

Market Feasibility Analysis

**Forest Pointe Apartments
18 Forest Drive
Butler, Taylor County, Georgia 31006**

Prepared For

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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Forest Pointe Apartments rental community to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Butler, Georgia. Based on the findings contained in this report, we believe a market will continue to exist for the subject project following renovations, as long as the subject project is renovated and operated as proposed in this report.

1. Project Description:

The Forest Pointe Apartments project located in Butler, Taylor County, Georgia, was originally built in 1992 and has operated under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. The project contains 25 general-occupancy units, comprised of four (4) one-bedroom garden-style units, 16 two-bedroom townhouse-style units and five (5) three-bedroom garden-style units. It should be noted that one (1) three-bedroom unit at the subject project is reserved for management of the subject site. As such, this non-revenue producing unit has been excluded from the remainder of this report. Currently, 10 of the 24 revenue producing units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). Management reports the subject project is currently 100.0% occupied and maintains a six household waiting list.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the 10 units of RA will be preserved and all units will target households up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. All renovations are expected to be completed in 2014.

2. Site Description/Evaluation:

The subject project is located within an established area of Butler. Surrounding land uses generally include scattered single-family homes, wooded land and the Butler Municipal Airport. All residential structures surrounding the subject project are considered to be well maintained and are generally considered to be in good condition. Further, the wooded land which surrounds the subject site in most directions is considered beneficial as it provides a natural buffer to additional surrounding land uses as well as providing a relatively quiet environment for residents of the subject site. Despite being mostly obstructed to northbound traffic along divided U.S. Highway 19, visibility of the subject site is considered good, as there is clear signage along southbound U.S. Highway 19. Access to the subject site is also considered good as Forest Drive is easily

accessible from southbound U.S. Highway 19 and connector roadways are provided from northbound U.S. Highway 19, a divided four-lane arterial roadway, east of the subject site. The subject project is within proximity of most community services, as well as all public safety services and applicable attendance schools, which is considered beneficial to family-oriented housing as offered at the subject project. Overall, we anticipate the subject site's location and proximity to most basic community services to contribute to the continued marketability of the subject project following renovations.

3. Market Area Definition:

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Butler Site PMA includes the town of Butler and some outlying unincorporated portions of Taylor County. The boundaries of the Site PMA generally include County Road 253 and State Route 208 to the north; the 31006 zip code boundary to the east and south and the 31006 zip code boundary and Culver House Road to the west. A justification of these boundaries and a detailed map are included in Section D of this report.

4. Community Demographic Data:

Although modest, the Butler Site PMA is projected to experience both population and household growth between 2013 and 2015. Specifically, the total population within the Site PMA is projected to increase by 19 (0.4%) while the total number of households will increase by 17 (0.9%) during this time period. Further, the primary age group (ages 25 to 64) at the subject project is estimated to comprise nearly 70.0% of all households within the Site PMA in 2013. It should also be noted that the number of renter households within the Site PMA is also projected to increase slightly between 2013 and 2015. Overall, these demographic trends are indicative of a stable and slightly expanding base of potential demographic support for the subject project within the Site PMA. Detailed demographic information is included in Section E of this report.

5. Economic Data:

According to a local economic representative, the Taylor County economy is stable and has shown recent signs of improvement, specifically within the healthcare industry as a deal is in place for a new medical center to be located within Taylor County in the town of Butler. Further, data provided by the U.S. Department of Labor, Bureau of Labor Statistics also indicate that the Taylor County economy is beginning to improve since the downturn caused by the national recession. Notably, the unemployment rate within Taylor County has declined each of the past two years as well as thus far in 2013. However, although declining at a slower rate, the employment base within Taylor County

continues to struggle as it has reported decreases each year since 2008. Based on the continued employment base decline and unemployment rates which remain in double digits, it is likely that affordable housing will remain in high demand within Taylor County while the local economy continues to experience a slow economic recovery. Detailed economic information is included in Section F of this report.

6. Project-Specific Affordability and Demand Analysis:

The Forest Pointe Apartments property has project-based Rental Assistance (RA) available to 10 of its 24 units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, these 10 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 205 income-qualified renter households to support the 24 renovated units. As such, the capture rate would be 11.7% ($24 / 205 = 11.7\%$) if all units were vacated. However, the project is 100.0% occupied and all current tenants are anticipated to remain following LIHTC renovations. Therefore, the renovated subject project will have an effective capture rate of 0.0%. A detailed capture rate analysis and alternative demand scenarios are provided in Section G of this report.

7. Comparable/Competitive Rental Analysis

Following renovations the subject project will offer one- through three-bedroom units targeting general-occupancy households earning up to 60% of Area Median Household Income (AMHI). Notably, aside from the subject project, we did not identify any Low-Income Housing Tax Credit (LIHTC) projects within the Site PMA. Due to the lack of non-subsidized general-occupancy LIHTC product in the Site PMA we have identified and surveyed four non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Fort Valley and Thomaston, Georgia. These four LIHTC projects offer one- through four-bedroom units targeting general-occupancy households earning up to 30%, 50% and/or 60% of AMHI. As such, these projects should offer an accurate base of comparability for the subject project. However, as these four properties are located outside of the Site PMA, they will derive demographic support from a different geographic area as compared to the subject project. As such, these four LIHTC projects have been included for comparability purposes only and are not considered to be directly competitive with the subject project.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Forest Pointe Apartments	1992 / 2014	24	100.0%	-	6 H.H.	Families; 60% AMHI & RD 515
903	Magnolia Terrace I	2000	38*	100.0%	22.5 Miles	16 H.H.	Families; 30%, 50%, & 60% AMHI
904	Magnolia Terrace II	2008	28*	100.0%	22.6 Miles	16 H.H.	Families; 50% & 60% AMHI
905	Marvin Gardens I & II	1998	80	95.0%	23.0 Miles	4-Br: 9 Months	Families; 60% AMHI
906	Ruthie Manor	2011	48	100.0%	30.6 Miles	24 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

900 Series Map IDs are located outside of the Site PMA

*Tax Credit units only

The four comparable LIHTC projects have a combined occupancy rate of 97.9% and none have an occupancy rate below 95.0%, as illustrated in the preceding table. Also note that each of the comparable LIHTC projects currently maintains a waiting list for at least some of the units offered at these projects. These waiting lists range from 16 to 24 households, or up to nine months in duration. These high occupancy rates and waiting lists maintained indicate that these projects have been well received within the region and that there is pent-up demand for affordable LIHTC housing within the region.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Forest Pointe Apartments	\$513/60% (4)	\$616/60% (16)	\$711/60% (4)	-	-
903	Magnolia Terrace I	\$367/30% (1/0)	\$451/30% (2/0)	\$517/30% (1/0)	-	None
		\$552/50% (1/0)	\$659/50% (4/0)	\$804/50% (3/0)		
		\$552/60% (3/0)	\$659/60% (20/0)	\$831/60% (3/0)		
904	Magnolia Terrace II	\$588/50% (2/0)	\$674/50% (10/0) \$674/60% (3/0)	\$804/50% (10/0) \$831/60% (3/0)	-	None
905	Marvin Gardens I & II	-	\$595/60% (22/0)	\$688/60% (52/4)	\$849/60% (6/0)	None
906	Ruthie Manor	\$481/50% (4/0)	\$575/50% (4/0)	\$660/50% (4/0)	-	None
		\$590/60% (4/0)	\$661/60% (20/0)	\$786/60% (12/0)		

900 Series Map IDs are located outside of the Site PMA

The proposed subject gross rents ranging from \$513 to \$711, depending upon bedroom type, are competitively positioned within the region as compared to the gross rents charged among similar bedroom types and AMHI levels at the comparable LIHTC projects in the region. In fact, the proposed gross one-bedroom rents at the subject project will be the lowest priced one-bedroom units at 60% of AMHI within the region as illustrated in the preceding table. Also note that Rental Assistance (RA) will be retained on 10 of the 24 subject units following renovations, as discussed throughout this report. The retention of RA on these 10 units will require tenants of these units to pay up to 30% of their adjusted gross income towards housing costs (rent plus tenant-paid utilities). Further, a Private Rental Assistance (PRA) subsidy will be available to all existing unassisted residents, preventing a rent increase on the current unassisted tenants of the subject project. Given the retention of Rental Assistance and the availability of a PRA subsidy, the subject project will continue to remain a substantial value in the region. The appropriateness of subject project's proposed rents is further evaluated within Addendum E of this report.

Overall, the proposed project is older than the selected properties, but substantial renovations will effectively update its aesthetic appeal. Our comparative analysis in Section H reveals the unit designs (square footage and bathrooms) of the subject units are slightly inferior to those of the comparable LIHTC projects in the region. However, the 100.0% occupancy rate reported at the subject project indicates that the unit sizes (square feet) and number of bathrooms offered are appropriate for the targeted tenant profile and have not, and should not, adversely impact marketability of the subject project. Similarly, the proposed amenities package is also considered appropriate for the targeted tenant population at the subject project. Based on the anticipated value that will be created by the continued presence of the RA subsidy, we expect the renovated subject project to be competitive as proposed.

8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100.0% occupied and maintains a six household waiting list. It should also be noted that while residents will be relocated temporarily during renovations, they will not be permanently displaced. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 24 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 10 of the 24 subject units as proposed). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy.

It is our opinion that the 24 units at the subject site will reach a stabilized occupancy of 93.0% within approximately eight months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately three units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA will be maintained on 10 of the 24 subject units as proposed.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 24 units at the subject site, assuming it is renovated and operated as detailed in this report. Changes in the project's scope of renovations, rents, amenities or renovation completion date may alter these findings.

Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

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

Development Name:	Forest Pointe Apartments	Total # Units:	24
Location:	18 Forest Drive, Butler, Georgia 31006 (Taylor County)	# LIHTC Units:	24
PMA Boundary:	County Road 253 and State Route 208 to the north; the 31006 zip code boundary to the east and south and the 31006 zip code boundary and Culver House Road to the west.		
	Farthest Boundary Distance to Subject:		11.0 miles

RENTAL HOUSING STOCK (found on page H-1)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	3	95	0	100.0%
Market-Rate Housing	0	0	0	-
Assisted/Subsidized Housing not to include LIHTC	2	71	0	100.0%
LIHTC	1	24	0	100.0%
Stabilized Comps (in PMA only)	0	0	0	-
Properties in Construction & Lease Up	-	-	-	-

Subject Development					Achievable Market Rents			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent*	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	One	1.0	643	\$416	\$470	\$0.73	11.5%	\$685	\$0.83
16	Two	1.5	909	\$490	\$585	\$0.64	16.2%	\$795	\$0.77
4	Three	1.5	949	\$576	\$630	\$0.66	8.6%	\$920	\$0.68

*2013 maximum allowable LIHTC gross rent less the value of tenant-paid utilities

DEMOGRAPHIC DATA (found in Section E & G)

	2010		2013		2015	
Renter Households	630	35.1%	664	36.1%	668	36.0%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	477	25.9%	471	25.4%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of RA on 10 of 24 units

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-6)

Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other	LIHTC Only Scenario
Renter Household Growth	-6	-3	-6	-	-	-3
Existing Households (Overburd + Substand)	211	29	211	-	-	29
Homeowner conversion (Seniors)	-	-	-	-	-	-
Total Primary Market Demand	205	26	205	-	-	26
Less Comparable/Competitive Supply	0	0	0	-	-	0
Net Income-Qualified Renter HHs	205	26	205	-	-	26

CAPTURE RATES (found on page G-6)

Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other	LIHTC Only Scenario
Capture Rate	0.0%*	53.8%	6.8%*	-	-	92.3%

*All occupied subsidized units at the project have been deducted from this demand analysis

SECTION B - PROJECT DESCRIPTION

The Forest Pointe Apartments project located in Butler, Taylor County, Georgia, was originally built in 1992 and has operated under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. The project contains 25 general-occupancy units, comprised of four (4) one-bedroom garden-style units, 16 two-bedroom townhouse-style units and five (5) three-bedroom garden-style units. It should be noted that one (1) three-bedroom unit at the subject project is reserved for management of the subject site. As such, this non-revenue producing unit has been excluded from the remainder of this report. Currently, 10 of the 24 revenue producing units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). Management reports the subject project is currently 100.0% occupied and maintains a six household waiting list.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the 10 units of RA will be preserved and all units will target households up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. All renovations are expected to be completed in 2014. Additionally, a Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing residents (PRA subsidy not to extend beyond existing residents). The PRA subsidy will prevent a rent increase on current residents, allowing existing residents to pay current rents. Additional project details follow:

- 1. PROJECT NAME:** Forest Pointe Apartments
- 2. PROPERTY LOCATION:** 18 Forest Drive
Butler, Georgia 31006
(Taylor County)
- 3. PROJECT TYPE:** Current: RD 515 & Tax Credit
Proposed: RD 515 & Tax Credit

4. UNIT CONFIGURATION AND RENTS:

Total Units	Bedroom Type	Baths	Style	Square Feet	Current Rents*	2013 LIHTC Rents				2013 Rent Limits		Market Rents (CRCU)	Proposed Achievable Net Rents
						AMHI	Gross	U.A.	Net	Max. Allow.	Fair Market		
4	One-Br.	1.0	G	643	\$360	60%	\$513	\$97	\$416	\$513	\$466	\$470	\$416
16	Two-Br.	1.5	TH	909	\$380	60%	\$616	\$126	\$490	\$616	\$599	\$585	\$490
4	Three-Br.	1.5	G	949	\$400	60%	\$711	\$135	\$576	\$711	\$863	\$630	\$576
24**	Total												

Source: Boyd Management

AMHI – Area Median Household Income (Taylor County, GA; 2013)

*Denotes current basic rents under the RD 515 program

** Excludes one (1) three-bedroom unit reserved for management

U.A. – Utility Allowance

Max. Allow. – Maximum Allowable

CRCU – Conventional Rents for Comparable Units

TH – Townhouse

G - Garden

5. TARGET MARKET:

Low-Income Families

6. PROJECT DESIGN:

Five (5) one- and two-story residential buildings.

7. ORIGINAL YEAR BUILT:

1992

8. ANTICIPATED RENOVATION COMPLETION DATE:

2014

9. UNIT AMENITIES:

- Electric Range
- Refrigerator
- Carpet
- Patio
- Ceiling Fan
- Central Air Conditioning
- Window Blinds
- Washer/Dryer Hookups
- Dishwasher
- Additional Storage

10. COMMUNITY AMENITIES:

- On-Site Management
- Picnic Area
- Laundry Facility
- Playground

11. RESIDENT SERVICES:

Not applicable

12. UTILITY RESPONSIBILITY:

Water, sewer and trash collection will be included in the cost of rent. All other utility costs will be the responsibility of the tenant, these include the following:

- General Electricity
- Electric Heat
- Electric Cooking
- Electric Hot Water Heat

13. RENTAL ASSISTANCE:

The subject property operates under the RD 515 program guidelines with Rental Assistance on 10 of the 24 revenue producing units. The Rental Assistance requires tenants to pay up to 30% of their adjusted gross income towards housing costs. Rental Assistance on the 10 units will remain in place following LIHTC renovations.

14. PARKING:

The subject site offers a surface parking lot containing 44 parking spaces at no additional charge to its residents.

15. CURRENT OCCUPANCY AND TENANT PROFILE:

The 24-unit project is currently 100.0% occupied and maintains a six household waiting list for its next available units. Based on information provided by the developer, we anticipate that most, if not all, current tenants will continue to income-qualify following renovations. This assumes that the subject project will maintain Rental Assistance on the existing 10 RA units.

16. PLANNED RENOVATIONS:

Currently, the subject project is considered to be of relatively good overall quality, but shows signs of slight property aging. According to the developer, the subject property will undergo approximately \$27,000 in planned renovations per unit. The subject is expected to include, but will not be limited to, the following renovations:

- New floor coverings
- Painting of unit interiors
- Replacement of kitchen cabinets and countertops
- Replacement of existing kitchen appliances
- Replacement of plumbing fixtures
- Replacement of lighting fixtures
- Replace windows and window blinds
- Replacement of interior and exterior doorways
- Replacement of bathroom cabinets and countertop

- Installation of new HVAC
- Re-roofing of buildings
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- Upgrade sidewalks, dumpster surrounds and landscaping.

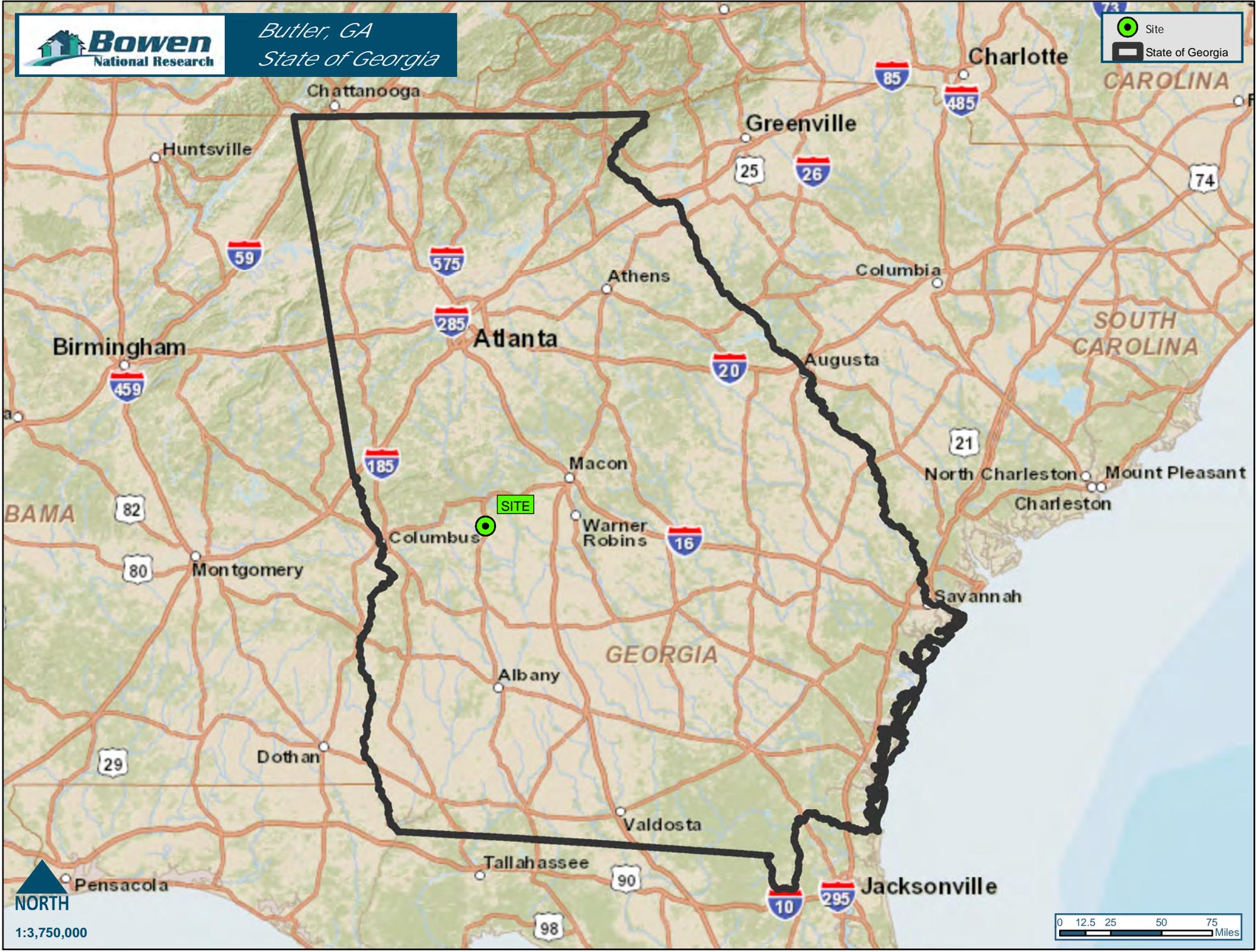
17. STATISTICAL AREA: Taylor County, Georgia (2013)

A state map, an area map and a map illustrating the site neighborhood are on the following pages.



Butler, GA
State of Georgia

● Site
▭ State of Georgia

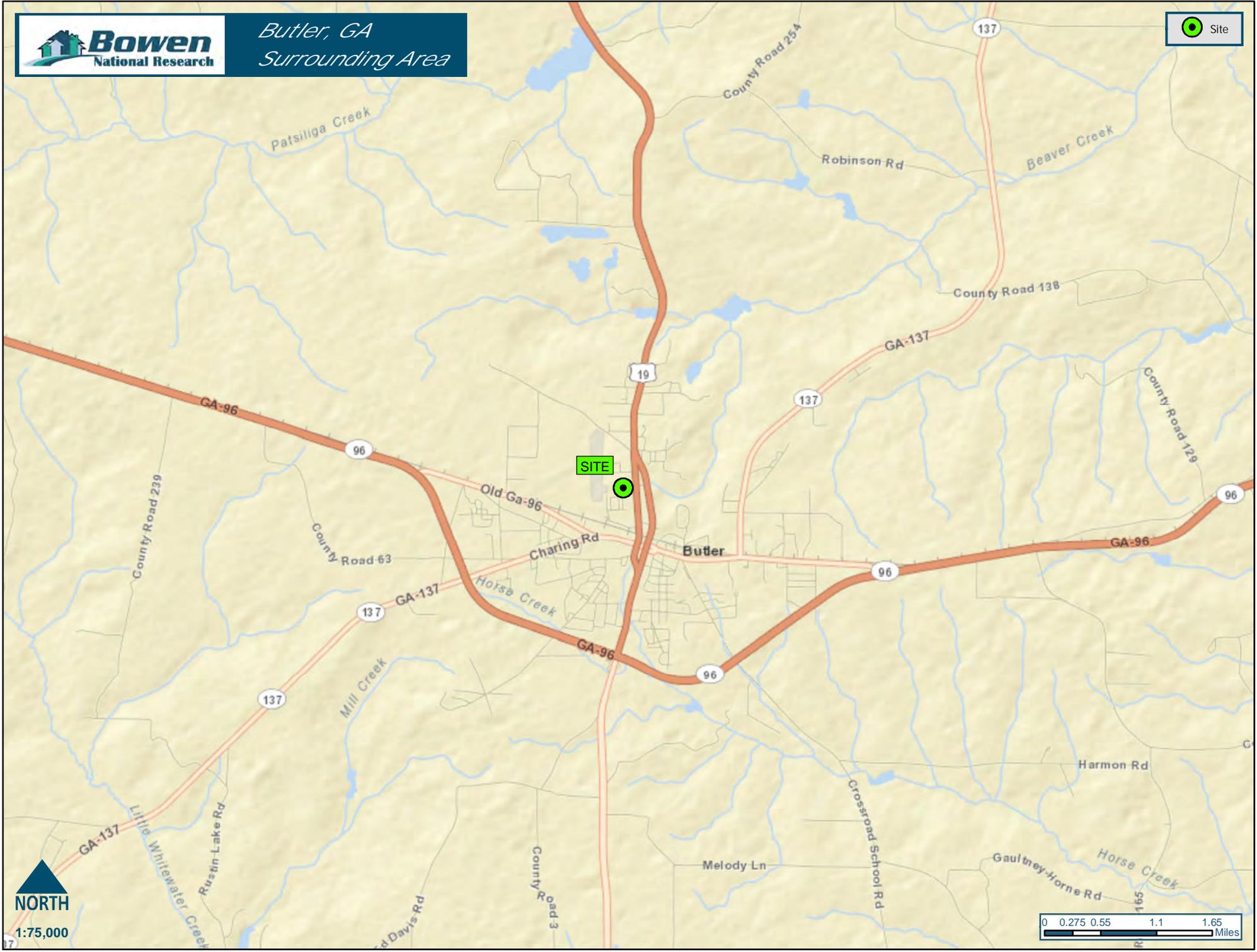


NORTH
1:3,750,000





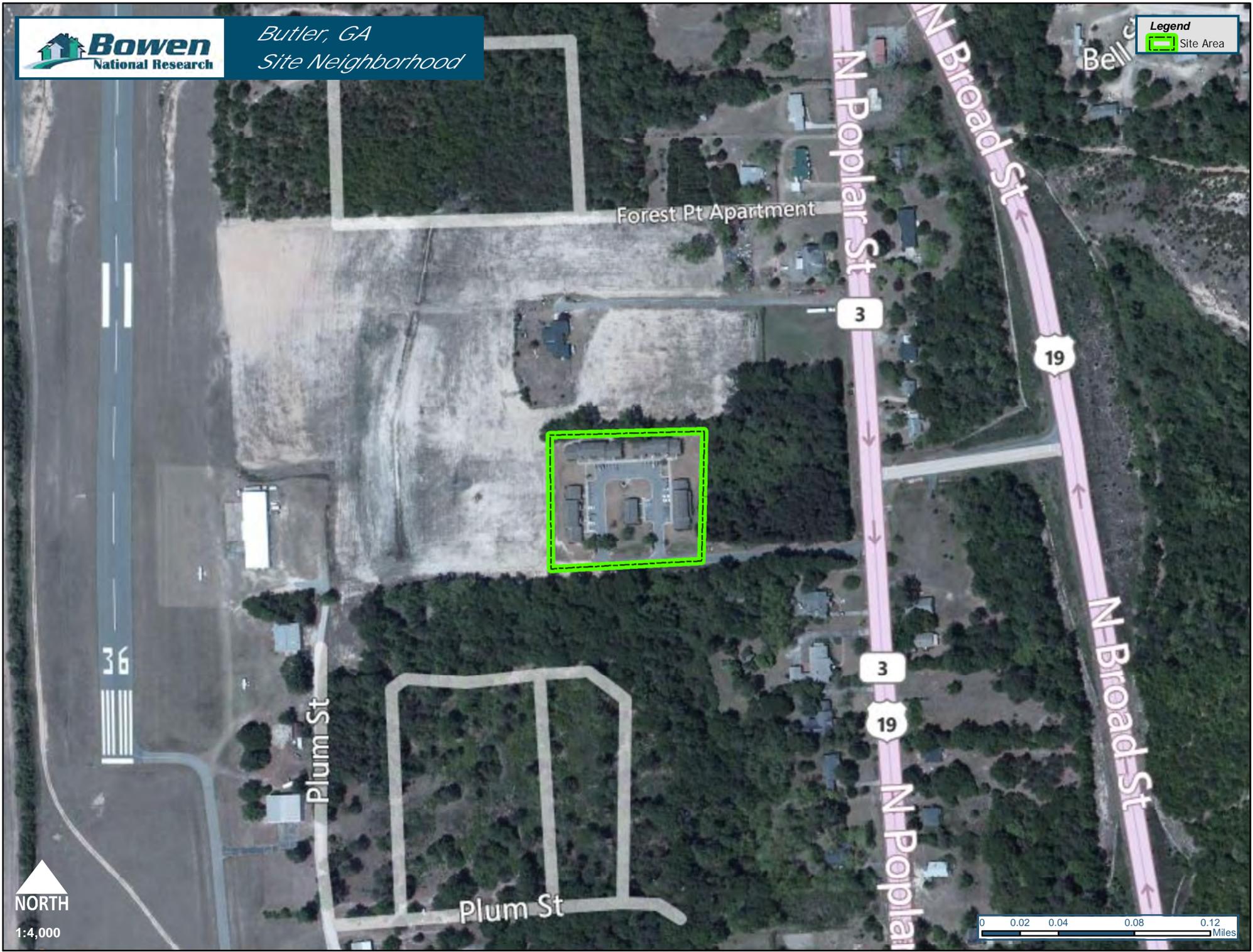
*Butler, GA
Surrounding Area*



NORTH

1:75,000

0 0.275 0.55 1.1 1.65 Miles



SECTION C – SITE DESCRIPTION AND EVALUATION

This is a telephone update of the original market study completed by Bowen National Research in February, 2013. Note we did not revisit the site for this analysis. We have assumed the surrounding land uses have not changed since the original site inspection, conducted during the week of January 14, 2013 by Bowen National Research.

1. LOCATION

The subject site is the existing Forest Pointe Apartments located at 18 Forest Drive in the northern portion of Butler, Georgia. Located within Taylor County, Butler is approximately 47.0 miles southwest of Macon, Georgia and approximately 51.0 miles east of Columbus, Georgia.

2. SURROUNDING LAND USES

The subject site is located within a partially established area of Butler. Surrounding land uses generally include a municipal airport, agricultural and wooded land and scattered single-family homes. Adjacent land uses are detailed as follows:

North -	A wooded tree line borders the site to the north. Continuing north is a brick and vinyl one-story single-family dwelling considered to be in good condition. Undeveloped wooded land and scattered single-family dwellings generally considered to be in fair to good condition extend beyond.
East -	Undeveloped wooded land borders the site to the east, providing a natural buffer to southbound U.S. Highway 19 located farther east of the subject site. Continuing east across southbound U.S. Highway 19 are scattered single-family dwellings, primarily consisting of one-story structures with vinyl siding, generally in fair condition. Northbound U.S. Highway 19/State Route 3 and undeveloped wooded land is located beyond.
South -	Wooded land borders the site to the south. Scattered one-story single-family homes with brick exteriors, generally considered to be in good condition and undeveloped wooded land extend beyond.
West -	The Butler Municipal Airport borders the site to the west, while agricultural land and undeveloped wooded land extend beyond.

The subject site is situated in the northern portion of Butler in a predominantly rural area. Wooded land surrounds much of the subject site, providing a natural buffer to additional surrounding land uses. Although the Butler Municipal Airport is located directly west of the subject project, it is not considered to be a noise nuisance, as management of the subject site stated that plane traffic is minimal at this facility. The 100.0% occupancy rate reported at the subject project further demonstrates that this nearby airport has not adversely impacted marketability of the subject project. Additionally, the surrounding residential structures are generally considered to be well maintained and in good condition and should contribute to the continued marketability of the subject project. Overall, the subject property fits well with the surrounding land uses, which should continue to contribute to the marketability of the subject site following renovations.

3. VISIBILITY AND ACCESS

The subject project is mostly obstructed by wooded land east of the subject site and is not visible to northbound traffic along divided North Poplar Street/North Broad Street (U.S. Highway 19), east of the subject site. However, the subject project is provided signage along southbound North Poplar Street which is clearly visible to southbound traffic along the divided arterial roadway. Further, the subject project also has clear signage along Forest Drive which provides access to the subject project. As such, visibility of the subject project is considered good, despite being mostly obstructed by the wooded land east of the subject site. The subject site derives access from Forest Drive, a two-lane residential roadway which terminates at the subject project. Forest Drive is accessed via southbound North Poplar Street (U.S. Highway 19), a two-lane arterial roadway which provides access throughout the Butler area. It should be noted that northbound traffic along North Broad Street (U.S. Highway 19) must utilize a connector roadway between North Poplar Street and North Broad Street when accessing the subject project. Overall, access to the subject project is considered good as southbound traffic along U.S. Highway 19 is provided convenient access to Forest Drive, while northbound traffic along U.S. Highway 19 is provided a connector roadway between the divided highway, thus creating convenient access to the subject project for northbound traffic as well.

According to area planning and zoning officials, no notable roads or other infrastructure projects are currently underway or planned for the immediate site area.

4. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

SITE PHOTOGRAPHS



Site Entryway



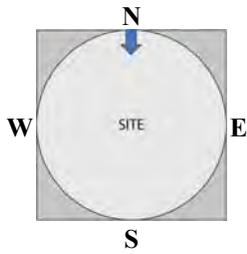
Entryway Signage



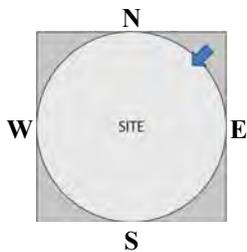
Site Signage



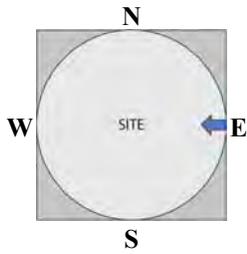
Typical Building Exterior



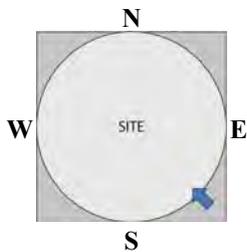
View of site from the north



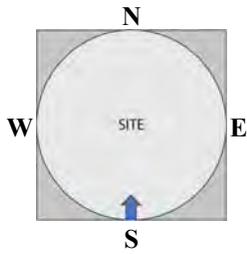
View of site from the northeast



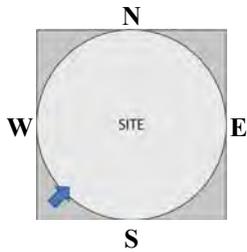
View of site from the east



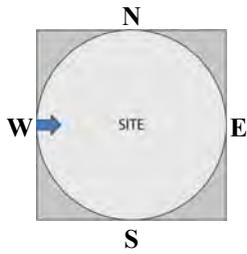
View of site from the southeast



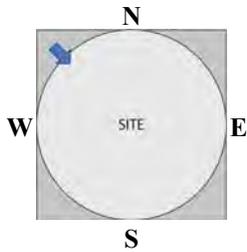
View of site from the south



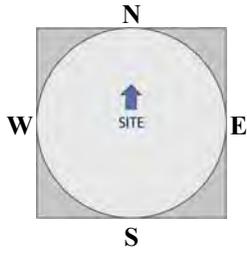
View of site from the southwest



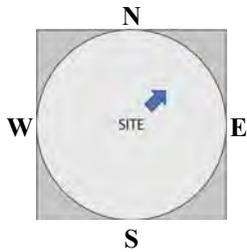
View of site from the west



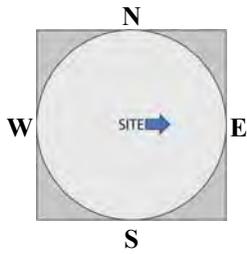
View of site from the northwest



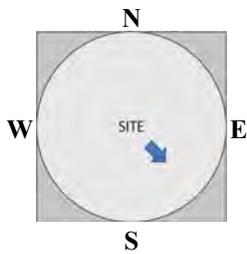
North view from site



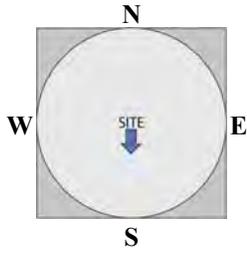
Northeast view from site



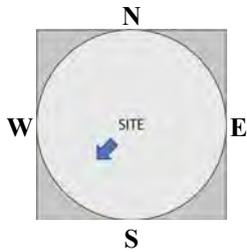
East view from site



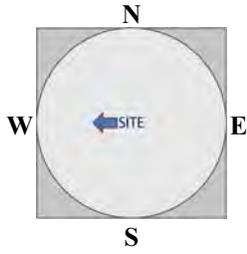
Southeast view from site



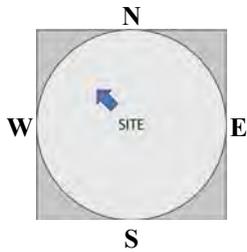
South view from site



Southwest view from site



West view from site



Northwest view from site



Entryway Streetscape north view of North Poplar Street



Entryway Streetscape south view of North Poplar Street



Site Streetscape west view of Forest Drive



Site Streetscape east view of Forest Drive



Grill Area



Laundry Facility



Typical Living Room in One-Bedroom Handicap Accessible Unit



Typical Dining Room in One-Bedroom Handicap Accessible Unit



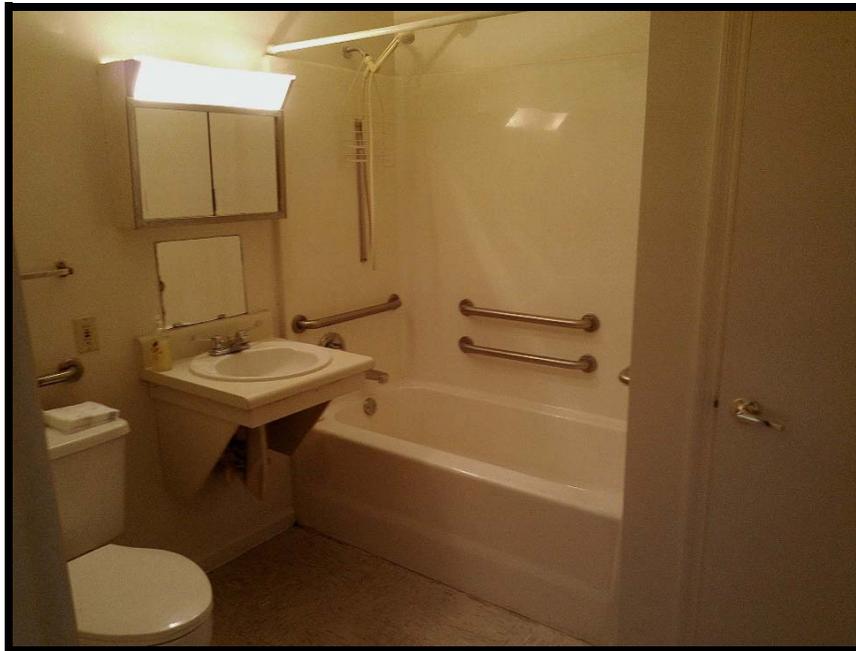
Typical Kitchen in One-Bedroom Handicap Accessible Unit



Typical Washer/Dryer Hookup in One-Bedroom Handicap Accessible Unit



Typical Bedroom in One-Bedroom Handicap Accessible Unit



Typical Bathroom in One-Bedroom Handicap Accessible Unit



Typical Living Room in Two-Bedroom Unit



Typical Kitchen in Two-Bedroom Unit



Typical Washer/Dryer Hookup in Two-Bedroom Unit



Typical Master Bedroom in Two-Bedroom Unit



Typical Second Bedroom in Two-Bedroom Unit



Typical Full Bathroom in Two Bedroom Unit



Typical Half-Bathroom Vanity in Two-Bedroom Unit



Typical Half-Bathroom Toilet in Two-Bedroom Unit



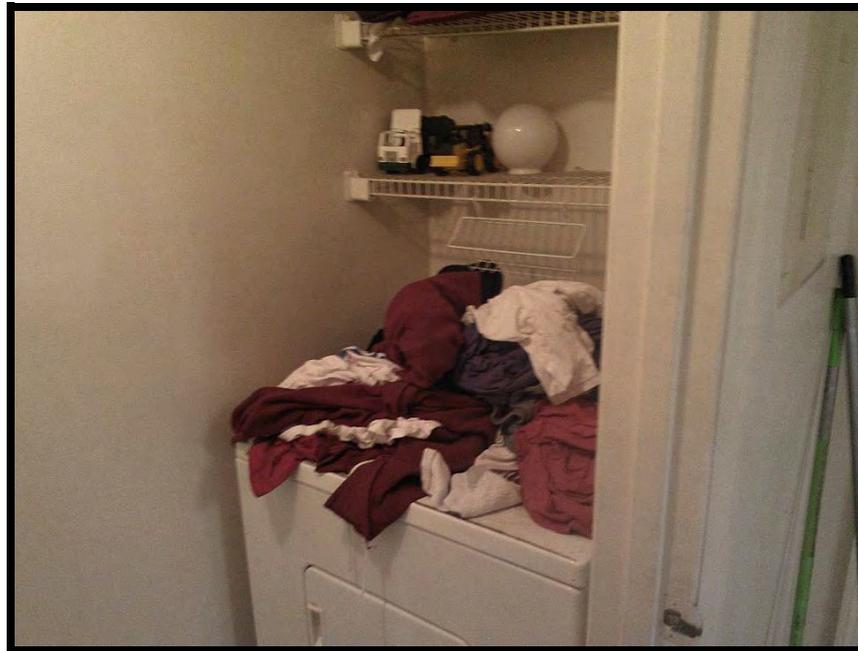
Typical Living Room with Dining Room in Three-Bedroom Unit



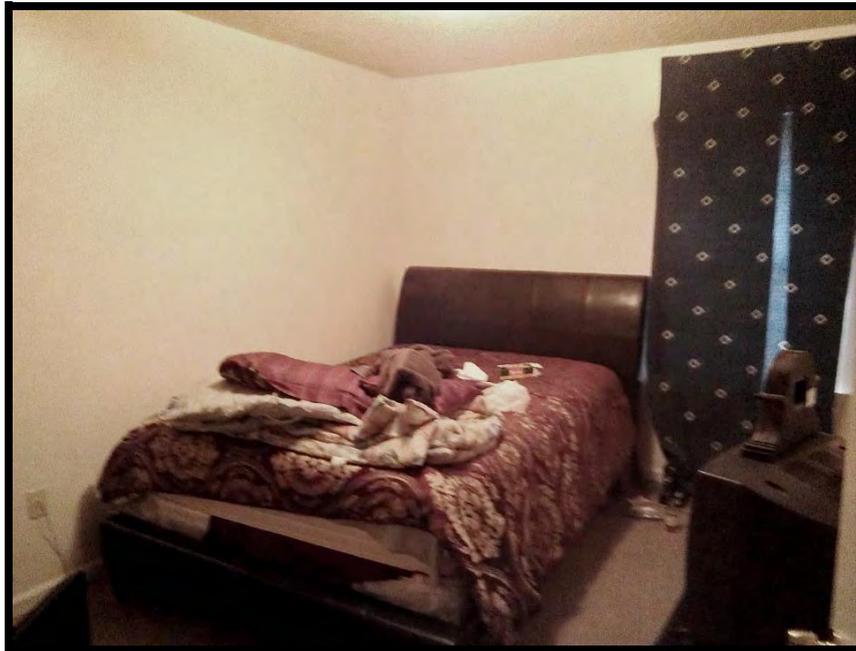
Typical Kitchen in Three-Bedroom Unit



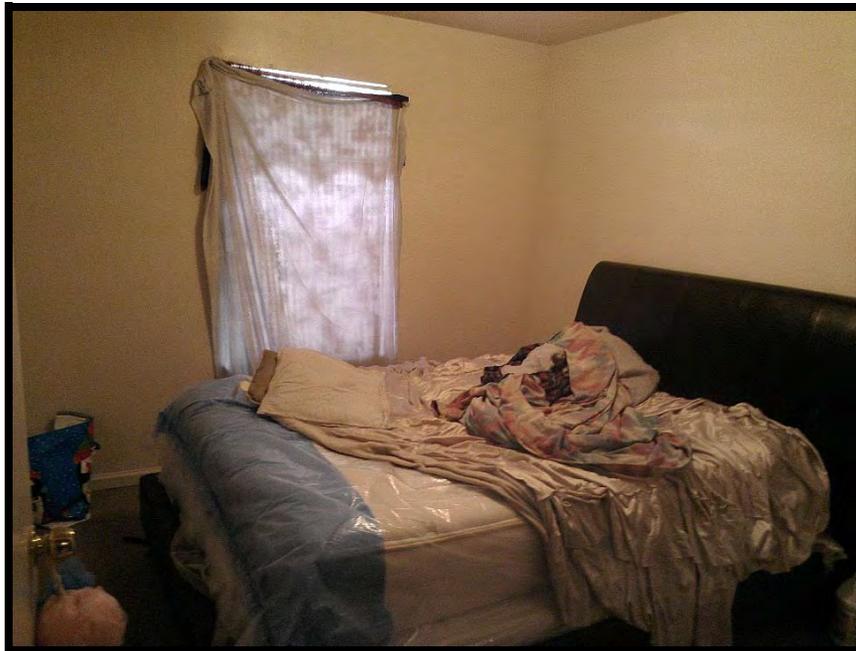
Typical Washer Hookup in Three-Bedroom Unit



Typical Dryer Hookup in Three-Bedroom Unit



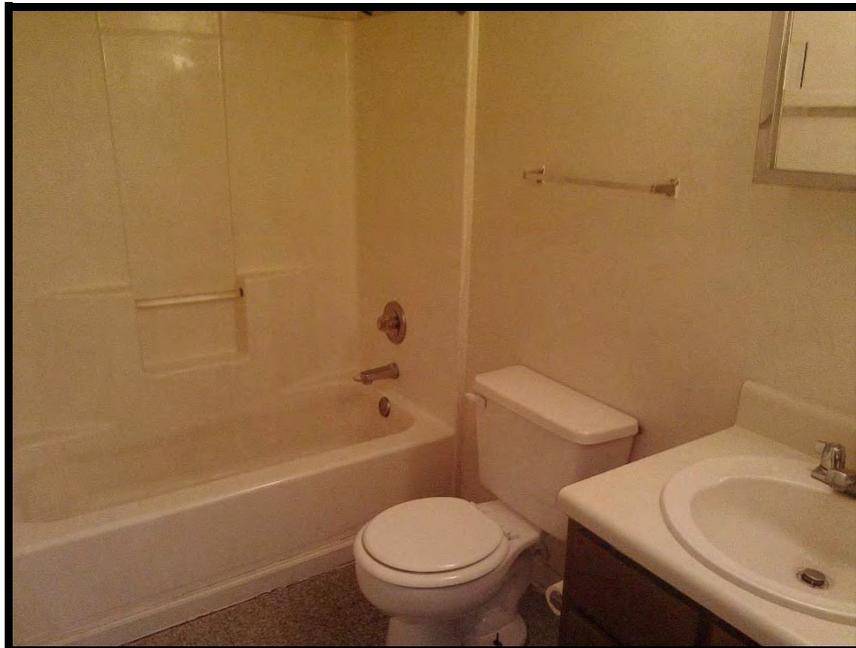
Typical Master Bedroom in Three-Bedroom Unit



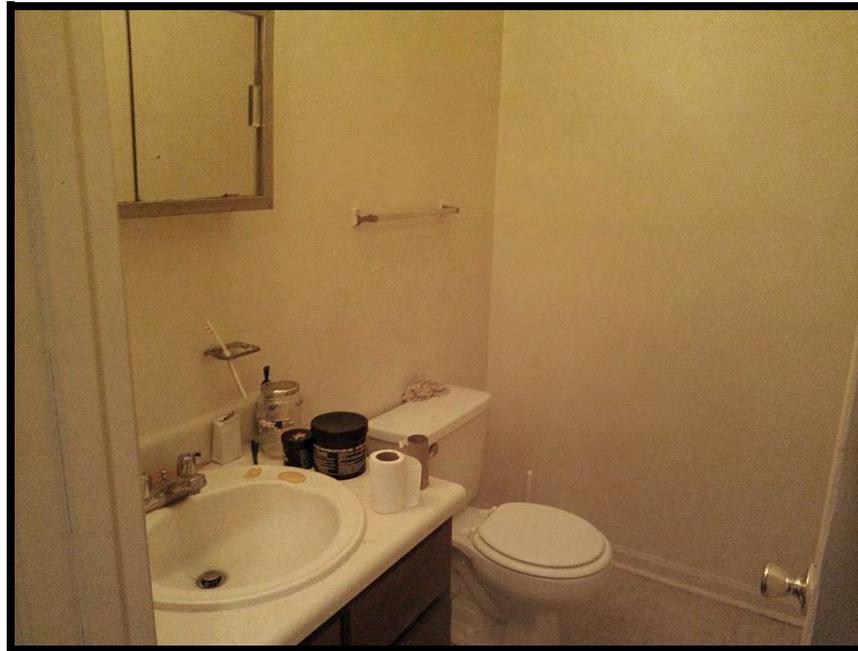
Typical Second Bedroom in Three-Bedroom Unit



Typical Third Bedroom in Three-Bedroom Unit



Typical Full Bathroom in Three-Bedroom Unit



Typical Half-Bathroom in Three-Bedroom Unit

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

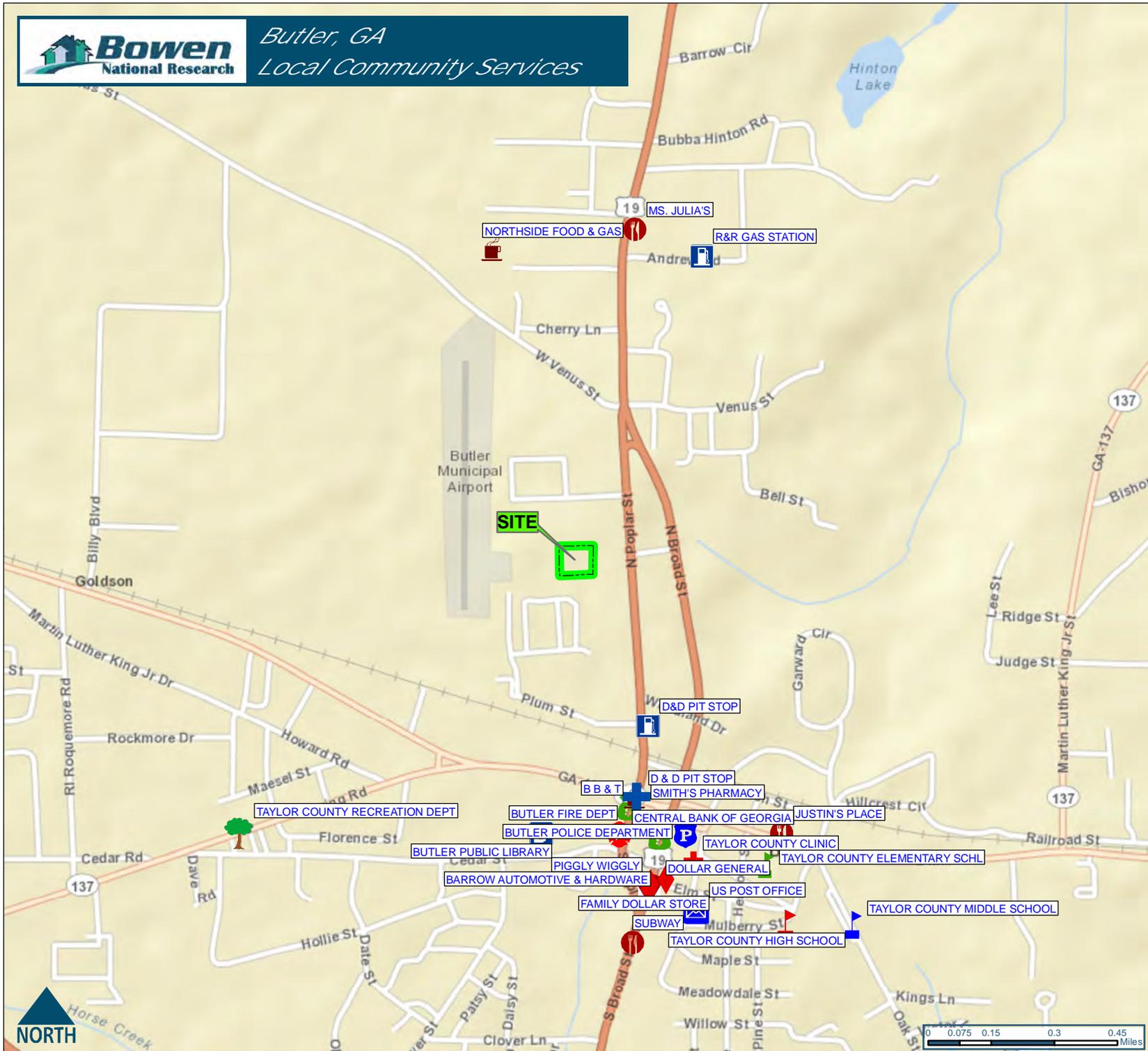
Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	U.S. Highway 19/State Route 3	Adjacent
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Taylor County Schools Piggly Wiggly	0.8 Southeast 0.9 South
Convenience Store	D & D Pit Stop Northside Food & Gas	0.6 South 1.4 North
Grocery	Piggly Wiggly	0.9 South
Discount Department Store	Barrow Automotive & Hardware Family Dollar Store Dollar General	0.7 South 0.9 South 0.9 South
Schools: Elementary Middle/Junior High High	Taylor County Elementary School Taylor County Middle School Taylor County High School	0.8 Southeast 0.8 Southeast 0.9 Southeast
Hospital/Medical Center	Taylor County Clinic Upson Region Medical Center	0.6 Southeast 28.2 North
Police	Butler Police Department	0.6 South
Fire	Butler Fire Department	0.7 South
Post Office	U.S. Post Office	0.8 Southeast
Bank	BB&T Central Bank Of Georgia	0.9 South 0.9 South
Library	Butler Public Library	0.6 Southwest
Gas Station	D & D Pit Stop R & R Gas Station	0.4 South 1.4 North
Pharmacy	Smith's Pharmacy	0.6 South
Restaurant	Justin's Place Subway Ms. Julia's	0.7 Southeast 0.9 South 1.4 North
Day Care	Little Angels Day Care	1.9 East
Park	Taylor County Recreation Department	1.4 Southwest

N/A- Not Available

The site is located in the northern portion of Butler and is within 2.0 miles of most community services considered beneficial to family-oriented housing as offered at the subject project. These community services located within 2.0 miles of the subject project include but are not limited to a grocery store, shopping opportunities, banks, gas stations, a pharmacy and various dining opportunities. Fixed route public transportation is not provided within the Butler area. However, as most residents of this area are likely accustomed to not having this service readily available to them, we do not anticipate the lack of public transportation to have an adverse impact on the continued marketability of the subject project.

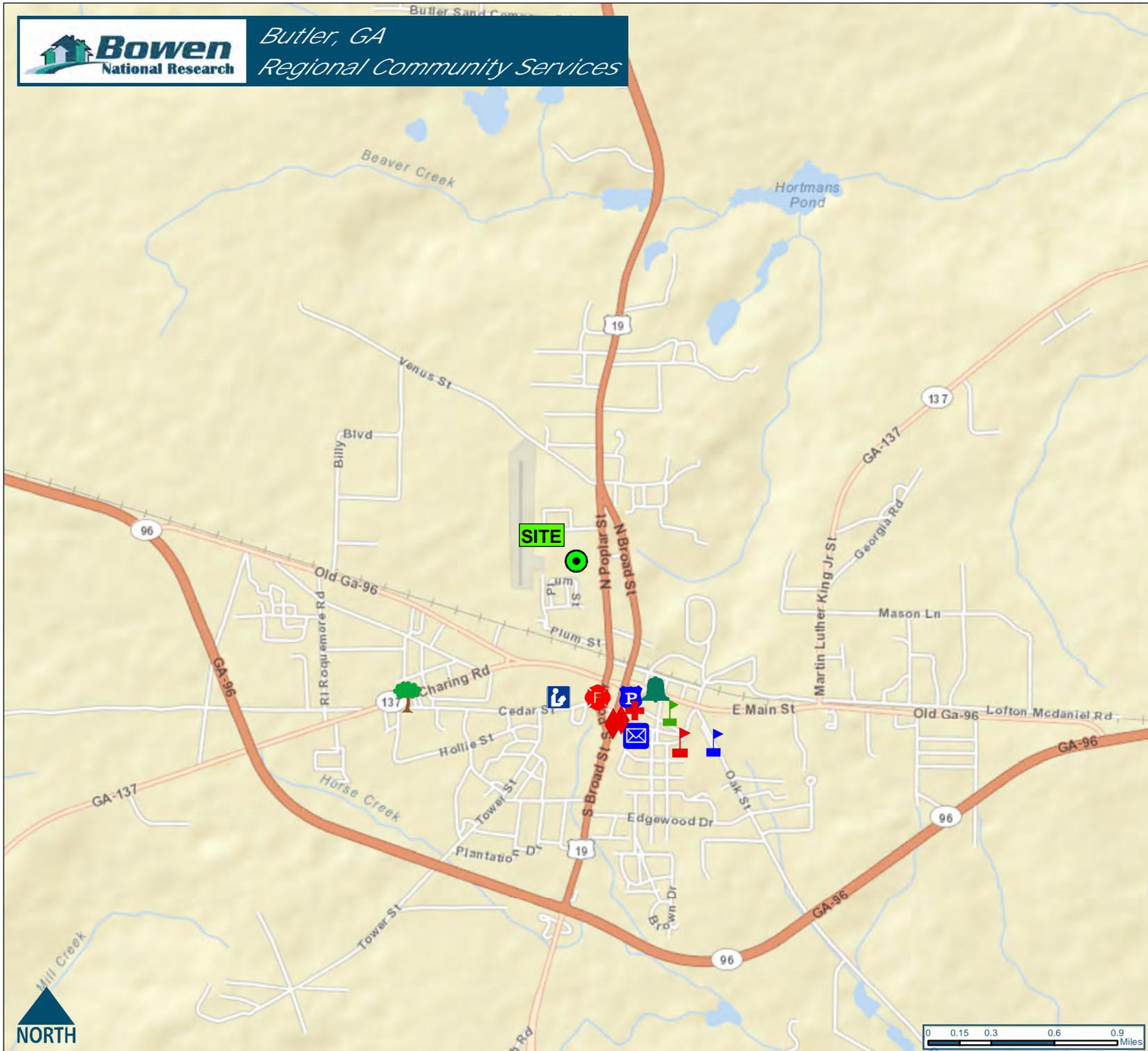
Further, all public safety services are provided by Butler Police and Fire Departments, located 0.6 miles and 0.7 miles from the subject project, respectively. Although the Upson Regional Medical Center, is the region's full service hospital and is located 28.2 miles north of the site in Thomaston, Georgia, Taylor County Clinic is located 0.6 miles southeast of the site and provides general medical services to Butler area residents. The subject project is served by Taylor County Schools as all applicable attendance schools are located within 0.9 miles of the subject project. Overall, the site's proximity to community and public safety services, as well as all applicable attendance schools will continue to contribute to the marketability of the subject project.

Maps illustrating the location of community services are on the following pages.



Legend

-  Site Area
-  bank
-  convenience store
-  elementary school
-  fire
-  gas
-  grocery
-  high school
-  library
-  medical center
-  middle school
-  park
-  pharmacy
-  police
-  post office
-  restaurant
-  shopping



Legend

-  Site
-  elementary school
-  fire
-  high school
-  library
-  medical center
-  middle school
-  park
-  police
-  post office
-  shopping
-  university

6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (40) for the Site PMA is well below the national average (100) with an overall personal crime index of 39 and a property crime index of 35. Total crime risk (41) for Taylor County is also well below the national average with indexes for personal and property crime of 41 and 36, respectively.

	Crime Risk Index	
	Site PMA	Taylor County
Total Crime	40	41
Personal Crime	39	41
Murder	109	91
Rape	6	15
Robbery	22	27
Assault	40	45
Property Crime	35	36
Burglary	63	61
Larceny	32	30
Motor Vehicle Theft	13	19

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime index reported for the Site PMA is nearly identical to that of Taylor County. Note that the reported crime indexes from both the Site PMA and Taylor County are less than half the national average of 100. This demonstrates that there is likely a very low perception of crime within the Site PMA and site neighborhood. This low perception of crime is further demonstrated by the 100.0% occupancy rate currently reported at the subject project. Given these low crime rates and high occupancy rate reported at the subject project, residents within the Site PMA likely perceive the subject project and site neighborhood to be a safe living environment, which should contribute to the continued marketability of the subject project following renovations.

A map illustrating crime risk is on the following page.



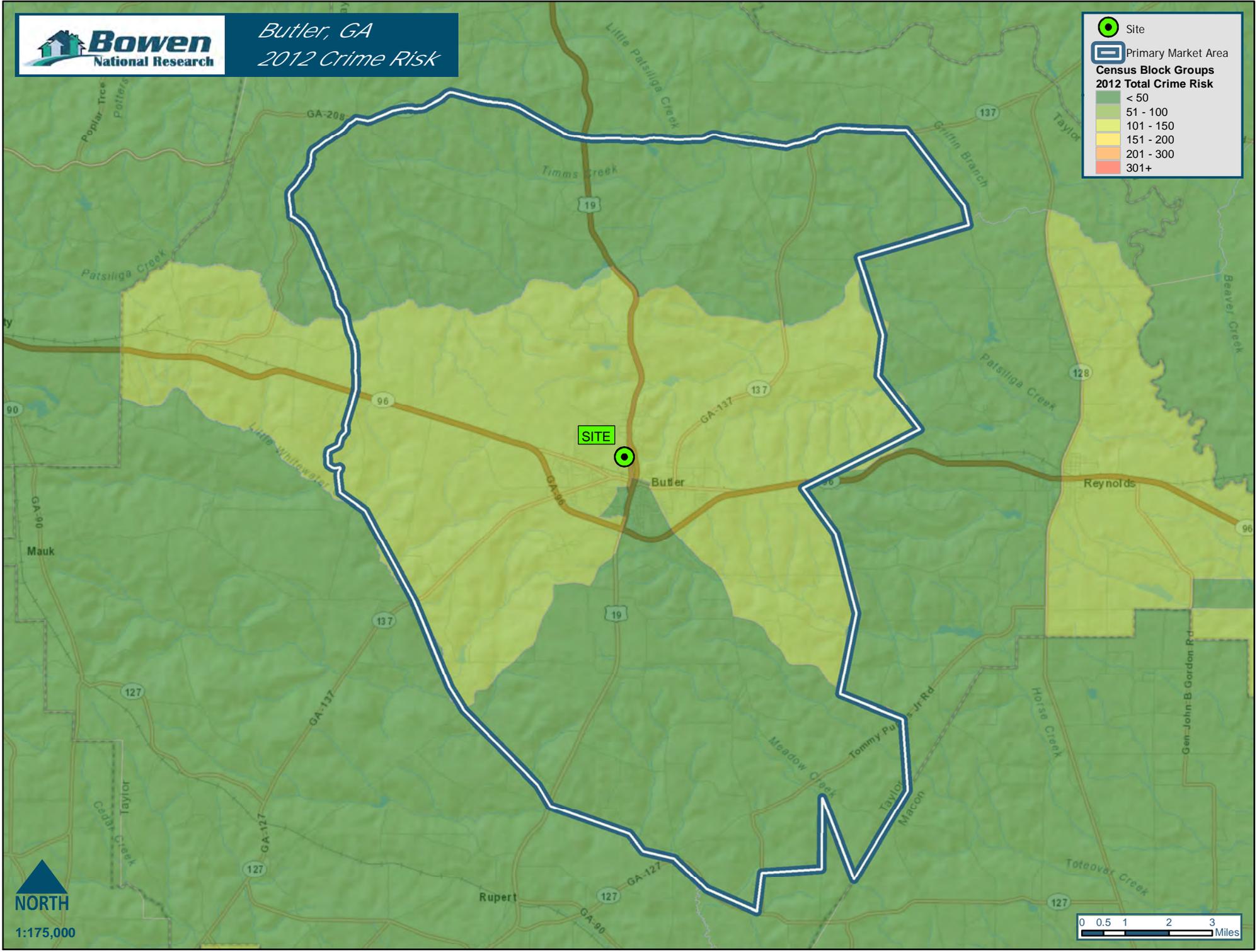
Butler, GA
2012 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2012 Total Crime Risk

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH
1:175,000



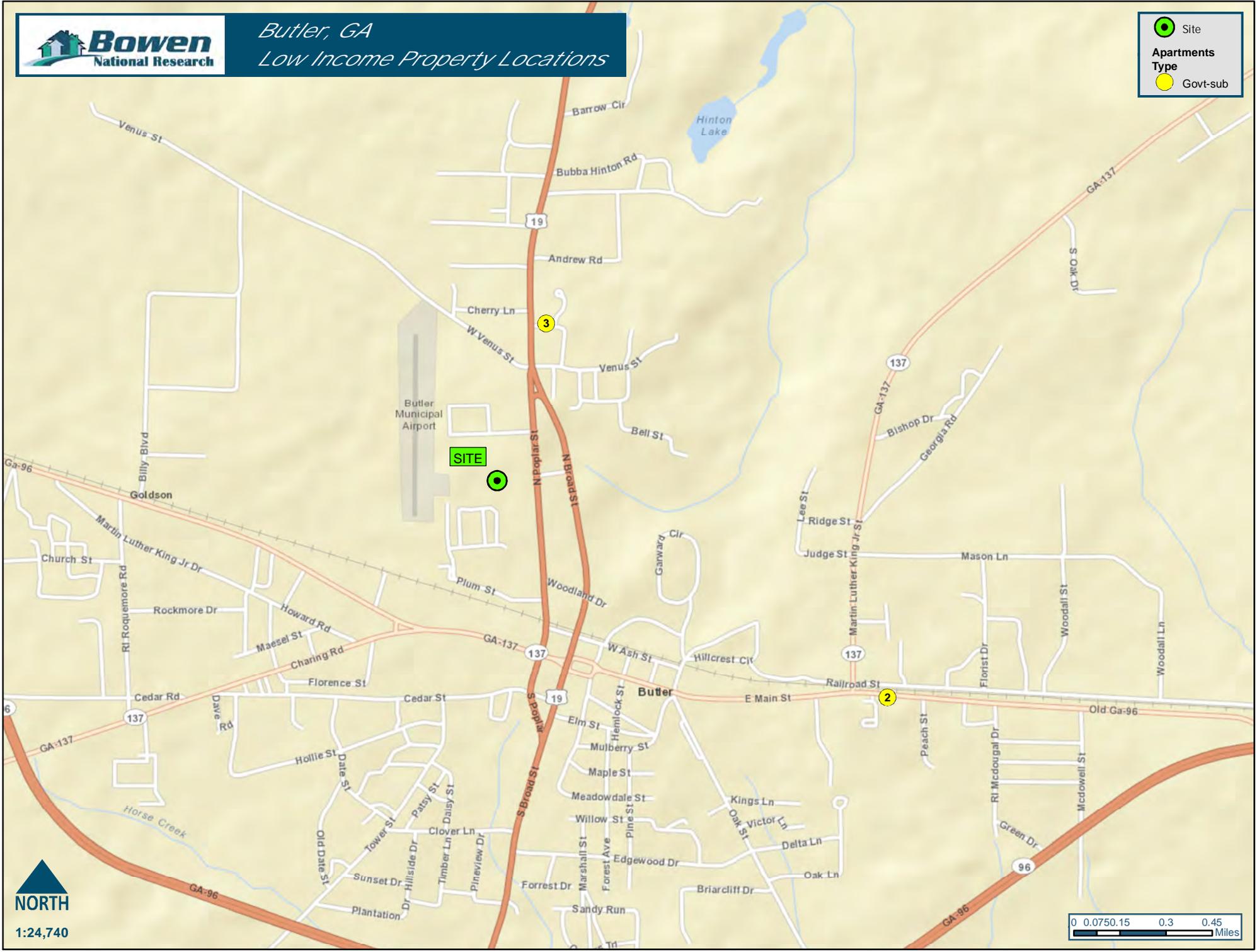
7. OVERALL SITE EVALUATION

The subject project is located within an established area of Butler. Surrounding land uses generally include scattered single-family homes, wooded land and the Butler Municipal Airport. All residential structures surrounding the subject project are considered to be well maintained and are generally considered to be in good condition. Further, the wooded land which surrounds the subject site in most directions is considered beneficial as it provides a natural buffer to additional surrounding land uses as well as providing a relatively quiet environment for residents of the subject site. Despite being mostly obstructed to northbound traffic along divided U.S. Highway 19, visibility of the subject site is considered good, as there is clear signage along southbound U.S. Highway 19. Access to the subject site is also considered good as Forest Drive is easily accessible from southbound U.S. Highway 19 and connector roadways are provided from northbound U.S. Highway 19, a divided four-lane arterial roadway, east of the subject site. The subject project is within proximity of most community services, as well as all public safety services and applicable attendance schools, which is considered beneficial to family-oriented housing as offered at the subject project. Overall, we anticipate the subject site's location and proximity to most basic community services to contribute to the continued marketability of the subject project following renovations.

8. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.

 Site
Apartments
Type
 Govt-sub



SECTION D – PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Butler Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts at the time of the original site visit and field work conducted by Bowen National Research the week of January 14, 2013. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Butler Site PMA includes the town of Butler and some outlying unincorporated portions of Taylor County. The boundaries of the Site PMA generally include County Road 253 and State Route 208 to the north; the 31006 zip code boundary to the east and south and the 31006 zip code boundary and Culver House Road to the west. The Site PMA boundaries are all approximately within 11.0 miles from the subject site.

Marsha Witherspoon Property Manager of the subject project Forest Pointe Apartments in Butler, Georgia stated that the majority of her current residents originated from within the city of Butler, while others have relocated from some of the nearby rural areas of Taylor County. Specifically, Ms. Witherspoon stated that of her current residents approximately 80% are from within Butler city limits, as most residents of the Butler area are local and have lived in the area their entire life.

Lindsey Burke, property manager of Winslow Place Apartments, an 88-unit market-rate property located outside the Site PMA but within the region in Perry, Georgia stated that she does not receive any support from the Butler area nor does the Butler market receive support from the Perry area. According to Ms. Burke the Perry area, as well as other towns located near Interstate 75 are generally larger and offer more employment opportunities than the Butler area. As such, Ms. Burke feels that a project within the Butler area generally would derive much of its support from the city of Butler as opposed to areas such as Perry.

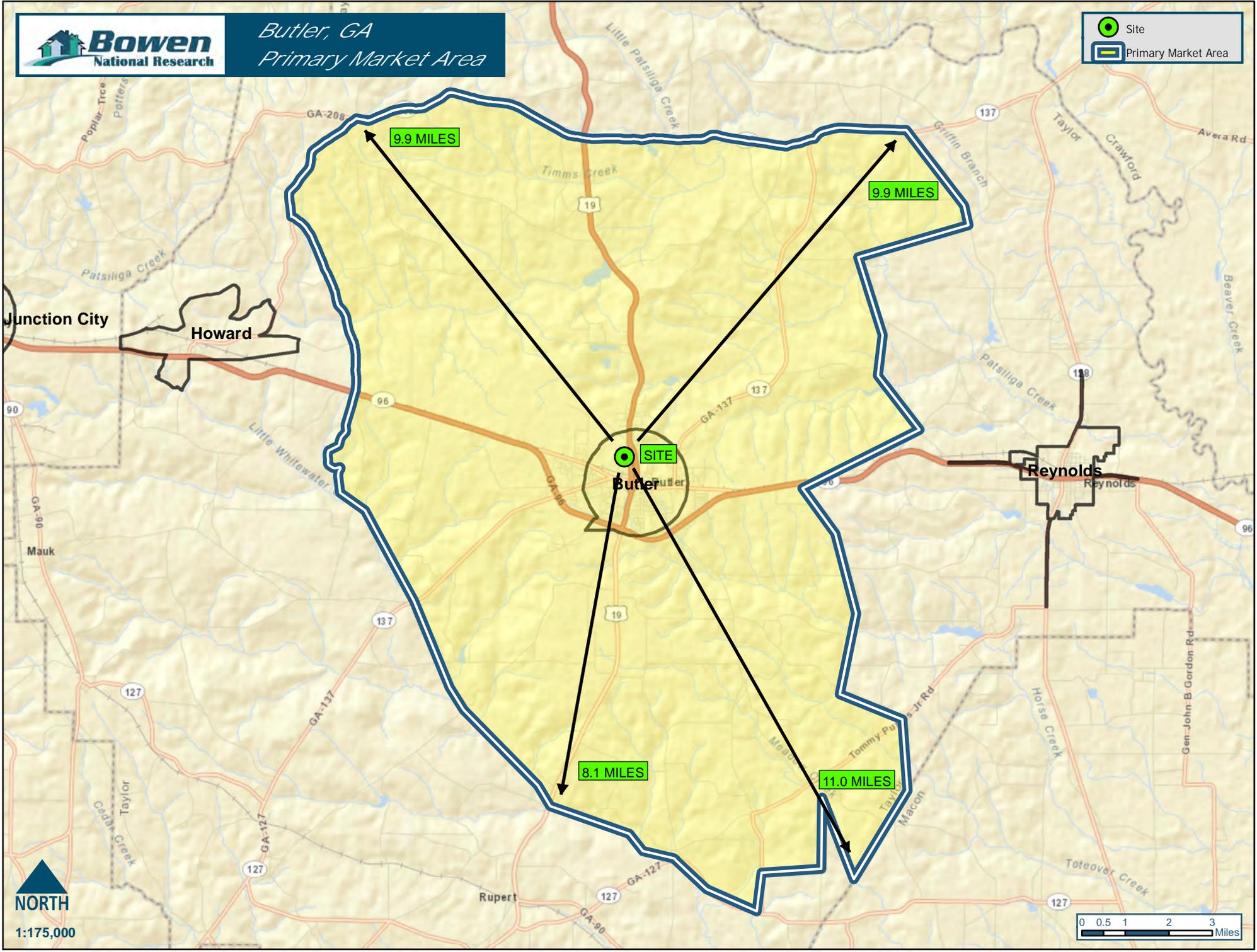
Although a small portion of support may originate from some of the outlying rural areas; we have not, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



*Butler, GA
Primary Market Area*

● Site
▭ Primary Market Area



NORTH
1:175,000

0 0.5 1 2 3 Miles

SECTION E - COMMUNITY DEMOGRAPHIC DATA

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2013 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Population	4,456	4,488	4,549	4,568
Population Change	-	32	61	19
Percent Change	-	0.7%	1.4%	0.4%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Butler Site PMA population base increased by 32 between 2000 and 2010. This represents a 0.7% increase from the 2000 population, or an annual rate of less than 0.1%. Between 2010 and 2013, the population increased by 61, or 1.4%. It is projected that the population will increase by 19, or 0.4%, between 2013 and 2015. Although modest, this projected population growth is indicative of a stable and slightly increasing population base within the Site PMA.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	1,287	28.7%	1,296	28.5%	1,292	28.3%	-4	-0.3%
20 to 24	268	6.0%	261	5.7%	254	5.6%	-8	-2.9%
25 to 34	496	11.1%	488	10.7%	490	10.7%	2	0.4%
35 to 44	574	12.8%	559	12.3%	556	12.2%	-3	-0.6%
45 to 54	676	15.1%	657	14.4%	637	13.9%	-20	-3.0%
55 to 64	556	12.4%	600	13.2%	611	13.4%	12	1.9%
65 to 74	377	8.4%	428	9.4%	463	10.1%	34	8.0%
75 & Over	254	5.7%	259	5.7%	265	5.8%	6	2.3%
Total	4,488	100.0%	4,549	100.0%	4,568	100.0%	19	0.4%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2013. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants. Notably both the 25 to 34 and 55 to 64 age cohorts within this primary age group are projected to experience population growth between 2013 and 2015.

2. HOUSEHOLD TRENDS

Household trends within the Butler Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	1,668	1,795	1,839	1,857
Household Change	-	127	44	17
Percent Change	-	7.6%	2.5%	0.9%
Household Size	2.67	2.50	2.45	2.43

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Butler Site PMA, households increased by 127 (7.6%) between 2000 and 2010. Between 2010 and 2013, households increased by 44 or 2.5%. By 2015, there will be 1,857 households, an increase of 17 households, or 0.9% from 2013 levels. This is an increase of approximately 9 households annually over the next two years. Similar to population trends, this projected household growth, although modest, is indicative of a stable and slightly increasing household base within the Site PMA.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	64	3.8%	64	3.5%	62	3.4%	-2	-3.2%
25 to 34	198	11.6%	222	12.1%	224	12.0%	1	0.6%
35 to 44	278	16.3%	307	16.7%	304	16.4%	-2	-0.8%
45 to 54	386	22.7%	380	20.7%	368	19.8%	-12	-3.3%
55 to 64	343	20.1%	376	20.4%	382	20.6%	6	1.7%
65 to 74	257	15.1%	297	16.2%	320	17.2%	22	7.5%
75 to 84	127	7.4%	150	8.1%	148	8.0%	-1	-1.0%
85 & Over	51	3.0%	43	2.3%	49	2.6%	5	12.4%
Total	1,702	100.0%	1,839	100.0%	1,857	100.0%	17	0.9%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As previously stated, the primary age group of potential renters at the subject project is those between the ages of 25 and 64. Notably, this primary age group is estimated to comprise nearly 70.0% of all households within the Site PMA in 2013, as illustrated in the preceding table.

Households by tenure are distributed as follows:

Distribution of Households	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 62)	737	41.1%	710	38.6%	708	38.1%
Owner-Occupied (Age 62+)	428	23.9%	465	25.3%	481	25.9%
Renter-Occupied (<Age 62)	529	29.5%	537	29.2%	528	28.4%
Renter-Occupied (Age 62+)	101	5.6%	127	6.9%	140	7.5%
Total	1,795	100.0%	1,839	100.0%	1,857	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

It is estimated that 29.2% of all occupied housing units within the Site PMA will be occupied by renters under the age of 62 in 2013.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,165	64.9%	1,176	63.9%	1,189	64.0%
Renter-Occupied	630	35.1%	664	36.1%	668	36.0%
Total	1,795	100.0%	1,839	100.0%	1,857	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2013, homeowners occupied 63.9% of all occupied housing units, while the remaining 36.1% were occupied by renters. The share of renters is moderate but the 664 renter households represent a good base of potential support in the market for the subject project. Further, the number of renter households is projected to increase by four between 2013 and 2015 within the Site PMA, as illustrated in the preceding table. While this is modest renter household growth, it is indicative of a stable renter household base within the Site PMA.

The household sizes by tenure within the Site PMA, based on the 2013 estimates and 2015 projections, were distributed as follows:

Persons Per Renter Household	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	235	35.5%	238	35.7%	3	1.2%
2 Persons	163	24.5%	164	24.6%	1	0.7%
3 Persons	111	16.7%	111	16.6%	0	0.4%
4 Persons	85	12.8%	85	12.8%	0	0.1%
5 Persons+	70	10.5%	69	10.3%	-1	-0.9%
Total	664	100.0%	668	100.0%	4	0.6%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	327	27.8%	334	28.1%	7	2.1%
2 Persons	409	34.8%	413	34.8%	4	1.1%
3 Persons	200	17.0%	202	17.0%	2	1.0%
4 Persons	131	11.1%	132	11.1%	1	0.6%
5 Persons+	109	9.2%	108	9.1%	-1	-0.8%
Total	1,176	100.0%	1,189	100.0%	13	1.1%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The one- through three-bedroom units offered at the subject project will continue to house up to five-person households following renovations. As such, the subject project will continue to be able to accommodate most renter households within the Site PMA based on size.

The distribution of households by income within the Butler Site PMA is summarized as follows:

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	314	17.5%	302	16.4%	299	16.1%
\$10,000 to \$19,999	362	20.2%	410	22.3%	412	22.2%
\$20,000 to \$29,999	266	14.8%	317	17.2%	313	16.9%
\$30,000 to \$39,999	158	8.8%	139	7.6%	145	7.8%
\$40,000 to \$49,999	190	10.6%	196	10.7%	189	10.2%
\$50,000 to \$59,999	146	8.1%	126	6.9%	130	7.0%
\$60,000 to \$74,999	110	6.1%	91	4.9%	94	5.1%
\$75,000 to \$99,999	126	7.0%	144	7.8%	146	7.9%
\$100,000 to \$124,999	67	3.8%	58	3.1%	62	3.4%
\$125,000 to \$149,999	30	1.7%	21	1.1%	27	1.4%
\$150,000 to \$199,999	6	0.3%	10	0.5%	12	0.7%
\$200,000 & Over	20	1.1%	26	1.4%	27	1.4%
Total	1,795	100.0%	1,839	100.0%	1,857	100.0%
Median Income	\$28,330		\$26,567		\$26,929	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$28,330. This declined by 6.2% to \$26,567 in 2013. By 2015, it is projected that the median household income will be \$26,929, an increase of 1.4% from 2013.

The following tables illustrate renter household income by household size for 2010, 2013 and 2015 for the Butler Site PMA:

Renter Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	73	41	62	10	0	186
\$10,000 to \$19,999	96	37	26	18	0	176
\$20,000 to \$29,999	0	10	2	27	31	71
\$30,000 to \$39,999	8	57	11	14	1	91
\$40,000 to \$49,999	25	0	0	8	30	63
\$50,000 to \$59,999	3	2	0	0	0	5
\$60,000 to \$74,999	0	3	1	1	3	7
\$75,000 to \$99,999	3	0	0	0	0	3
\$100,000 to \$124,999	3	2	1	1	1	7
\$125,000 to \$149,999	4	4	1	4	3	14
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	3	0	2	0	0	5
Total	217	155	105	83	69	630

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2013 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	68	47	59	10	0	183
\$10,000 to \$19,999	121	42	31	20	0	214
\$20,000 to \$29,999	0	15	2	29	37	83
\$30,000 to \$39,999	6	53	12	11	0	82
\$40,000 to \$49,999	25	0	0	7	29	61
\$50,000 to \$59,999	2	0	1	0	0	3
\$60,000 to \$74,999	0	4	1	1	2	8
\$75,000 to \$99,999	6	0	0	0	0	6
\$100,000 to \$124,999	1	2	1	1	1	6
\$125,000 to \$149,999	3	0	1	5	0	10
\$150,000 to \$199,999	0	0	1	0	0	1
\$200,000 & Over	3	0	2	0	0	6
Total	235	163	111	85	70	664

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	71	43	59	9	0	182
\$10,000 to \$19,999	119	42	31	20	0	212
\$20,000 to \$29,999	0	14	2	28	36	80
\$30,000 to \$39,999	7	55	14	12	0	88
\$40,000 to \$49,999	25	0	0	7	27	59
\$50,000 to \$59,999	3	0	1	0	0	3
\$60,000 to \$74,999	0	4	1	1	2	7
\$75,000 to \$99,999	8	1	0	0	0	9
\$100,000 to \$124,999	2	2	1	1	2	8
\$125,000 to \$149,999	3	1	2	7	1	14
\$150,000 to \$199,999	0	1	0	0	0	1
\$200,000 & Over	2	1	1	1	0	4
Total	238	164	111	85	69	668

Source: Ribbon Demographics; ESRI; Urban Decision Group

Although modest, the Butler Site PMA is projected to experience both population and household growth between 2013 and 2015. Specifically, the total population within the Site PMA is projected to increase by 19 (0.4%) while the total number of households will increase by 17 (0.9%) during this time period. Further, the primary age group (ages 25 to 64) at the subject project is estimated to comprise nearly 70.0% of all households within the Site PMA in 2013. It should also be noted that the number of renter households within the Site PMA is also projected to increase slightly between 2013 and 2015. Overall, these demographic trends are indicative of a stable and slightly expanding base of potential demographic support for the subject project within the Site PMA.

SECTION F - ECONOMIC TRENDS

1. LABOR FORCE PROFILE

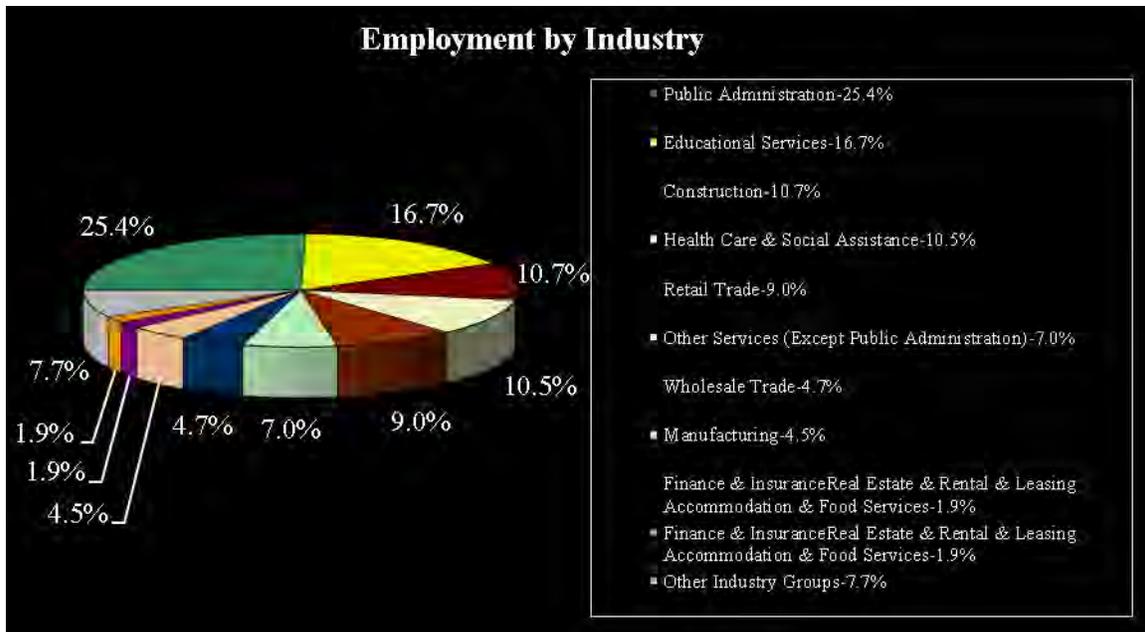
The labor force within the Butler Site PMA is based primarily in four sectors. Public Administration (which comprises 25.4%), Educational Services, Construction and Health Care & Social Assistance comprise over 63% of the Site PMA labor force. Employment in the Butler Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	4	1.9%	11	0.7%	2.8
Mining	1	0.5%	3	0.2%	3.0
Utilities	0	0.0%	0	0.0%	0.0
Construction	7	3.4%	178	10.7%	25.4
Manufacturing	5	2.4%	75	4.5%	15.0
Wholesale Trade	8	3.9%	79	4.7%	9.9
Retail Trade	30	14.6%	150	9.0%	5.0
Transportation & Warehousing	9	4.4%	28	1.7%	3.1
Information	2	1.0%	4	0.2%	2.0
Finance & Insurance	12	5.8%	31	1.9%	2.6
Real Estate & Rental & Leasing	10	4.9%	31	1.9%	3.1
Professional, Scientific & Technical Services	6	2.9%	15	0.9%	2.5
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	4	1.9%	30	1.8%	7.5
Educational Services	7	3.4%	279	16.7%	39.9
Health Care & Social Assistance	13	6.3%	175	10.5%	13.5
Arts, Entertainment & Recreation	3	1.5%	4	0.2%	1.3
Accommodation & Food Services	8	3.9%	31	1.9%	3.9
Other Services (Except Public Administration)	42	20.4%	117	7.0%	2.8
Public Administration	34	16.5%	423	25.4%	12.4
Nonclassifiable	1	0.5%	3	0.2%	3.0
Total	206	100.0%	1,667	100.0%	8.1

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Middle Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Middle Georgia Nonmetropolitan Area	Georgia
Management Occupations	\$84,590	\$106,520
Business and Financial Occupations	\$59,640	\$69,720
Computer and Mathematical Occupations	\$60,480	\$76,060
Architecture and Engineering Occupations	\$65,880	\$73,630
Community and Social Service Occupations	\$35,620	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$35,780	\$48,400
Healthcare Practitioners and Technical Occupations	\$60,510	\$69,400
Healthcare Support Occupations	\$21,420	\$26,160
Protective Service Occupations	\$30,190	\$33,690
Food Preparation and Serving Related Occupations	\$18,480	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$20,890	\$23,550
Personal Care and Service Occupations	\$19,400	\$22,160
Sales and Related Occupations	\$26,820	\$35,520
Office and Administrative Support Occupations	\$28,510	\$33,110
Construction and Extraction Occupations	\$34,260	\$38,120
Installation, Maintenance and Repair Occupations	\$38,390	\$41,750
Production Occupations	\$30,760	\$31,340
Transportation and Moving Occupations	\$26,740	\$34,260

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$18,480 to \$38,390 within the Middle Georgia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$66,220. It is important to note that most occupational types within the Middle Georgia Nonmetropolitan Area have lower typical wages than the State of Georgia's typical wages. The subject project will generally target households with incomes below \$30,000. The area employment base has a significant number of income-appropriate occupations from which the subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The largest employers within the Taylor county area are listed in the following table. Note however, that we were unable to obtain the number of employee's at each of these major employers at the time of the report.

Employer Name	Business Type
Alternative Youth Services	Mental Health
Barrors Fillin Station	Restaurant/Bar
Distribution Technologies INC	Trucking Co
Flint Electric Member Corp	Electric Co
Public Service Telephone Co, INC	Phone Service
MF&H.Textiles	Fabric Dyeing
Silver Dollar Race Way	Race Track
Source Care Mgmt LLC	Health care
Taylor County Health Care LLC	Health Care
Taylor Orchards	Fruit Company

Source: Georgia Department of Labor 2012 Taylor County Profile

According to a representative with the Taylor County Economic Development Department, the local economy has been improving although it has had its share of downturns affecting local agriculture industry which Taylor County heavily relies upon. This representative further stated that Taylor County has had some positive growth to report as it will be closing a deal on a new 4,400 square foot full-service medical center. The medical center will be located in the town of Butler and will have a full-time staff as well as a chiropractor. According to this representative Taylor County has been fortunate to have positive economic growth in the healthcare industry unlike many surrounding rural counties that are losing healthcare facilities.

Taylor County also has several attractions that attract tourists during the weekends such as the Silver Dollar Raceway. Additionally, Taylor County Boondocks Mud Park opened last summer and attracted approximately 5,000 spectators to the Butler area. The mud park is the newest and largest in the south and offers ATV trails, campgrounds and racetracks.

WARN (layoff notices):

According to the Georgia Department of Labor website, there have been no WARN notices reported for city of Butler since 2012.

3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

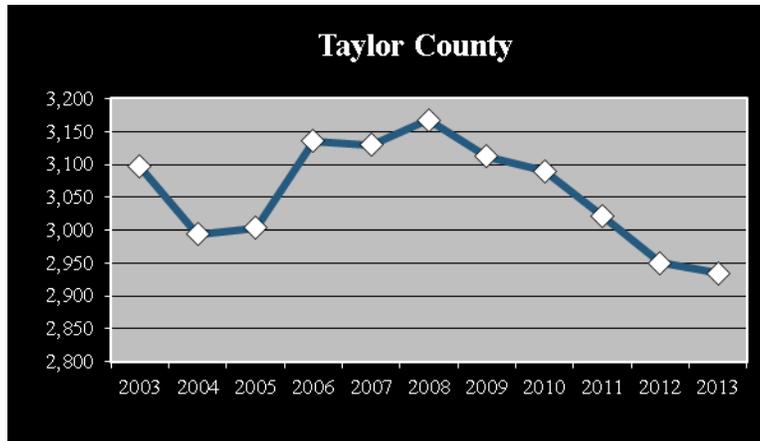
Excluding 2013, the employment base has declined by 6.9% over the past five years in Taylor County, more than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Taylor County, Georgia and the United States.

Year	Total Employment					
	Taylor County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	3,097	-	4,173,787	-	137,936,674	-
2004	2,994	-3.3%	4,249,007	1.8%	138,386,944	0.3%
2005	3,004	0.3%	4,375,178	3.0%	139,988,842	1.2%
2006	3,135	4.4%	4,500,150	2.9%	142,328,023	1.7%
2007	3,130	-0.2%	4,587,739	1.9%	144,990,053	1.9%
2008	3,167	1.2%	4,540,706	-1.0%	146,397,529	1.0%
2009	3,112	-1.7%	4,289,819	-5.5%	146,068,824	-0.2%
2010	3,090	-0.7%	4,241,718	-1.1%	140,721,369	-3.7%
2011	3,022	-2.2%	4,295,113	1.3%	140,483,185	-0.2%
2012	2,950	-2.4%	4,371,608	1.8%	141,748,955	0.9%
2013*	2,934	-0.5%	4,399,866	0.6%	141,772,241	0.0%

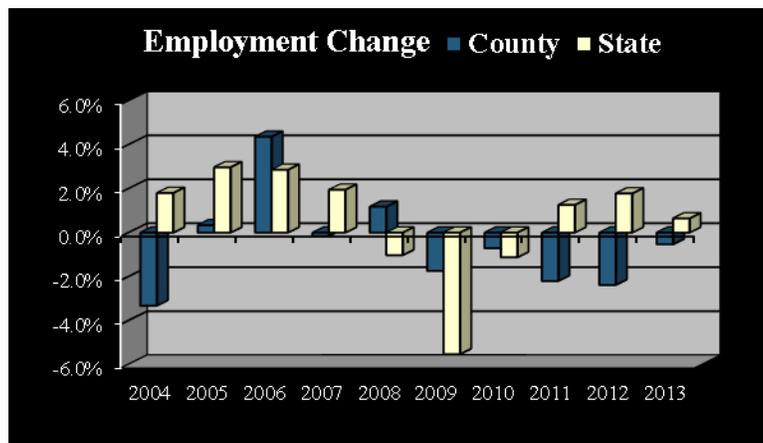
Source: Department of Labor; Bureau of Labor Statistics

*Through August



As the preceding illustrates, the employment base within Taylor County was adversely impacted by the national recession as it has declined each year since 2008. Note however, that the employment base within Taylor County is showing signs of stabilizing, declining by only 14 employees thus far in 2013.

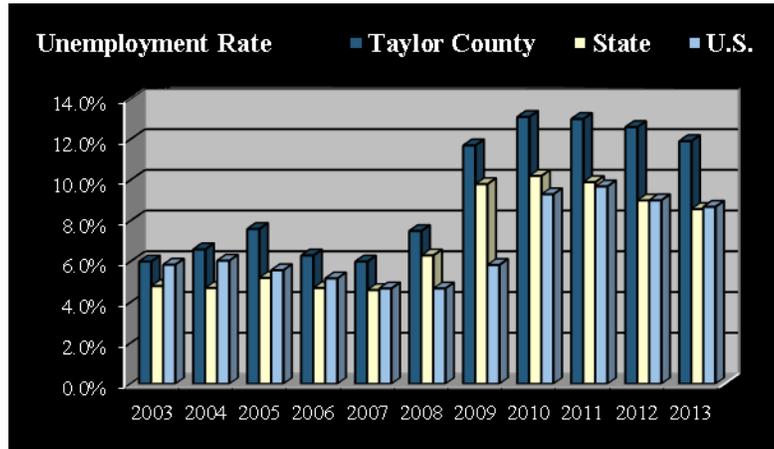
The following table illustrates the percent change in employment for Taylor County and Georgia.



Unemployment rates for Taylor County, Georgia and the United States are illustrated as follows:

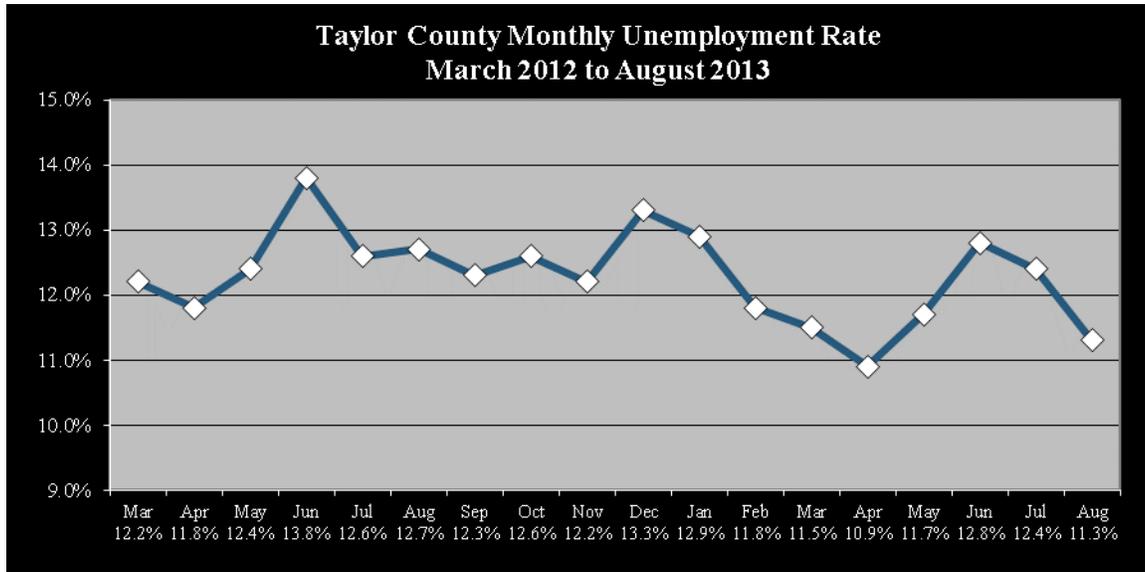
Year	Unemployment Rate		
	Taylor County	Georgia	United States
2003	6.0%	4.8%	5.8%
2004	6.6%	4.7%	6.0%
2005	7.6%	5.2%	5.6%
2006	6.3%	4.7%	5.2%
2007	6.0%	4.6%	4.7%
2008	7.5%	6.3%	4.7%
2009	11.7%	9.8%	5.8%
2010	13.1%	10.2%	9.3%
2011	13.0%	9.9%	9.7%
2012	12.6%	9.0%	9.0%
2013*	11.9%	8.6%	8.7%

Source: Department of Labor, Bureau of Labor Statistics
 *Through August



The unemployment rate in Taylor County has ranged between 6.0% and 13.1%, consistently above state and national averages since 2003. Note that the unemployment rate within Taylor County has declined each of the past two years, as well as thus far in 2013.

The following table illustrates the monthly unemployment rate in Taylor County for the most recent 18-month period for which data is currently available.



As the preceding table illustrates, the unemployment rate within Taylor County has generally trended downward over the past 18-month period despite slight fluctuations during this time period. Notably, the unemployment rate reported for each of the past six months is lower than that reported for the corresponding month one year ago.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Taylor County.

In-Place Employment Taylor County			
Year	Employment	Change	Percent Change
2003	1,986	-	-
2004	1,901	-85	-4.3%
2005	1,865	-36	-1.9%
2006	1,833	-32	-1.7%
2007	1,829	-4	-0.2%
2008	1,846	17	0.9%
2009	1,882	36	2.0%
2010	1,844	-38	-2.0%
2011	1,689	-155	-8.4%
2012	1,724	35	2.1%
2013*	1,654	-70	-4.1%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Taylor County to be 58.4% of the total Taylor County employment. This means that many residents both live and work within Taylor County. This moderate share of in-place employment within Taylor County will likely contribute to the continued marketability of the subject project, as it is likely that many residents of the subject project will not have significant commute times to their place of employment.

4. ECONOMIC FORECAST

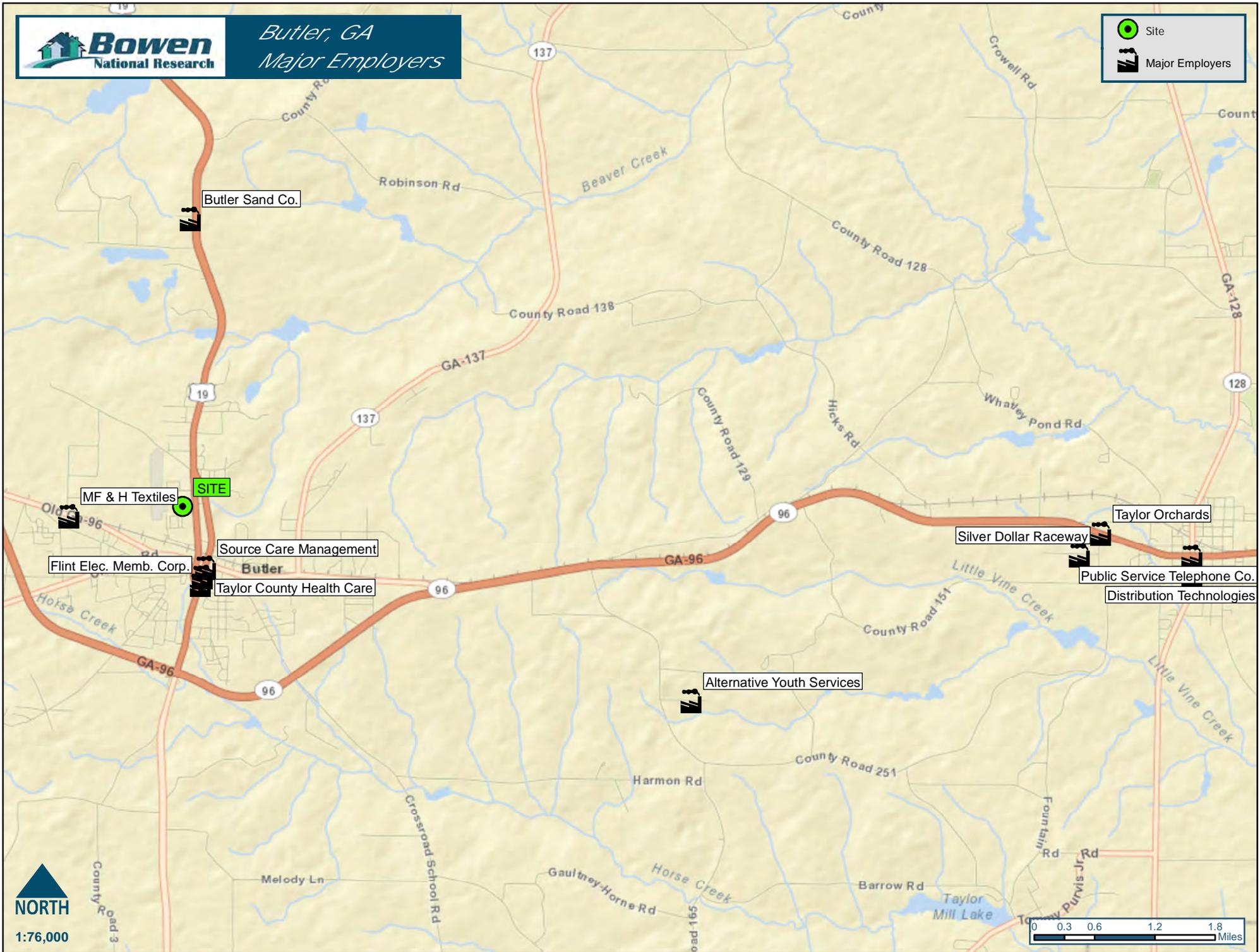
According to a local economic representative, the Taylor County economy is stable and has shown recent signs of improvement, specifically within the healthcare industry as a deal is in place for a new medical center to be located within Taylor County in the town of Butler. Further, data provided by the U.S. Department of Labor, Bureau of Labor Statistics also indicate that the Taylor County economy is beginning to improve since the downturn caused by the national recession. Notably, the unemployment rate within Taylor County has declined each of the past two years as well as thus far in 2013. However, although declining at a slower rate, the employment base within Taylor County continues to struggle as it has reported decreases each year since 2008. Based on the continued employment base decline and unemployment rates which remain in double digits, it is likely that affordable housing will remain in high demand within Taylor County while the local economy continues to experience a slow economic recovery.

A map illustrating notable employment centers is on the following page.



Butler, GA Major Employers

- Site
- Major Employers



1:76,000



SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

The subject project currently operates under the income and rent requirements of the RD Section 515 program. While the project will be renovated with a Tax-Exempt Bond financing, it is expected to follow the same household eligibility requirements that are currently in effect. Regardless, we have provided various demand scenarios that evaluate the depth of continued support for the project under the RD program and in the event the project had to operate exclusively under the LIHTC program.

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Taylor County, Georgia which has a median four-person household income of \$38,100 for 2013. The subject property will be restricted to households with incomes of up to 60% of AMHI for Taylor County. The following table summarizes the maximum allowable income by household size for Taylor County at 60% of AMHI.

Household Size	Maximum Allowable Income 60% AMHI
One-Person	\$19,200
Two-Person	\$21,900
Three-Person	\$24,660
Four-Person	\$27,360
Five-Person	\$29,580

a. Maximum Income Limits

The largest units (three-bedroom) at the subject site are expected to continue to house up to five-person households. As such, the maximum allowable income at the subject site is **\$29,580**.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

Since the subject project will retain Rental Assistance through the RD 515 program on 10 of the subject units, the project could serve households with incomes as low as \$0.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$513. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,156.

Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,589.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the RD 515 program and exclusively under the Tax Credit program in the unlikely event that Rental Assistance was lost.

Unit Type	Income Range	
	Minimum	Maximum
RD & Tax Credit (Limited to 60% of AMHI) With Rental Assistance	\$0	\$29,580
Tax Credit (Limited to 60% of AMHI) Without Rental Assistance	\$17,589	\$29,580

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using 2010 renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households*
- b. **Demand from Existing Households:** The second source of demand should be projected from:
 - **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 39.9% of renter households with incomes below \$29,580, and approximately 17.7% of renter households with incomes between \$17,589 and \$29,580 in the Site PMA were rent overburdened. These households have been included in our demand analysis.*

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2006-2010 5-year estimates, 4.5% of all households in the Site PMA were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.*
- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure above 5% must be based on actual market conditions, as documented in the study.*

Note that elderly homeowner conversion has not been considered in our demand calculations, as the subject project is not age-restricted.

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of developments awarded and/or constructed from 2011 to the present is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2011 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. 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.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

There are no LIHTC properties that were funded and/or built during the projection period (2011 to current). Additionally, there were no existing LIHTC properties operating below a stabilized occupancy of 90.0% within the Site PMA. As such, there were no existing LIHTC properties included as part of supply in our demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income			
	RD 515 60% AMHI with RA (\$0 - \$29,580)	RD 515 60% AMHI without RA (\$17,589 - \$29,580)	RD 515 60% AMHI Overall (\$0 - \$29,580)	Tax Credit Only Overall (\$17,589 - \$29,580)
Demand From New Households (Age- And Income-Appropriate)	471 - 477 = -6	128 - 131 = -3	471 - 477 = -6	128 - 131 = -3
+				
Demand From Existing Households (Rent Overburdened)	477 X 39.9% = 190	131 X 17.7% = 23	477 X 39.9% = 190	131 X 17.7% = 23
+				
Demand From Existing Households (Renters In Substandard Housing)	477 X 4.5% = 21	131 X 4.5% = 6	477 X 4.5% = 21	131 X 4.5% = 6
=				
Demand Subtotal	205	26	205	26
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2% of total demand	N/A	N/A	N/A	N/A
=				
Total Demand	205	26	205	26
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2011)	0	0	0	0
=				
Net Demand	205	26	205	26
Proposed Units/ Net Demand	0* / 205	14 / 26	14* / 205	24 / 26
Capture Rate	= 0.0%*	= 53.8%	= 6.8%*	= 92.3%

RA – Rental Assistance

* Under this scenario, all units with Rental Assistance are assumed to be leasable. As such, all RA units have been excluded from this analysis.

N/A- Not Applicable

If all units were vacated, with the preservation of RA, the subject project's required capture rate would be 11.7% (24 / 205 = 11.7%). This indicates that there will be a good base of households to draw support from if all current residents were displaced. Further, Georgia DCA guidelines dictate that all units receiving a direct or guaranteed subsidy are assumed to be leasable and should not be considered in the capture rate estimates. As such, the 14 non-RA units at the subject development would require a 6.8% capture rate following renovations if all units were vacated. Regardless, the subject project is currently 100.0% occupied and all current tenants are expected to remain following renovations. Therefore, the subject project requires an effective capture rate of 0.0%, assuming RA is retained.

In the unlikely event that the subject project was to lose Rental Assistance and all units had to operate exclusively under the Tax Credit program, it is conservatively estimated that none of the current renters would qualify to reside at the subject project. In this scenario, the 24 units would have a required capture rate of 92.3%. This capture rate is considered high and indicates that there will be a limited base of households to draw support from if the Rental Assistance was ever lost.

The following is our estimated share of demand by bedroom type within the Site PMA:

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	20%
Two-Bedroom	60%
Three-Bedroom	20%
Total	100.0%

Applying these shares to the income-qualified households yields demand and capture rates of the subject units by bedroom type as illustrated in the following table:

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent***	Subject Rents
RD 515 One-Bedroom (20%)	60%	1*	41	0	41	2.4%*	1 Month	N/A	\$416
RD 515 Two-Bedroom (60%)	60%	12*	123	0	123	9.8%*	6 Months	N/A	\$490
RD 515 Three-Bedroom (20%)	60%	1*	41	0	41	2.4%*	1 Month	N/A	\$576
Tax Credit Only One-Bedroom (20%)	60%	4	5	0	5	80.0%	> 12 Months	N/A	\$416
Tax Credit Only Two-Bedroom (60%)	60%	16	16	0	16	100.0%	> 12 Months	N/A	\$490
Tax Credit Only Three-Bedroom (20%)	60%	4	5	0	5	80.0%	> 12 Months	N/A	\$576

*Under this scenario all Rental Assistance units will continue to be occupied, resulting in effective capture rates between 2.4% and 9.8%.

**Directly comparable units built and/or funded in the project market over the projection period.

***Average of non-subsidized collected rents identified within the market (Note, no non-subsidized product was identified within the Site PMA)

N/A- Not Available

With the preservation of Rental Assistance, the effective capture rates by bedroom type range between 2.4% and 9.8%. This assumes that non-RA units will be vacated and re-rented under Tax Credit guidelines.

In the unlikely event the subject project had to operate exclusively under the LIHTC program and all residents were displaced, the capture rates by bedroom type range from 80.0% to 100.0%, depending upon bedroom type. These capture rates are considered high and illustrate that there will be a limited number of households to draw support from if RA were not retained.

SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Butler Site PMA in 2010 and 2013 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2013 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	1,795	80.2%	1,839	80.8%
Owner-Occupied	1,165	64.9%	1,176	63.9%
Renter-Occupied	630	35.1%	664	36.1%
Vacant	443	19.8%	438	19.2%
Total	2,238	100.0%	2,277	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2013 update of the 2010 Census, of the 2,277 total housing units in the market, 19.2% were vacant. Notably, although modest the number of vacant units within the Site PMA is projected to decline by six between 2010 and 2013. This indicates that the housing market within the Site PMA is slowly beginning to improve. Further, the number of vacant housing units within the Site PMA also includes abandoned, dilapidated and for-sale rental housing units, and is not likely reflective of the long-term rental housing market within the Butler Site PMA. As such, we have conducted a field survey of conventional rentals within the Site PMA to determine the strength of the long-term rental housing market within the Site PMA.

We identified and personally surveyed three conventional housing projects containing a total of 95 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. Notably, there were no non-subsidized (market-rate and/or Tax Credit) properties identified within the Site PMA. The three projects identified and surveyed within the Site PMA contain 95 government-subsidized units, which are 100.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit/Government-Subsidized	1	24	0	100.0%
Government-Subsidized	2	71	0	100.0%
Total	3	95	0	100.0%

The 100.0% occupancy rates reported among the subsidized Tax Credit and government-subsidized rental projects in the market indicate that there is likely pent-up demand for such housing within the Site PMA. As such, the subject project will continue to provide a rental alternative that is in high demand within the Site PMA following renovations.

The Butler apartment market offers a limited range of rental product in terms of price point and quality. In fact, as previously discussed, there were no non-subsidized (market-rate or Tax Credit) multifamily projects identified within the Site PMA. As such, it was necessary to identify and survey non-subsidized (market-rate and Tax Credit) product outside of the Site PMA, but within the region in the towns of Fort Valley, Perry and Thomaston, Georgia. Specifically, we identified and surveyed six conventional rental projects located outside of the Site PMA that offer non-subsidized market-rate units. These six market-rate project include Hampton Place (Map ID 901), Houston Lake (Map ID 902), Magnolia Terrace I (Map ID 903), Magnolia Terrace II (Map ID 904), Winslow Place (Map ID 907) and Timberwood Apartments (Map ID 908). These six market-rate projects were built between 1986 and 2008, and comprise a total of 614 market-rate units which are 97.4% occupied.

Further, we also identified four non-subsidized Tax Credit projects which are located outside of the Site PMA but within the region. These four non-subsidized Tax Credit projects include Magnolia Terrace I (Map ID 903), Magnolia Terrace II (Map ID 904), Marvin Gardens I & II (Map ID 905) and Ruthie Manor (Map ID 906). These four Tax Credit projects were built between 1998 and 2011 and comprise a total of 194 non-subsidized Tax Credit units which are 97.9% occupied. These high overall occupancy rates reported among both the market-rate and non-subsidized Tax Credit projects identified within the region indicate that these projects have been well received within the region and should offer an accurate base of comparability for the subject project.

2. SUMMARY OF ASSISTED PROJECTS

There are a total of three federally subsidized and/or Tax Credit apartment developments in the Butler Site PMA. These projects were surveyed in October 2013 and are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)			
						One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Forest Pointe Apts. (Site)	TAX & RD 515	1992	24	100.0%	\$550 - \$663 (4)	\$621 - \$734 (16)	\$696 - \$799 (4)	-
2	Cottage Lane Apts.	RD 515	1992	32	100.0%	\$630 - \$690 (28)	\$741 - \$786 (4)	-	-
3	Sandcliff Apts.	PH	1973 / 2003	39	100.0%	\$487 (9)	\$586 (9)	\$705 (8)	\$818 (13)
Total				95	100.0%				

The overall occupancy is 100.0% for these projects, indicating pent-up demand exists for affordable housing within the Butler Site PMA.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (GDCA) Rental Assistance Division-Middle-Eastman Office there are approximately 50 Housing Choice Voucher holders within Taylor County and no people currently on the waiting list for additional Vouchers. The waiting list is closed indefinitely. Annual turnover of persons in the Voucher program is estimated at four households. This reflects the continuing need for Housing Choice Voucher assistance within Taylor County.

The following table outlines the HUD 2013 Fair Market Rents for Taylor County, Georgia and the proposed gross Tax Credit rents at the subject site:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents (AMHI)
One-Br.	\$466	\$513
Two-Br.	\$599	\$616
Three-Br.	\$863	\$711

As proposed, 10 of the 24 subject units will maintain Rental Assistance (RA) via the RD 515 program. Therefore, it will not be able to accommodate Housing Choice Voucher holders within these units. However, the three-bedroom units without RA and/or in the unlikely event the subject project was to lose its project-based subsidy and charge the proposed Tax Credit gross rents, would be able to accommodate Voucher holders as the proposed gross Tax Credit rents for these units are below Fair Market Rents. Conversely, the one- and two-bedroom units would not be able to accommodate Voucher holders in either of these scenarios,

as the proposed gross Tax Credit rents for these units are above Fair Market Rents, as illustrated in the preceding table.

3. PLANNED MULTIFAMILY DEVELOPMENT

According to area planning and building representatives, there are currently no multifamily rental housing projects planned or under construction within the Site PMA.

Building Permit Data

The following table illustrates single-family and multifamily building permits issued within the city of Butler and Taylor County for the past ten years:

Housing Unit Building Permits for Taylor County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	0	0	0	28	0	0	0	0	0
Single-Family Permits	33	36	64	36	23	20	10	10	9	9
Total Units	33	36	64	36	51	20	10	10	9	9

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

Housing Unit Building Permits for Butler, GA:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	1	0	0	0	3	2	0	1	0	0
Total Units	1	0	0	0	3	2	0	1	0	0

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding illustrates, there have been no multifamily building permits issued within Taylor County since 2007. More specifically, there have been no multifamily building permits issued in the town of Butler over the past ten years. Considering the lack of available affordable rental housing units in the market and based on the limited number of multifamily building permits issued, it is likely that there is high demand for additional affordable rental housing units within the Site PMA.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Following renovations the subject project will offer one- through three-bedroom units targeting general-occupancy households earning up to 60% of Area Median Household Income (AMHI). Notably, aside from the subject project, we did not identify any Low-Income Housing Tax Credit (LIHTC) projects within the Site PMA. Due to the lack of non-subsidized general-occupancy LIHTC product in the Site PMA we have identified and surveyed four non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Fort Valley and Thomaston, Georgia. These four LIHTC projects offer one- through four-bedroom units targeting general-occupancy households earning up to 30%, 50% and/or 60% of AMHI. As such, these projects should offer an accurate base of comparability for the subject project. However, as these four properties are located outside of the Site PMA, they will derive demographic support from a different geographic area as compared to the subject project. As such, these four LIHTC projects have been included for comparability purposes only and are not considered to be directly competitive with the subject project.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Forest Pointe Apartments	1992 / 2014	24	100.0%	-	6 H.H.	Families; 60% AMHI & RD 515
903	Magnolia Terrace I	2000	38*	100.0%	22.5 Miles	16 H.H.	Families; 30%, 50%, & 60% AMHI
904	Magnolia Terrace II	2008	28*	100.0%	22.6 Miles	16 H.H.	Families; 50% & 60% AMHI
905	Marvin Gardens I & II	1998	80	95.0%	23.0 Miles	4-Br: 9 Months	Families; 60% AMHI
906	Ruthie Manor	2011	48	100.0%	30.6 Miles	24 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

900 Series Map IDs are located outside of the Site PMA

*Tax Credit units only

The four comparable LIHTC projects have a combined occupancy rate of 97.9% and none have an occupancy rate below 95.0%, as illustrated in the preceding table. Also note that each of the comparable LIHTC projects currently maintains a waiting list for at least some of the units offered at these projects. These waiting lists range from 16 to 24 households, or up to nine months in duration. These high occupancy rates and waiting lists maintained indicate that these projects have been well received within the region and that there is pent-up demand for affordable LIHTC housing within the region.

The map on the following page illustrates the location of the comparable Tax Credit properties relative to the subject site location.

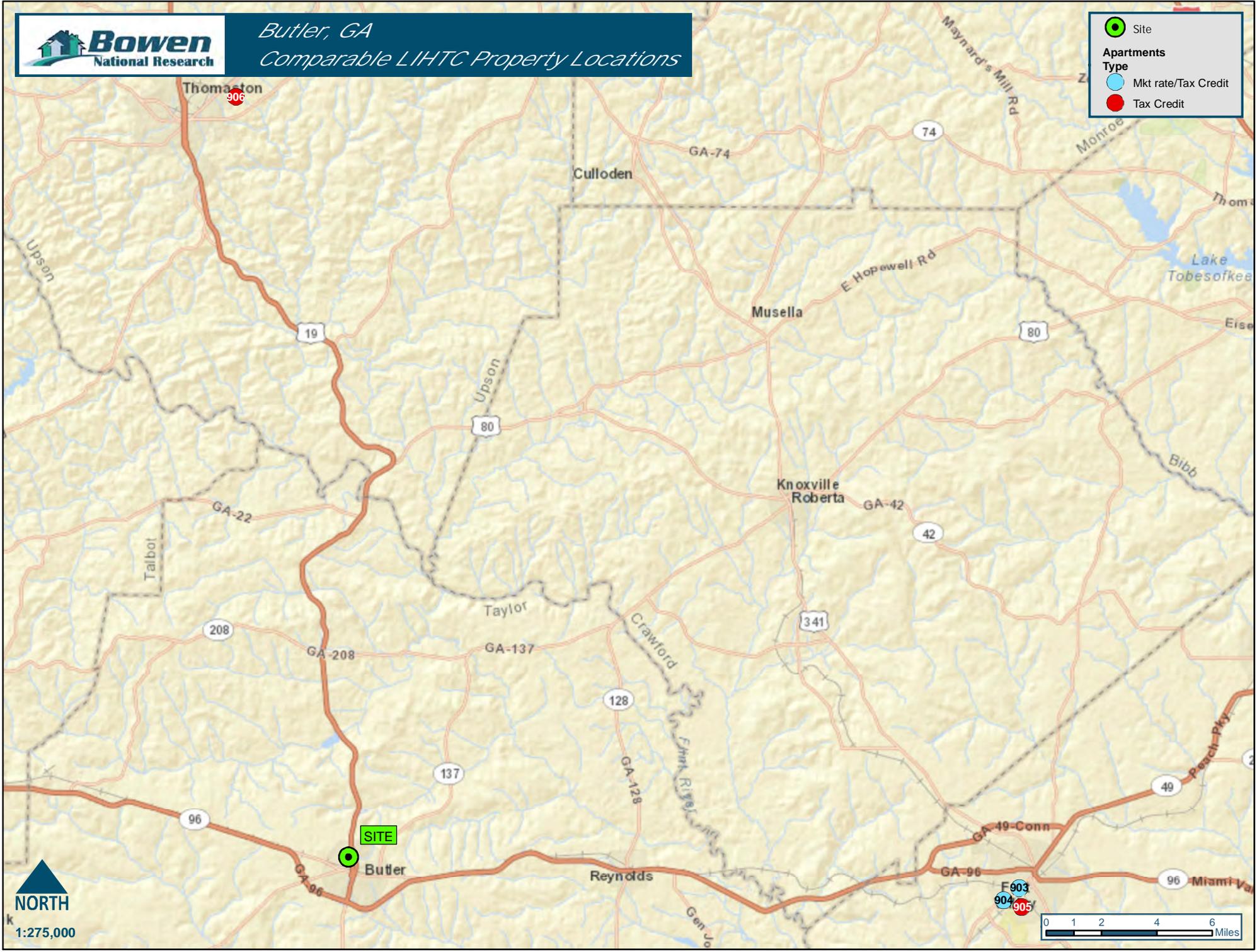


Butler, GA
Comparable LIHTC Property Locations

Site

Apartment Type

- Mkt rate/Tax Credit
- Tax Credit



The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
		One-Br.	Two-Br.	Three-Br.	Four-Br.	Rent Special
Site	Forest Pointe Apartments	\$513/60% (4)	\$616/60% (16)	\$711/60% (4)	-	-
903	Magnolia Terrace I	\$367/30% (1/0) \$552/50% (1/0) \$552/60% (3/0)	\$451/30% (2/0) \$659/50% (4/0) \$659/60% (20/0)	\$517/30% (1/0) \$804/50% (3/0) \$831/60% (3/0)	-	None
904	Magnolia Terrace II	\$588/50% (2/0)	\$674/50% (10/0) \$674/60% (3/0)	\$804/50% (10/0) \$831/60% (3/0)	-	None
905	Marvin Gardens I & II	-	\$595/60% (22/0)	\$688/60% (52/4)	\$849/60% (6/0)	None
906	Ruthie Manor	\$481/50% (4/0) \$590/60% (4/0)	\$575/50% (4/0) \$661/60% (20/0)	\$660/50% (4/0) \$786/60% (12/0)	-	None

900 Series Map IDs are located outside of the Site PMA

The proposed subject gross rents ranging from \$513 to \$711, depending upon bedroom type, are competitively positioned within the region as compared to the gross rents charged among similar bedroom types and AMHI levels at the comparable LIHTC projects in the region. In fact, the proposed gross one-bedroom rents at the subject project will be the lowest priced one-bedroom units at 60% of AMHI within the region as illustrated in the preceding table. Also note that Rental Assistance (RA) will be retained on 10 of the 24 subject units following renovations, as discussed throughout this report. The retention of RA on these 10 units will require tenants of these units to pay up to 30% of their adjusted gross income towards housing costs (rent plus tenant-paid utilities). Further, a Private Rental Assistance (PRA) subsidy will be available to all existing unassisted residents, preventing a rent increase on the current unassisted tenants of the subject project. Given the retention of Rental Assistance and the availability of a PRA subsidy, the subject project will continue to remain a substantial value in the region. The appropriateness of subject project's proposed rents is further evaluated within Addendum E of this report.

The following table illustrates the weighted average collected rents of the four comparable LIHTC projects by bedroom type.

Weighted Average Collected Rent Of Comparable LIHTC Units		
One-Br.	Two-Br.	Three-Br.
\$389 (60%)	\$409 (60%)	\$422 (60%)

*Represents the weighted average rents for 60% units only

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Average Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$389	- \$416	- \$27	/ \$416	-6.5%
Two-Br.	\$409	- \$490	- \$81	/ \$490	-16.5%
Three-Br.	\$422	- \$576	- \$154	/ \$576	-26.7%

As the preceding table illustrates, the subject’s proposed rents represent negative rent advantages ranging from 6.5% to 26.7%, depending upon bedroom type. Regardless, as noted throughout this report, the subject project is anticipated to retain RA on 10 of its 24 units, requiring tenants of these units to pay up to 30% of their adjusted gross income towards housing costs. Further, a Private Rental Assistance (PRA) subsidy will be available to all existing unassisted residents, preventing a rent increase on the current unassisted tenants of the subject project. Based on the preceding analysis the subject units will continue to represent a substantial value within the market.

Please note that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development’s collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the region are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Forest Pointe Apartments	643	909	949	-
903	Magnolia Terrace I	850	1,050	1,225	-
904	Magnolia Terrace II	850	1,050	1,225	-
905	Marvin Gardens I & II	-	925	1,075	1,300
906	Ruthie Manor	875	1,075	1,290	-

900 Series Map IDs are located outside of the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Forest Pointe Apartments	1.0	1.5	1.5	-
903	Magnolia Terrace I	1.0	2.0	2.0	-
904	Magnolia Terrace II	1.0	2.0	2.0	-
905	Marvin Gardens I & II	-	1.0	1.0	2.0
906	Ruthie Manor	1.0	2.0	2.0	-

900 Series Map IDