48		
	Dulles Park Apartments * (30%)	\$0.32	Pecan Hills Of Milledgeville * (1BA 50%)	\$0.45		
			Water Tower Park * (50%)	\$0.45		
			Villamar Apartments	\$0.43		
			Dulles Park Apartments * (1BA 30%)	\$0.30		
			Pecan Hills Of Milledgeville * (1BA 30%)	\$0.21		

PROPERTY PROFILE REPORT

Water Tower Park

Effective Rent Date	2/09/2014
Location	South Of Gray Highway, East Of St. Paul Circle, North Of Boulder Drive Gray, GA 31032 Jones County
Distance	N/A
Units	72
Vacant Units	N/A
Vacancy Rate	N/A
Type	Townhouse (age-restricted)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors aged 55 and older
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	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	Townhouse	3	800	\$361	\$0	@50%	N/A	N/A	N/A	yes	None
1	1	Townhouse	9	800	\$460	\$0	@60%	N/A	N/A	N/A	yes	None
2	2	Townhouse	12	950	\$424	\$0	@50%	N/A	N/A	N/A	yes	None
2	2	Townhouse	48	950	\$542	\$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	\$361	\$0	\$361	\$0	\$361	1BR / 1BA	\$460	\$0	\$460	\$0	\$460
2BR / 2BA	\$424	\$0	\$424	\$0	\$424	2BR / 2BA	\$542	\$0	\$542	\$0	\$542

Water Tower Park, continued

Amenities

In-Unit

Blinds
Carpeting
Dishwasher
Oven
Refrigerator
Washer/Dryer hookup

Cable/Satellite/Internet
Central A/C
Garbage Disposal
Pull Cords
Walk-In Closet

Security

Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management

Clubhouse/Meeting
Exercise Facility
Off-Street Parking

Premium

None

Other

None

Comments

Upon completion, Water Tower Park will target seniors aged 55 and older. The development will consist of 18, one-story townhouse-style residential buildings. The design will feature stick frame construction with brick facade and hardi-plank cement siding.

Photos



PROPERTY PROFILE REPORT

Ashton Hill Apartments

Effective Rent Date	2/07/2014
Location	925 Toliver Place Macon, GA 31204 Bibb County
Distance	11.6 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (age-restricted) (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Windsor Court, Heathrow Senior
Tenant Characteristics	Seniors aged 55 and older, average age is 75, most tenants are from Macon then Bibb County; all on fixed income
Contact Name	Kim
Phone	478.474.8890



Market Information

Program	@50%, @60%
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	28%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Decreased one percent
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)	46	697	\$423	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	10	697	\$488	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	20	951	\$501	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	4	951	\$539	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$423	\$0	\$423	\$59	\$482	1BR / 1BA	\$488	\$0	\$488	\$59	\$547
2BR / 2BA	\$501	\$0	\$501	\$74	\$575	2BR / 2BA	\$539	\$0	\$539	\$74	\$613

Ashton Hill Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Hand Rails

Security

None

Services

None

Property

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Elevators
Central Laundry
On-Site Management

Premium

None

Other

Services include Bingo,

Comments

The contact stated that the above average turnover rate can be attributed to death and tenants moving to assisted living facilities. The contact believes there is demand for additional tax credit properties in the area. The contact added that she believes if there were additional tax-credit properties in east Macon, there would be significant demand for that property.

Ashton Hill Apartments, continued

Trend Report

Vacancy Rates

1Q11	2Q12	4Q13	1Q14
0.0%	0.0%	2.5%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$442	\$0	\$442	\$501
2012	2	0.0%	\$435	\$0	\$435	\$494
2013	4	0.0%	\$423	\$0	\$423	\$482
2014	1	0.0%	\$423	\$0	\$423	\$482

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$524	\$0	\$524	\$598
2012	2	0.0%	\$511	\$0	\$511	\$585
2013	4	5.0%	\$501	\$0	\$501	\$575
2014	1	0.0%	\$501	\$0	\$501	\$575

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$515	\$0	\$515	\$574
2012	2	0.0%	\$508	\$0	\$508	\$567
2013	4	0.0%	\$488	\$0	\$488	\$547
2014	1	0.0%	\$488	\$0	\$488	\$547

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$560	\$0	\$560	\$634
2012	2	0.0%	\$547	\$0	\$547	\$621
2013	4	25.0%	\$539	\$0	\$539	\$613
2014	1	0.0%	\$539	\$0	\$539	\$613

Trend: Comments

- 1Q11** There is demand for more senior housing, up to 125 units, as indicated by the waiting list. The property manager indicated that a 55 year and older senior property would be more successful than a 62 year and older senior property. The estimated waiting list period is one to two years.
- 2Q12** Rent decreases in the past year are due to a rise in the utility allowance, which caused rents to decrease slightly. Contact reported a strong demand for senior housing in the area.
- 4Q13** The contact stated that the above average turnover rate can be attributed to death and tenants moving to assisted living facilities. The contact believes there is demand for additional tax credit properties in the area. The contact added that she believes if there were additional tax-credit properties in east Macon, there would be significant demand for that property. Management believed that a senior property would likely need an additional subsidy in order to be successful; however, a family property could potentially be successful without additional subsidies.
- 1Q14** The contact stated that the above average turnover rate can be attributed to death and tenants moving to assisted living facilities. The contact believes there is demand for additional tax credit properties in the area. The contact added that she believes if there were additional tax-credit properties in east Macon, there would be significant demand for that property.

PROPERTY PROFILE REPORT

Dulles Park Apartments

Effective Rent Date	2/20/2014
Location	220 Old Clinton Road Gray, GA 31032 Jones County
Distance	0.8 miles
Units	68
Vacant Units	3
Vacancy Rate	4.4%
Type	One-story (age-restricted)
Year Built/Renovated	2005 / N/A
Marketing Began	8/01/2005
Leasing Began	12/01/2005
Last Unit Leased	9/30/2006
Major Competitors	None Identified
Tenant Characteristics	Average age 68; Most come from Gray, Macon, and Milledgeville.
Contact Name	Tracy
Phone	478-986-1020



Market Information

Program	@30%, @50%, @60%, Non-Rental
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	1-2 weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	2	891	\$229	\$0	@30%	Yes	0	0.0%	yes	None
1	1	One-story	1	891	\$458	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	13	891	\$458	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	4	1,139	\$269	\$0	@30%	Yes	0	0.0%	yes	None
2	1	One-story	2	1,139	\$525	\$0	@50%	Yes	0	0.0%	no	None
2	1	One-story	40	1,139	\$525	\$0	@60%	No	2	5.0%	no	None
3	2	One-story	1	1,337	\$305	\$0	@30%	Yes	0	0.0%	yes	None
3	2	One-story	1	1,337	\$580	\$0	@50%	No	0	0.0%	no	None
3	2	One-story	3	1,337	\$580	\$0	@60%	No	1	33.3%	no	None
3	2	One-story	1	1,337	N/A	\$0	Non-Rental	None	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$229	\$0	\$229	\$59	\$288	1BR / 1BA	\$458	\$0	\$458	\$59	\$517
2BR / 1BA	\$269	\$0	\$269	\$74	\$343	2BR / 1BA	\$525	\$0	\$525	\$74	\$599
3BR / 2BA	\$305	\$0	\$305	\$0	\$305	3BR / 2BA	\$580	\$0	\$580	\$0	\$580
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$458	\$0	\$458	\$59	\$517	3BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 1BA	\$525	\$0	\$525	\$74	\$599						
3BR / 2BA	\$580	\$0	\$580	\$0	\$580						

Dulles Park Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Oven
Washer/Dryer hookup

Carpeting
Dishwasher
Hand Rails
Refrigerator

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking

Premium

None

Other

Library; Transit bus

Comments

The contact reported a waiting list averaging six to 12 months for the lower income restricted units across the board and all of the one-bedroom units which have the highest demand. There is a three-bedroom unit available at this time at the 60 percent AMI rate and the contact noted it has been vacant for over two months as those particular units are the most challenging to lease.

Dulles Park Apartments, continued

Trend Report

Vacancy Rates

1Q08	1Q09	2Q09	1Q14
7.4%	0.0%	1.5%	4.4%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$212	\$0	\$212	\$271
2009	1	0.0%	\$212	\$0	\$212	\$271
2009	2	0.0%	\$212	\$0	\$212	\$271
2014	1	0.0%	\$229	\$0	\$229	\$288

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$247	\$0	\$247	\$321
2009	1	0.0%	\$247	\$0	\$247	\$321
2009	2	0.0%	\$247	\$0	\$247	\$321
2014	1	0.0%	\$269	\$0	\$269	\$343

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$274	\$0	\$274	\$274
2009	1	0.0%	\$274	\$0	\$274	\$274
2009	2	0.0%	\$274	\$0	\$274	\$274
2014	1	0.0%	\$305	\$0	\$305	\$305

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	23.1%	\$410	\$0	\$410	\$469
2009	1	0.0%	\$410	\$0	\$410	\$469
2009	2	7.7%	\$410	\$0	\$410	\$469
2014	1	0.0%	\$458	\$0	\$458	\$517

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	5.0%	\$465	\$0	\$465	\$539
2009	1	0.0%	\$465	\$0	\$465	\$539
2009	2	0.0%	\$465	\$0	\$465	\$539
2014	1	5.0%	\$525	\$0	\$525	\$599

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$520	\$0	\$520	\$520
2009	1	0.0%	\$520	\$0	\$520	\$520
2009	2	0.0%	\$520	\$0	\$520	\$520
2014	1	33.3%	\$580	\$0	\$580	\$580

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$410	\$0	\$410	\$469
2009	1	0.0%	\$410	\$0	\$410	\$469
2009	2	0.0%	\$410	\$0	\$410	\$469
2014	1	0.0%	\$458	\$0	\$458	\$517

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$465	\$0	\$465	\$539
2009	1	0.0%	\$465	\$0	\$465	\$539
2009	2	0.0%	\$465	\$0	\$465	\$539
2014	1	0.0%	\$525	\$0	\$525	\$599

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$520	\$0	\$520	\$520
2009	1	0.0%	\$520	\$0	\$520	\$520
2009	2	0.0%	\$520	\$0	\$520	\$520
2014	1	0.0%	\$580	\$0	\$580	\$580

Trend: Non-Rental

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	N/A	\$0	N/A	N/A
2009	1	0.0%	N/A	\$0	N/A	N/A
2009	2	0.0%	N/A	\$0	N/A	N/A
2014	1	0.0%	N/A	\$0	N/A	N/A

Dulles Park Apartments, continued

Trend: Comments

- 1Q08** Recently there was a change in the property manager at this development. This turn over caused a delay in filling vacancies, however it is expected that they will be filled in the near future. The rents for units at 60 percent AMI are not at the maximum. The management company indicated that prices have not been adjusted since the property opened in 2005. They intend to slowly increase rents at the 60 percent AMI level until they are at the maximum. They do believe that tenants can afford higher rents. Management has a rent increase planned for the end of February because the utility allowance for the area has changed. The contact stated that rents at the 30 and 50 percent income levels will slightly decrease while rents for the 60 percent AMI units will increase slightly.
- 1Q09** The manager stated rents have not changed during the past year. There are currently 11 total households on the waiting list for most of the unit types.
- 2Q09** The manager stated rents have not changed during the past year and does not anticipate an increase due to the slow local economic conditions. There are currently 12 total households on the waiting list.
- 1Q14** The contact reported a waiting list averaging six to 12 months for the lower income restricted units across the board and all of the one-bedroom units which have the highest demand. There is a three-bedroom unit available at this time at the 60 percent AMI rate and the contact noted it has been vacant for over two months as those particular units are the most challenging to lease.

PROPERTY PROFILE REPORT

Pearl Stephens Village

Effective Rent Date	2/07/2014
Location	3321 Napier Avenue Macon, GA 31204 Bibb County
Distance	13.6 miles
Units	61
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Seniors 62+; Most are from Macon with a small percentage from out of town. Avg. age is 72
Contact Name	Beth
Phone	478-745-5920



Market Information

Program	@60% (Section 8), Market
Annual Turnover Rate	10%
Units/Month Absorbed	31
HCV Tenants	0%
Leasing Pace	prelease / less than 2 weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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 (2 stories)	28	801	\$549	\$0	@60% (Section 8)	Yes	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	13	854	\$549	\$0	@60% (Section 8)	Yes	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	4	801	\$565	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (2 stories)	13	1,051	\$640	\$0	@60% (Section 8)	Yes	0	0.0%	N/A	None
2	2	Lowrise (2 stories)	3	1,051	\$645	\$0	Market	No	0	0.0%	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	\$549	\$0	\$549	\$0	\$549	1BR / 1BA	\$565	\$0	\$565	\$0	\$565
2BR / 2BA	\$640	\$0	\$640	\$0	\$640	2BR / 2BA	\$645	\$0	\$645	\$0	\$645

Pearl Stephens Village, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Hand Rails
Oven
Walk-In Closet

Carpeting
Coat Closet
Garbage Disposal
Microwave
Refrigerator
Washer/Dryer hookup

Security

Intercom (Buzzer)
Limited Access

Services

Shuttle Service

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Off-Street Parking

Clubhouse/Meeting
Elevators
Central Laundry
On-Site Management

Premium

None

Other

Library, Gazebo

Comments

Of the total 61 units, all but seven have project-based subsidy. The remaining seven units are market rate and do not have income restrictions. There is a waiting list of 30 to 40 households for the subsidized units.

Pearl Stephens Village, continued

Trend Report

Vacancy Rates

1Q11	2Q12	3Q13	1Q14
0.0%	0.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$543	\$0	\$543	\$543
2012	2	0.0%	\$543	\$0	\$543	\$543
2013	3	0.0%	\$549	\$0	\$549	\$549
2014	1	0.0%	\$549	\$0	\$549	\$549

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$625	\$0	\$625	\$625
2012	2	0.0%	\$625	\$0	\$625	\$625
2013	3	0.0%	\$640	\$0	\$640	\$640
2014	1	0.0%	\$640	\$0	\$640	\$640

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$550	\$0	\$550	\$550
2012	2	0.0%	\$550	\$0	\$550	\$550
2013	3	0.0%	\$565	\$0	\$565	\$565
2014	1	0.0%	\$565	\$0	\$565	\$565

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$630	\$0	\$630	\$630
2012	2	0.0%	\$630	\$0	\$630	\$630
2013	3	0.0%	\$645	\$0	\$645	\$645
2014	1	0.0%	\$645	\$0	\$645	\$645

Trend: Comments

1Q11	There are no tenants on the waiting list for market rate units. There are an estimated 20 households on the waiting list for the one-bedroom units and 10 for the two-bedroom units.
2Q12	This senior mixed income property consists of the adaptive/reuse of a former school building along with new construction. Completed in 2009, the property is in very good condition. Of the total 61 units, all but seven have project-based subsidy. The remaining seven units are market rate. The property is performing well as all units are leased. There is a waiting list of 30 to 40 households for the subsidized units.
3Q13	N/A
1Q14	Of the total 61 units, all but seven have project-based subsidy. The remaining seven units are market rate and do not have income restrictions. There is a waiting list of 30 to 40 households for the subsidized units.

PROPERTY PROFILE REPORT

Pecan Hills Of Milledgeville

Effective Rent Date 2/20/2014
Location 900 W Montgomery
Milledgeville, GA 31061
Baldwin County
Distance 18.1 miles
Units 54
Vacant Units 3
Vacancy Rate 5.6%
Type Midrise (age-restricted) (3 stories)
Year Built/Renovated 2006 / N/A
Marketing Began 12/01/2006
Leasing Began 12/05/2006
Last Unit Leased N/A
Major Competitors No other senior LIHTC in area; Dulles Park in Gray
Tenant Characteristics Avg age: 70, most are from Baldwin County and the surrounding areas.
Contact Name Sheryl
Phone 478.451.0026



Market Information

Program @30%, @50%
Annual Turnover Rate 15%
Units/Month Absorbed 54
HCV Tenants 6%
Leasing Pace One week to one month
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
2	1	Midrise (3 stories)	6	975	\$205	\$0	@30%	No	0	0.0%	no	None
2	1	Midrise (3 stories)	48	975	\$437	\$0	@50%	No	3	6.2%	no	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$205	\$0	\$205	\$0	\$205	2BR / 1BA	\$437	\$0	\$437	\$0	\$437

Pecan Hills Of Milledgeville, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Furnishing
Microwave
Pull Cords

Blinds
Carpeting
Coat Closet
Exterior Storage
Hand Rails
Oven
Refrigerator

Security

Limited Access

Services

Shuttle Service

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Premium

Hairdresser / Barber

Other

Walking Trail, Library

Comments

The contact reported that she was new to the property and noted that occupancy rates have been fluctuating sharply during the past three months. Occupancy rates had been just below 90 percent when she arrived at the property but has since improved through increased marketing. The contact noted that the biggest issue for the property is not offering one-bedroom units which she gets inquiries for on a regular basis. She also added that several applicants have been over the income limit when they apply and the property would benefit from offering a small number of market rate units. The contact stated the biggest demand that she has noticed is households looking to pay only 30 percent of income towards rent due to their very low fixed monthly incomes.

Pecan Hills Of Milledgeville, continued

Trend Report

Vacancy Rates

2Q08	1Q09	2Q09	1Q14
1.9%	1.9%	1.9%	5.6%

Trend: @30%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$148	\$0	\$148	\$148
2009	1	0.0%	\$148	\$0	\$148	\$148
2009	2	N/A	\$160	\$0	\$160	\$160
2014	1	0.0%	\$205	\$0	\$205	\$205

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$370	\$0	\$370	\$370
2009	1	0.0%	\$370	\$0	\$370	\$370
2009	2	N/A	\$385	\$0	\$385	\$385
2014	1	6.2%	\$437	\$0	\$437	\$437

Trend: Comments

- 2Q08** The leasing agent explained that demand for tax credit units is very high in the Milledgeville area. Currently, rents are not set at the maximum allowable levels. The leasing agent was not sure why and she does not believe tenants could afford higher rents much higher than the current rental rate. Currently, there is one vacant unit for which a deposit has been paid and lease signed. Twelve of the total units are located in single-story six-plex buildings. Management indicated that there is a very strong demand for this type of unit in the market; residents feel it provides greater privacy and sense of independence. Management indicated that there is a demand for unrestricted units (up to ten units) for seniors who earn just over the income qualifications. The waiting list was recently purged from 180 households to 136 households due to the recent vacancy (which was a result of a death at the property). The contact stated that tenants can afford rents at \$425 to \$450 (face rent) but the contact was not sure if tenants would be willing to pay as much as \$450. The contact elaborated, stating that tenants at the 60 percent AMI level would likely pay \$400 as some prospective tenants are currently paying \$425 for private rentals that do not offer senior amenities.
- 1Q09** The manager reported a waiting list with approximately 75 applicants and stated there is strong demand for affordable senior housing in the area.
- 2Q09** N/A
- 1Q14** The contact reported that she was new to the property and noted that occupancy rates have been fluctuating sharply during the past three months. Occupancy rates had been just below 90 percent when she arrived at the property but has since improved through increased marketing. The contact noted that the biggest issue for the property is not offering one-bedroom units which she gets inquiries for on a regular basis. She also added that several applicants have been over the income limit when they apply and the property would benefit from offering a small number of market rate units. The contact stated the biggest demand that she has noticed is households looking to pay only 30 percent of income towards rent due to their very low fixed monthly incomes.

PROPERTY PROFILE REPORT

Waterford Place

Effective Rent Date	2/16/2014
Location	131 N Pickens Street Milledgeville, GA 31059 Baldwin County
Distance	18.1 miles
Units	80
Vacant Units	6
Vacancy Rate	7.5%
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	Michelle
Phone	(478) 453-8049



Market Information

Program	@60%, Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	1-3 weeks
Annual Chg. in Rent	Increase 1.7%-2.1% Jan. 2014
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	18	743	\$385	\$0	@60%	No	0	0.0%	no	None
1	1	Garden (2 stories)	N/A	743	\$465	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (2 stories)	40	1,011	\$452	\$0	@60%	No	4	10.0%	no	None
2	2	Garden (2 stories)	N/A	1,011	\$540	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	24	1,119	\$502	\$0	@60%	No	2	8.3%	no	None
3	2	Garden (2 stories)	N/A	1,119	\$590	\$0	Market	No	0	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	\$385	\$0	\$385	\$59	\$444	1BR / 1BA	\$465	\$0	\$465	\$59	\$524
2BR / 2BA	\$452	\$0	\$452	\$74	\$526	2BR / 2BA	\$540	\$0	\$540	\$74	\$614
3BR / 2BA	\$502	\$0	\$502	\$0	\$502	3BR / 2BA	\$590	\$0	\$590	\$0	\$590

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 reported the property has been operating with three to six vacancies each month. The income restricted units can take up to six weeks to lease out. Water and sewer is not included in the rent as previously reported.

Waterford Place, continued

Trend Report

Vacancy Rates

1Q09	3Q09	1Q13	1Q14
0.0%	0.0%	12.5%	7.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$337	\$0	\$337	\$396
2009	3	0.0%	\$337	\$0	\$337	\$396
2013	1	5.6%	\$377	\$0	\$377	\$436
2014	1	0.0%	\$385	\$0	\$385	\$444

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$402	\$0	\$402	\$476
2009	3	0.0%	\$402	\$0	\$402	\$476
2013	1	12.5%	\$442	\$0	\$442	\$516
2014	1	10.0%	\$452	\$0	\$452	\$526

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$452	\$0	\$452	\$452
2009	3	0.0%	\$452	\$0	\$452	\$452
2013	1	8.3%	\$492	\$0	\$492	\$492
2014	1	8.3%	\$502	\$0	\$502	\$502

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$425	\$0	\$425	\$484
2009	3	N/A	\$425	\$0	\$425	\$484
2013	1	N/A	\$455	\$0	\$455	\$514
2014	1	N/A	\$465	\$0	\$465	\$524

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$500	\$0	\$500	\$574
2009	3	N/A	\$500	\$0	\$500	\$574
2013	1	N/A	\$530	\$0	\$530	\$604
2014	1	N/A	\$540	\$0	\$540	\$614

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$550	\$0	\$550	\$550
2009	3	N/A	\$550	\$0	\$550	\$550
2013	1	N/A	\$580	\$0	\$580	\$580
2014	1	N/A	\$590	\$0	\$590	\$590

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.
- 1Q14** The contact reported the property has been operating with three to six vacancies each month. The income restricted units can take up to six weeks to lease out. Water and sewer is not included in the rent as previously reported.

PROPERTY PROFILE REPORT

2009 Vineville

Effective Rent Date	2/07/2014
Location	2009 Vineville Avenue Macon, GA 31201 Bibb County
Distance	12.6 miles
Units	106
Vacant Units	1
Vacancy Rate	0.9%
Type	Midrise (age-restricted) (5 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	seniors 62+, downsizing from homes, retirees, local seniors
Contact Name	Crystal
Phone	478-743-8225



Market Information

Program	Market, Public Housing
Annual Turnover Rate	12%
Units/Month Absorbed	12
HCV Tenants	0%
Leasing Pace	1 to 2 weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (5 stories)	1	618	\$550	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (5 stories)	85	618	\$0	\$0	Public Housing	Yes	1	1.2%	N/A	None
2	2	Midrise (5 stories)	1	908	\$650	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (5 stories)	19	908	N/A	\$0	Public Housing	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Public	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$550	\$0	\$550	-\$131	\$419	1BR / 1BA	N/A	\$0	N/A	-\$131	-\$131
2BR / 2BA	\$650	\$0	\$650	-\$167	\$483	2BR / 2BA	N/A	\$0	N/A	-\$167	N/A

2009 Vineville, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Hand Rails
Pull Cords
Washer/Dryer

Carpeting
Coat Closet
Garbage Disposal
Oven
Refrigerator
Washer/Dryer hookup

Security

Intercom (Buzzer)
Intercom (Phone)
Limited Access
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking

Courtyard
Exercise Facility

Premium

None

Other

None

Comments

Virtually all units in this senior (62+) public housing property are subsidized and tenants pay 30 percent of income towards rent. There are only two market rate units at this property. There are a total of 16 households on the current waiting list at this time.

2009 Vineville, continued

Trend Report

Vacancy Rates

1Q11	2Q12	3Q13	1Q14
0.0%	0.9%	1.9%	0.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$550	\$0	\$550	\$419
2012	2	0.0%	\$550	\$0	\$550	\$419
2013	3	0.0%	\$550	\$0	\$550	\$419
2014	1	0.0%	\$550	\$0	\$550	\$419

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$650	\$0	\$650	\$483
2012	2	0.0%	\$650	\$0	\$650	\$483
2013	3	0.0%	\$650	\$0	\$650	\$483
2014	1	0.0%	\$650	\$0	\$650	\$483

Trend: Public Housing

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	1.2%	N/A	\$0	N/A	-\$131

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- 1Q11** Management reported that the average tenant paid rent is \$300. The leasing pace has been longer due an outdated waiting list. The property is required to give appropriate notice to each person on the waiting list before moving to the next applicant. The public housing units are 30 and 60 percent tax credit with public housing as an additional subsidy.
- 2Q12** Virtually all units in this senior LIHTC property are subsidized and tenant incomes are restricted at 60 percent of AMI. There are only two market rate units at this property, a one-bedroom unit and a two-bedroom unit. There is currently one vacant subsidized unit, although this unit is preleased. This property was built on the site of an historic mansion and grounds. The mansion itself is now the community building. The manager reports that the average tenant-paid rent for the subsidized units is \$300.
- 3Q13** Virtually all units in this senior (62+) LIHTC property are subsidized and tenant incomes are restricted at 60 percent of AMI. There are only two market rate units at this property, a one-bedroom unit and a two-bedroom unit. There are currently two vacant subsidized unit, although this unit is preleased. The manager reports that the average tenant-paid rent for the subsidized units is \$300. Rents on market-rate units are unchanged in the past year.
- Turnover is low, as the property manager stated that once tenants move in they usually do not voluntarily move out and a large percentage of the turnover is due to the death of the previous tenant. The property manager stated there have only been 10 or 12 vacancies in the past year and filling of the vacancy is usually quick, since they currently have a waiting list of approximately 25 prospective tenants. The property manager reported that she believes the is a stronger demand for one bedroom units than two bedroom units.
- 1Q14** Virtually all units in this senior (62+) public housing property are subsidized and tenants pay 30 percent of income towards rent. There are only two market rate units at this property. There are a total of 16 households on the current waiting list at this time.

PROPERTY PROFILE REPORT

Chehaw Creek Properties

Effective Rent Date 2/14/2014
Location Arnold Road And Office Park Drive
 Gray, GA 31032
 Jones County
Distance 1.2 miles
Units 24
Vacant Units 0
Vacancy Rate 0.0%
Type Duplex
Year Built/Renovated 2004-2008 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None Identified
Tenant Characteristics Did not disclose
Contact Name Glenda
Phone 478-986-4233



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Duplex	N/A	800	\$600	\$0	Market	No	0	N/A	N/A	None
2	2	Duplex	N/A	1,000	\$725	\$0	Market	No	0	N/A	N/A	None
3	2	Duplex	N/A	1,200	\$825	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$79	\$679
2BR / 2BA	\$725	\$0	\$725	\$94	\$819
3BR / 2BA	\$825	\$0	\$825	\$0	\$825

Amenities

In-Unit
 Balcony/Patio
 Carpeting
 Dishwasher
 Oven
 Washer/Dryer hookup

Blinds
 Central A/C
 Garbage Disposal
 Refrigerator

Security
 None

Services
 None

Property
 Off-Street Parking

Premium
 None

Other
 None

Chehaw Creek Properties, continued

Comments

This is a series of scattered site duplexes mostly along Arnold Road in Gray, Georgia. The owner, Glenda at Chehaw Creek Properties, would only provide limited information.

PROPERTY PROFILE REPORT

Villamar Apartments

Effective Rent Date	2/10/2014
Location	342 Log Cabin Rd NE Milledgeville, GA 31061 Baldwin County
Distance	19.6 miles
Units	190
Vacant Units	8
Vacancy Rate	4.2%
Type	Various
Year Built/Renovated	1988&1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Approximately 30+ percent of tenants are seniors, who live primarily in the garden style units. Most are from the surrounding area.
Contact Name	Donna
Phone	478-452-1424



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
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	1,200	\$535	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden	39	1,400	\$605	\$0	Market	No	2	5.1%	N/A	None
2	2	Garden	39	1,400	\$665	\$0	Market	No	2	5.1%	N/A	None
2	2	Townhouse	45	1,296	\$705	\$0	Market	No	2	4.4%	N/A	None
2	2	Townhouse	45	1,296	\$765	\$0	Market	No	2	4.4%	N/A	None
3	2.5	Garden	20	1,500	\$650	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$535	\$0	\$535	\$0	\$535
2BR / 2BA	\$605 - \$765	\$0	\$605 - \$765	\$0	\$605 - \$765
3BR / 2.5BA	\$650	\$0	\$650	\$0	\$650

Villamar Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Fireplace
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
On-Site Management
Playground
Tennis Court

Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

Lake with Boat Dock

Comments

The contact reported current occupancy has been typical during the past year. There is a waiting list of 10 total households for the one- and three-bedroom units.

Villamar Apartments, continued

Trend Report

Vacancy Rates

1Q09	2Q09	2Q13	1Q14
1.1%	4.2%	4.7%	4.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$535	\$0	\$535	\$535
2009	2	0.0%	\$535	\$0	\$535	\$535
2013	2	0.0%	\$535	\$0	\$535	\$535
2014	1	0.0%	\$535	\$0	\$535	\$535

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	1.2%	\$605 - \$765	\$0	\$605 - \$765	\$605 - \$765
2009	2	4.8%	\$605 - \$765	\$0	\$605 - \$765	\$605 - \$765

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	5.4%	\$605 - \$765	\$0	\$605 - \$765	\$605 - \$765
2014	1	4.8%	\$605 - \$765	\$0	\$605 - \$765	\$605 - \$765

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$650	\$0	\$650	\$650
2009	2	0.0%	\$650	\$0	\$650	\$650
2013	2	0.0%	\$650	\$0	\$650	\$650
2014	1	0.0%	\$650	\$0	\$650	\$650

Trend: Comments

1Q09	This property was constructed in two phases. Phase I was built in 1988, while Phase II was built in 1999 and consists of the townhouse units. Some of the townhouse units have a fireplace. The more expensive units are on the lakeside. The manager noted overall occupancy has remained above 95 percent during the past year.
2Q09	This property was constructed in two phases. Phase I was built in 1988, while Phase II was built in 1999 and consists of the townhouse units. Some of the townhouse units have a fireplace. The more expensive units are on the lakeside.
2Q13	Contact stated that the property is currently 95 percent occupied, and typically has a few townhouse style floor plans available. Contact further stated that two-bedroom rents vary based on where the units are located; two-bedroom units on the lake are represented by the higher rents above. The property was built in two phases; Phase I was built in 1988, while Phase II was built in 1999 and contains the townhouse units. The property does not accept Housing Choice Vouchers. Rents have remained stable since our last survey in 2009.
1Q14	The contact reported current occupancy has been typical during the past year. There is a waiting list of 10 total households for the one- and three-bedroom units.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Ashton Hill Apartments	LIHTC	28%
Dulles Park Apartments	LIHTC	30%
Pearl Stephens Village	LIHTC	0%
Pecan Hills Of Milledgeville	LIHTC	6%
Waterford Place	LIHTC	6%
2009 Vineville	Market	0%
Cehaw Creek Properties	Market	0%
Villamar Apartments	Market	0%
Average		9%

As illustrated in the table, four of the LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is nine percent. None of the market rate properties reported to currently have tenants utilizing housing choice vouchers. The local market does not appear to be dependent on voucher tenants.

Lease Up History

We were able to obtain absorption information from three comparable properties. Pearl Stephens Village, a 61- unit age-restricted LIHTC/mixed income comparable was constructed in 2009. Management noted an absorption rate of 31 units per month, resulting in an absorption period of approximately two months. Additionally, 2009 Vineville, a 106-unit Public Housing/Market comparable, opened in 2004. Management noted an absorption rate of 12 units per month, resulting in an absorption period of nine months. It should be noted that this information is relatively old and we have tempered this data based on current market conditions. Further, both Pearl Stephens Village and 2009 Vineville receive subsidies, which have resulted in an accelerated lease up period. Pecan Hills of Milledgeville, a 54-unit age-restricted LIHTC comparable, opened in 2006, and management noted an absorption rate of 54 units per month, equating to an absorption period of one month. It should be noted that all of Pecan Hills at Milledgeville target senior households earning 50 percent of AMI or less, which would result in accelerated lease up. Thus, we anticipate that the Subject will absorb 15 units per month, for an absorption period of approximately five months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

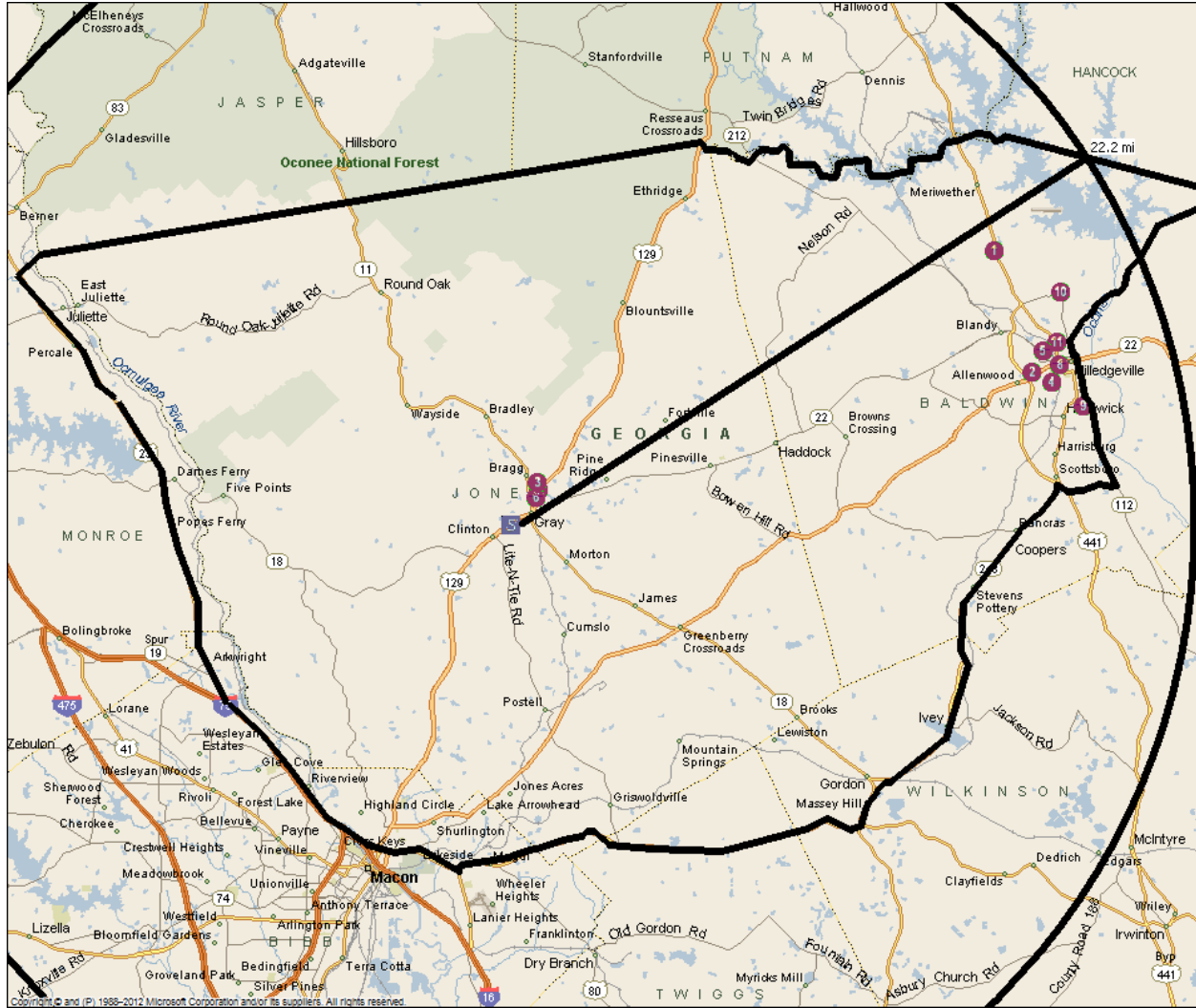
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is located in a rural area.

3. COMPETITIVE PROJECT MAP



Map #	Name	Address	Type	Tenancy	Distance from Subject
S	Water Park Tower	South of Gray Hwy, north of Boulder Dr	Subject	Family	-
1	Edgewood Park Apartments	2671 N Columbia Street	LIHTC	Family	18.3 Miles
2	Waterford Place	131 N Pickens Street	LIHTC	Family	18.2 Miles
3	Dulles Park Apartments	220 Old Clinton Road	LIHTC	Senior	0.6 Mile
4	Baldwin Park	200 S Irwin Street	LIHTC	Senior	18.6 Miles
5	Pecan Hills of Milledgeville	900 W Montgomery Street	LIHTC	Senior	18.6 Miles
6	Gray Gardens Apartments	200 Eatonton Highway	Section 8/USDA	Family	1.6 Miles
7	Northside Villas of Gray	256 Eatonton Highway	Section 8	Family	1.8 Miles
8	Dogwood Retirement Housing	101 S Columbia Street	Section 8	Elderly	18.7 Miles
9	Milledgeville Manor	1498 S Jefferson Street SE	Section 8	Family	18.8 Miles
10	Oconee VOA Housing	1974 N. Jefferson	Section 8	Disabled	18.8 Miles
11	River Bend Apartments	221 North Warren Street	Section 8	Elderly	18.8 Miles

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in pink, 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 grey.

UNIT MATRIX REPORT									
Water Tower Park	Ashton Hill Apartments	Dulles Park Apartments	Pearl Stephens Village	Pecan Hills Of Milledgeville	Waterford Place	2009 Vineville	Chehaw Creek Properties	Villamar Apartments	
Comp #	1	2	3	4	5	6	7	8	
Property Information									
Property Type	Garden (age-restricted) (2 stories)	Garden (age-restricted) (3 stories)	One-story (age-restricted)	Lowrise (age-restricted) (2 stories)	Midrise (age-restricted) (3 stories)	Garden (2 stories)	Midrise (age-restricted) (5 stories)	Duplex	Various
Year Built / Renovated	2015 / n/a	2001 / n/a	2005 / n/a	2009 / n/a	2006 / n/a	2004 / n/a	2004 / n/a	2004-2008 / n/a	1988&1998 / n/a
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC	LIHTC (Section 8), Market	LIHTC	LIHTC/Market	Market, PH	Market	Market
Utility Adjustments									
Cooking	no	no	no	no	no	no	yes	no	no
Water Heat	no	no	no	no	no	no	yes	no	no
Heat	no	no	no	no	no	no	yes	no	no
Other Electric	no	no	no	no	no	no	yes	no	no
Water	yes	no	no	yes	yes	no	yes	no	yes
Sewer	yes	no	no	yes	yes	no	yes	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes	yes	no	yes
In-Unit Amenities									
Balcony/Patio	no	yes	no	no	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	yes	yes	no	no	no
Ceiling Fan	no	no	no	no	no	yes	no	no	yes
Fireplace	no	no	no	no	no	no	no	no	yes
Furnishing	no	no	no	no	yes	no	no	no	no
Garbage Disposal	yes	yes	yes	yes	no	yes	yes	yes	yes
Hand Rails	no	yes	yes	yes	yes	no	yes	no	no
Microwave	no	no	no	yes	yes	no	no	no	no
Oven	yes	no	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	no	yes	no	yes	no	no
Refrigerator	yes	no	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	no	yes	no	yes	no	no	no
Washer/Dryer	no	no	no	no	no	no	yes	no	no
Washer/Dryer hookup	yes	yes	yes	yes	no	yes	yes	yes	yes
Property Amenities									
Business Center/Computer Lab	yes	no	yes	yes	yes	no	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	no	yes	yes	yes	no	no	yes
Courtyard	no	no	no	yes	no	no	yes	no	no
Elevators	no	no	no	yes	yes	no	yes	no	no
Exercise Facility	yes	yes	yes	yes	yes	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no	no	yes
Picnic Area	no	no	no	no	yes	yes	no	no	yes
Playground	no	no	no	no	no	yes	no	no	yes
Swimming Pool	no	no	no	no	no	yes	no	no	yes
Tennis Court	no	no	no	no	no	no	no	no	yes
Services									
Shuttle Service	no	no	no	yes	yes	no	no	no	no
Security									
Intercom (Buzzer)	no	no	no	yes	no	no	yes	no	no
Intercom (Phone)	no	no	no	no	no	no	yes	no	no
Limited Access	no	no	no	yes	yes	no	yes	no	no
Perimeter Fencing	no	no	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	no	no	no	yes	no	no
Premium Amenities									
Hairdresser / Barber	no	no	no	no	yes	no	no	no	no
Other Amenities									
Other	Services include								
	n/a	Bingo, birthday parties	Library; Transit bus	Library, Gazebo	Walking Trail, Library	n/a	n/a	n/a	Lake with Boat Dock

The Subject will offer similar in unit amenities and will generally offer slightly inferior to inferior property amenities relative to the comparables.

5. The Subject will target senior households. Therefore, per DCA's guidelines, senior properties were included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Hill Apartments*	LIHTC	80	0	0.00%
Dulles Park Apartments*	LIHTC	68	3	4.40%
Pearl Stephens Village*	LIHTC (Section 8), Market	61	0	0.00%
Pecan Hills Of Milledgeville*	LIHTC	54	3	5.60%
Waterford Place	LIHTC/Market	80	6	7.50%
2009 Vineville*	Market, Public Housing	106	1	0.90%
Chehaw Creek Properties	Market	24	0	0.00%
Villamar Apartments	Market	190	8	4.20%
Total		663	21	3.20%

* Senior property

As illustrated, vacancy rates in the market range from zero to 7.5 percent, averaging 3.2 percent. The average weighted vacancy rate among the LIHTC/mixed income comparables is 3.5 percent while the average weighted vacancy rate among the market rate comparables is 2.8 percent. Waterford Place and Pecan Hills of Milledgeville reported the highest vacancy rates among the LIHTC comparables. According to management at Waterford Place, the property typically operates with three to six vacancies each month. It should be also be noted that Waterford Place has a total of only 54 units and three vacant units, which results in a higher vacancy rate. According to management at Pecan Hills of Milledgeville, the property is recently under new management which has resulted in occupancy to fluctuate over the past three months. Thus, Pecan Hills of Milledgeville's under-performance appears to be property specific.

Villamar Apartments reported the highest vacancy rate among the market rate comparables. Management at Villamar Apartments reported that current occupancy has been typical over the past year. It should be noted that all of the current vacancies at the property are in the two-bedroom units. The property contact reported that there is currently a waiting list of 10 households for the one- and three-bedroom units, indicating a sufficient demand in the market for these unit types.

The Subject will be superior to the market rate and tax credit properties in terms of age and condition. Thus, we believe that the Subject will have a vacancy rate at five percent or less.

7. Properties Under Construction and Proposed

Based on DCA’s allocation lists, there have been no age-restricted properties proposed for the Subject’s PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2011 to 2013. However, Heritage Vista Apartments was allocated in 2011 for a proposed LIHTC family Development in Milledgeville. This development will offer 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. Based on the proposed tenancy of this property, we do not believe it will be directly competitive with the Subject, upon completion. Thus, no units have been removed from the demand analysis.

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Age / Condition	Unit Size	Overall Comparison
1	Ashton Hill Apartments	LIHTC	Slightly Superior	Inferior	Slightly Inferior	Similar	-5
2	Dulles Park Apartments	LIHTC	Similar	Similar	Slightly Inferior	Slightly Superior	0
3	Pearl Stephens Village	LIHTC (Sec. 8), Market	Slightly Superior	Similar	Slightly Inferior	Similar	5
4	Pecan Hills Of Milledgeville	LIHTC	Slightly Superior	Superior	Slightly Inferior	Slightly Inferior	10
5	Waterford Place	LIHTC/Market	Superior	Slightly Superior	Slightly Inferior	Similar	15
6	2009 Vineville	Market, PH	Slightly Inferior	Similar	Slightly Inferior	Slightly Inferior	-10
7	Chehaw Creek Properties	Market	Inferior	Similar	Slightly Inferior	Similar	-15
8	Villamar Apartments	Market	Superior	Slightly Superior	Inferior	Superior	20

*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	1BR	2BR
Water Tower Park (Subject)	\$361	\$424
2014 LIHTC Maximum (Net)	\$361	\$424
2012 LIHTC Maximum (Net)	\$414	\$486
Dulles Park Apartments	\$517	\$599
Ashton Hill Apartments	\$482	\$575
Pecan Hills Of Milledgeville	N/A	\$437
Average (excluding Subject)	\$500	\$537

The Subject will offer units at 50 percent of AMI, which are set at the 2014 maximum allowable level. It should be noted that there was a significant decrease in AMI in Jones County in 2014. Therefore, properties placed in service prior to 2014 will be held harmless at the higher 2012 rent limits. All of the LIHTC/mixed income comparable properties were constructed between 2001 and 2006, therefore these properties are held harmless at 2012 rent limits. Dulles Park Apartments and Ashton Hill Apartments, both age-restricted properties, both reported to be achieving maximum allowable rents at 50 percent AMI. Management at Dulles Park Apartments reported a waiting list averaging six to 12 months for all units. Management at both Dulles Parka Apartments and Pecan Hills of Milledgeville indicated there is a significant demand for one-bedroom units in the market. According to the property manager at Pecan Hills of Milledgeville, the property does not offer one-bedroom units, and the property receives many inquires about available one-bedroom units for senior in the area. The Subject will offer similar tenancy, and

similar to slightly inferior location as the comparables. However, the Subject will be in excellent condition upon completion and offer competitive unit sizes. Thus, we believe the Subject's proposed rents at the 2014 maximum allowable levels are achievable.

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Water Tower Park (Subject)	\$460	\$542
2014 LIHTC Maximum (Net)	\$460	\$542
2012 LIHTC Maximum (Net)	\$523	\$617
Dulles Park Apartments	\$517	\$599
Ashton Hill Apartments	\$547	\$613
Waterford Place	\$444	\$526
Average (excluding Subject)	\$522	\$606

All of the Subject's 60 percent rents are set at the 2014 maximum allowable level. It should be noted that there was a significant decrease in AMI in Jones County in 2014. Therefore, properties placed in service prior to 2014 will be held harmless at the higher 2012 rent limits. All of the LIHTC/mixed income comparable properties were constructed between 2001 and 2006, therefore these properties are held harmless at 2012 rent limits. Pearl Stephens Village and Ashton Hill Apartments reported to be achieving maximum allowable rents at the 60 percent of AMI level. However, it should be noted that the LIHTC units at Pearl Stephens Village are subsidized, thus the current rent levels may not be a reliable indication of achievable LIHTC rents. According to management at Dulles Park Apartments, units at the lower AMI level are typically have the greatest demand and the 60 percent units are the most difficult to lease. This can be attributed to the significant drop in area median income between 2013 and 2014, making it challenging for tenants to qualify to units at 60 percent of AMI. However, the Subject will be in excellent condition upon completion and will offer a superior condition to all of the comparables, as well as similar to slightly superior unit sizes and a competitive amenities package. Additionally, the 2014 maximum allowable rents are below the current rents achieved at all of the senior comparable properties. Based on the overall performance of the comparables and reported waiting lists, we believe the Subject's proposed rents at 60 percent of AMI appear reasonable and achievable.

Analysis of "Market Rents"

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

When comparing the Subject's rents to the average market rent, we have 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	\$361	\$419	\$679	\$527	-31%
2 BR	\$424	\$437	\$819	\$619	-32%

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$460	\$419	\$679	\$533	-14%
2 BR	\$542	\$483	\$819	\$640	-15%

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. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be significantly superior to the market rate inventory. It should be noted that the Subject will be in superior condition to the all of the comparables and thus, the LIHTC and market rate properties are not good rent comparisons at the 60 percent AMI level.

The most similar market rate property is Chehaw Creek Properties, which is reporting higher rents than the Subject's proposed rents and reported a vacancy rate of zero percent. Additionally, market rate comparable Villamar Apartments, a market rate comparables is reporting a stable occupancy and a waiting list for one- and three-bedroom units.

Overall, we believe that the Subject's proposed rents are achievable in the market and will offer a substantial market rent advantage.

9. LIHTC Competition – Recent Allocations within Two Miles

Based on DCA's allocation lists, there have been no age-restricted properties proposed for the Subject's PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2011 to 2013. However, Heritage Vista Apartments was allocated in 2011 for a proposed LIHTC family Development in Milledgeville. This development will offer 72 one-, two-, and three-bedroom units at 50 and 60 percent of AMI. Based on the proposed tenancy of this property, we do not believe it will be directly competitive with the Subject, upon completion.

10. Rental Trends in the PMA

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

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	8,569	79.9%	2,161	20.1%
2013	10,918	77.3%	3,198	22.7%
Projected Mkt Entry				
July 2016	11,420	77.23%	3,367	22.8%
2018	11,755	77.2%	3,480	22.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, February 2014

In 2013, approximately 77.3 percent of senior households in the PMA were owner-occupied, while the remaining 22.7 percent are renter-occupied. The percentage of renter-occupied households in the PMA is expected to increase slightly through both the market entry date and through 2018. Further, the number of renter-occupied senior households will increase by 282 households from 2013 to 2018, which supports demand for new senior rental housing.

Historical Vacancy

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

Historical Vacancy

Comparable Property	Type	Total Units	1QTR 2011	2QTR 2012	1QTR 2013	2QTR 2013	3QTR 2013	4QTR 2013	1QTR 2014
Ashton Hill Apartments	Garden	80	0.00%	0.00%	N/A	N/A	N/A	2.50%	0.00%
Dulles Park Apartments	One-story	68	N/A	N/A	N/A	N/A	N/A	N/A	4.40%
Pearl Stephens Village	Lowrise	61	0.00%	0.00%	N/A	N/A	0.00%	N/A	0.00%
Pecan Hills Of Milledgeville	Midrise	54	N/A	N/A	N/A	N/A	N/A	N/A	5.60%
Waterford Place	Garden	80	N/A	N/A	12.50%	N/A	N/A	N/A	7.50%
2009 Vineville	Midrise	106	0.00%	0.90%	N/A	N/A	1.90%	N/A	0.90%
Chehaw Creek Properties	Duplex	24	N/A	N/A	N/A	N/A	N/A	N/A	0.00%
Villamar Apartments	Various	190	N/A	N/A	N/A	4.70%	N/A	N/A	4.20%

As illustrated in the table, we have limited historical occupancy information for the comparables properties. However, it appears Ashton Hill Apartments, Waterford Place and 2009 Vineville have demonstrated improved performance, suggesting the local market is strengthening.

Change in Rental Rates

The following table illustrates changes in rent at the comparable properties over the past year.

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Ashton Hill Apartments	LIHTC	Decreased one percent
Dulles Park Apartments	LIHTC	None
Pearl Stephens Village	LIHTC (Section 8), Market	None
Pecan Hills Of Milledgeville	LIHTC	None
Waterford Place	LIHTC/Market	Increase 1.7%-2.1% Jan. 2014
2009 Vineville	Market, Public Housing	None
Chehaw Creek Properties	Market	None
Villamar Apartments	Market	None

One of the comparables reported rent increases over the past year. Ashton Hill Apartments, a LIHTC comparable, reported a decrease of one percent over the past twelve months. It should be noted that the lack of rental growth for the LIHTC comparables can be attributed to the recent decrease in AMI. The Subject's rents at 50 and 60 percent of AMI are set at maximum allowable levels. Therefore, we anticipate that the Subject will experience rent growth in the future that is in line with the market and AMGI growth.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac, one in every 740 housing units in Gray had received foreclosure filings in 2013. This compares to one in every 1,161 housing units in Jones County, one in every 841 housing units in the state of Georgia, and one in every 1,136 housing units in the nation at the same time. It appears that the mortgage and foreclosure crisis has affected Gray as its foreclosure rate is higher than the county, state, and nation. However, during our site inspection, there did not appear to be any vacant or abandoned homes in the Subject's neighborhood.

12. Primary Housing Void

Although several comparables reported a relatively low vacancy rate, it should be noted, that the majority of the housing stock was constructed in the early 2000's. There is a void of new construction housing in the market, which the Subject will help fill. The Subject will be superior to the comparables in the area and thus, provide good quality affordable housing.

13. Affect of Subject on Other Affordable Units in Market

The Subject will be superior to all of the LIHTC comparables. The newest LIHTC comparables maintains low vacancy levels, indicating demand for good quality affordable units. Additionally, three LIHTC properties area reported to currently maintain waiting list for units. Based on the low capture rates, which indicates strong demand for affordable senior housing, it is anticipated that the Subject will not have a negative long-term impact on affordable units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be superior in terms of condition to all of the comparables. The Subject's proposed rents are slightly below the range of the comparables, due to the comparables being held harmless at the higher 2012 maximum allowable rent levels. Additionally, the newest comparables maintain a short waiting list, indicating demand for good quality units. Overall, we believe there is demand for the Subject given its excellent condition, low capture rates, competitive amenities and unit sizes.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from three comparable properties. Pearl Stephens Village, a 61- unit age-restricted LIHTC/mixed income comparable was constructed in 2009. Management noted an absorption rate of 31 units per month, resulting in an absorption period of approximately two months. Additionally, 2009 Vineville, a 106-unit Public Housing/Market comparable, opened in 2004. Management noted an absorption rate of 12 units per month, resulting in an absorption period of nine months. It should be noted that this information is relatively old and we have tempered this data based on current market conditions. Further, both Pearl Stephens Village and 2009 Vineville receive subsidies, which have resulted in an accelerated lease up period. Pecan Hills of Milledgeville, a 54-unit age-restricted LIHTC comparable, opened in 2006, and management noted an absorption rate of 54 units per month, equating to an absorption period of one month. It should be noted that all of Pecan Hills at Milledgeville target senior households earning 50 percent of AMI or less, which would result in accelerated lease up. Thus, we anticipate that the Subject will absorb 15 units per month, for an absorption period of approximately five months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

J. INTERVIEWS

Jones County Housing Authority

We spoke with Sherry McCook, Section 8 Office Manager for the Georgia Department of Community Affairs (DCA) Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Ms. McCook reported that the DCA distributes approximately 36 vouchers for Jones County, and all are in use. In addition, there are approximately 1,200 households on the waiting list for Housing Choice Vouchers, and the DCA last opened the waiting list in January 2009 and it has been closed since. Ms. McCook noted the DCA doesn't anticipate re-opening the waiting list until 2015. The payment standards are \$588 and \$657 for one- and two-bedroom units, respectively. These are above the Subject's proposed LIHTC rents.

Planning

We interviewed Jim Robinson with the Jones County Planning and Zoning to determine if any other multifamily apartments were in the planning or construction phases in the city. According to Mr. Robinson, the only commercial development under construction in the City of Gray is a new fire station, which is located along East Clinton Street. There are no multifamily developments in the planning or construction stages in Gray, according to Mr. Robinson.

Chamber of Commerce

Despite several attempts, we were unable to contact the Gray Chamber of Commerce regarding employment expansions and general employment trends in the area. However, we were able to obtain information from the Development Authority of Jones County. According to Randy Griffin, Director of the Development Authority of Jones County, there are several announcements for expansions in Jones County during 2013. The following table details these expansions.

JONES COUNTY EXPANSIONS - 2013

Name	Industry	Number of New Jobs	Description
Georgia Distilling Company	Food & Beverage	50	Corporate HQ relocation
NFI Installations	Mining	40	New business
CARBO Ceramics	Manufacturing	35	Corporate HQ relocation
Gray Nursing Home	Healthcare	25	Expansion of existing facility
Tri-County Electric Membership Corporation	Utilities	10	Expansion of existing facility

Source: The Development Authority of Jones County, 2/2014

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Subject is located in Gray, Jones County, GA. The senior population in the PMA is anticipated to increase at a slightly slower rate than the MSA and nation through market entry and 2018. The projected growth rates for senior population and is significantly greater than the general population for all areas, which creates additional demand for all types of age-restricted housing. Approximately 60.7 percent of senior households aged 55 and older in the PMA have annual earnings below \$30,000. The Subject will target households earning between \$10,830 and \$28,380. Persons within these income cohorts are expected to create demand for the Subject.
- The Macon MSA has an improving economy with increasing total employment for seven of the last 10 years. The only decreases in employment occurred from 2008 through 2010, which is largely a result of the recent national recession, and recently from November 2012 through November 2013. From 2002 through 2004, the unemployment rate in the MSA was below the national unemployment rate. However, from 2005 through November 2013, the unemployment rate in the MSA has been consistently above the national average, despite recent decreases in unemployment. It appears that the local economy is still recovering, as total employment numbers have yet to surpass pre-recessionary levels. The local economy appears to be diverse and consist of relatively low-paying jobs offered in the education, retail trade, manufacturing, government, and accommodation/food services sectors which are expected to generate demand for affordable housing in the PMA.
- As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 0.7 to 5.7 percent with an overall capture rate of 1.9 percent. The Subject's capture rates at the 60 percent AMI level will range from 2.0 to 23.6 percent, with an overall capture rate of 7.4 percent. The overall capture rate for the Subject's 50 and 60 percent units is 8.5 percent. It should be noted that these capture rates appear very reasonable for an age-restricted development and are also well supported by anecdotal evidence. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from three comparable properties. Pearl Stephens Village, a 61- unit age-restricted LIHTC/mixed income comparable was constructed in 2009. Management noted an absorption rate of 31 units per month, resulting in an absorption period of approximately two months. Additionally, 2009 Vineville, a 106-unit Public Housing/Market comparable, opened in 2004. Management noted an absorption rate of 12 units per month, resulting in an absorption period of nine months. It should be noted that this information is relatively old and we have tempered this data based on current market conditions. Further, both Pearl Stephens Village and 2009 Vineville receive subsidies, which have resulted in an accelerated lease up period. Pecan Hills of Milledgeville, a 54-unit age-restricted LIHTC comparable, opened in 2006, and management noted an absorption rate of 54 units per month, equating to an absorption period of one month. It should be noted that all of Pecan Hills at Milledgeville target senior households earning 50 percent of AMI or less, which would result in accelerated lease up. Thus, we anticipate that the Subject will absorb 15 units per

month, for an absorption period of approximately five months. It should be noted that per DCA guidelines, absorption has been calculated to 93 percent occupancy.

- Vacancy rates in the market range from zero to 7.5 percent, averaging 3.2 percent. The average weighted vacancy rate among the LIHTC/mixed income comparables is 3.5 percent while the average weighted vacancy rate among the market rate comparables is 2.8 percent. Waterford Place and Pecan Hills of Milledgeville reported the highest vacancy rates among the LIHTC comparables. According to management at Waterford Place, the property typically operates with three to six vacancies each month. It should be also be noted that Waterford Place has a total of only 54 units and three vacant units, which results in a higher vacancy rate. According to management at Pecan Hills of Milledgeville, the property is recently under new management which has resulted in occupancy to fluctuate over the past three months. Thus, Pecan Hills of Milledgeville's under-performance appears to be property specific.

Villamar Apartments reported the highest vacancy rate among the market rate comparables. Management at Villamar Apartments reported that current occupancy has been typical over the past year. It should be noted that all of the current vacancies at the property are in the two-bedroom units. The property contact reported that there is currently a waiting list of 10 households for the one- and three-bedroom units, indicating a sufficient demand in the market for these unit types.

The Subject will be superior to the market rate and tax credit properties in terms of age and condition. Thus, we believe that the Subject will have a vacancy rate at five percent or less.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be superior in terms of condition to all of the comparables. The Subject's proposed rents are slightly below the range of the comparables, due to the comparables being held harmless at the higher 2012 maximum allowable rent levels. Additionally, the newest comparables maintain a short waiting list, indicating demand for good quality units. Overall, we believe there is demand for the Subject given its excellent condition, low capture rates, competitive amenities and unit sizes.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



John Cole
Partner



Lindsey Sutton
Manager
Lindsey.Sutton@novoco.com



Kayla Carter
Real Estate Analyst



Ed Mitchell
Real Estate Analyst

2-9-2014
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.



John Cole
Partner



Lindsey Sutton
Manager
Lindsey.Sutton@novoco.com



Kayla Carter
Real Estate Analyst



Ed Mitchell
Real Estate Analyst

N. QUALIFICATIONS

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
JOHN D. COLE**

I. EDUCATION

University of Texas – Austin, Texas (1999)
Master of Business Administration – Finance Concentration, Real Estate Specialization

California Polytechnic State University – San Luis Obispo, California (1992)
Bachelor of Science in Civil/Environmental Engineering

II. LICENSING AND PROFESSIONAL AFFILIATION

Candidate for Designation, Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)

Certified General Real Estate Appraiser – State of Texas (1335358-G)
Certified General Real Estate Appraiser – State of Arizona (31931)
Certified General Real Estate Appraiser – State of Louisiana (G2092)
Certified General Real Estate Appraiser – State of Mississippi (GA-857)
Certified General Real Estate Appraiser – State of Florida (RZ3595)

III. PROFESSIONAL TRAINING

National USPAP and USPAP Updates – Appraisal Institute
Advanced Market Analysis and Highest & Best Use – AI Course #520
Advanced Sales Comparison and Cost Approaches – AI Course #530
Advanced Income Capitalization – AI Course #510
General Appraiser Report Writing and Case Studies – AI Course #405
Basic Income Capitalization – AI Course #310
Appraisal Procedures and Appraisal Principals

IV. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner (2002 to Present)
NAI/Commercial Industrial Properties Company, Director of Operations (1999 to 2001)
Asset Recovery Fund, Financial Analyst Internship (1998 to 1999)
Stratus Properties, Market Research Analyst Internship (1997 to 1998)
Dames & Moore (URS Corporation), Project Manager and Engineer (1992 to 1997)

V. REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Managed and conducted more than 200 market and feasibility studies for multifamily and student housing on a national basis. Special concentration in Section 42 Low Income Housing Tax Credit (LIHTC) Properties. Local housing authorities, developers, syndicators and lenders have utilized these studies to assist in the financial underwriting and design of these properties. Expertise in evaluating unit mix, estimating demand, analyzing rental rates, selecting competitive properties and assessing overall market feasibility.

John D. Cole
Qualifications
Page 2

- Managed and conducted numerous appraisals of multifamily housing developments (primarily LIHTC properties). Appraisal assignments have typically involved determining the as is, as if complete, and as if complete and stabilized values. Additionally, encumbered 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.
- Managed and conducted appraisals on existing and proposed U.S. Department of Agriculture (USDA) Rural Development properties. These assignments were performed in compliance with USDA underwriting guidelines, in accordance with USDA Handbook 3560, Chapter 7 and attachments.
- Completed and managed numerous Section 8 rent comparability studies (RCS) in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. These properties were typically undergoing recertification under HUD's Mark to Market Program.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)4 and 223(f) programs, as well as the LIHTC Pilot Program.
- Performed valuations of General and/or Limited Partnership Interests in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
LINDSEY SUTTON**

EDUCATION

Texas State University, Bachelor of Business Administration in Finance

State of Texas Appraiser Trainee No. TX 1340427

EXPERIENCE

Novogradac & Company LLP, Manager, December 2012- Present

Novogradac & Company LLP, Real Estate Analyst, September 2011- Present

Novogradac & Company LLP, Real Estate Researcher February 2010 – September 2011

REAL ESTATE ASSIGNMENTS

A representative sample of work on various types of projects:

- Performed market studies for proposed new construction and existing Low Income Housing Tax Credit, USDA Rural Development, Section 8 and market rate multifamily and age-restricted developments. This included property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, determination of market rents, expense comparability analysis, and other general market analysis. Property types include proposed multifamily, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single-family development.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Assist on appraisals using the cost approach, income capitalization approach, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development, and Section 8 properties. Additional assignments also include partnership valuations and commercial land valuation.
- Prepared HUD Market-to-Market rent comparability studies for Section 8 multifamily developments.
- Perform
- Analyze historic audited financial statements to determine property expense projections.
- Perform HUD MAP market studies and assist on pre-appraisals.
- Completed assignments in the following states:

California	Florida	Illinois	Mississippi
Texas	Washington	Utah	Iowa
New Jersey	Louisiana	Arizona	Tennessee
Georgia	North Carolina	Oregon	Indiana
Oklahoma	Missouri	Michigan	Nebraska
Virgin Islands	Minnesota	New York	Wisconsin
Maryland	Delaware	Arkansas	West Virginia
Tennessee	South Carolina	Connecticut	Ohio

STATEMENT OF PROFESSIONAL QUALIFICATIONS

KAYLA A. CARTER

Education

Texas A&M University, 2011

- Bachelor of Science: Agricultural Economics; Finance and Real Estate Option

Professional Affiliation

- Member of Commercial Real Estate Women (CREW) Network

Experience

Real Estate Analyst, Novogradac & Company, LLP (January 2014 – Present)

Researcher, Novogradac & Company, LLP (February 2012 – December 2013)

- Assists with market studies for proposed new construction and existing affordable and market rate multifamily and age-restricted developments. This includes property screenings, market and demographic analyses, comparable rent surveys, supply and demand analyses, determination of market rents and other general market analysis.
- Conducts physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.

Commercial Property Assistant, **World Class Capital Group, LLC.**

Real Estate Assignments: The analyst has conducted research and completed assignments in the following states and U.S. Territories:

California

Louisiana

New Jersey

Texas

North Carolina

New Hampshire

Pennsylvania

Mississippi

Washington

Oregon

Arizona

Virginia

Florida

New York

Arkansas

Alabama

Missouri

U.S. Virgin Islands

Connecticut

Washington, D.C

Puerto Rico

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

University of Alabama, Tuscaloosa, Alabama
Master of Science – Financial Planning (05/2014)

University of Alabama, Tuscaloosa, Alabama
Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation

University of Alabama, Tuscaloosa, Alabama
Bachelor of Science – Human Environmental Science

San Antonio College, San Antonio, Texas
Associate of Arts – Real Estate Management

II. Professional Experience

Analyst; Novogradac & Company LLP (September 2013 – Present)
Senior Appraiser; Valbridge Property Advisors
Managing Partner; Consolidated Equity, Inc.
Appraiser; Schultz, Carr, Bissette
Disposition Manager; Resolution Trust Corporation (RTC)

III. Assignments

- Currently conducts market feasibility studies and appraisals of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way corridors, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation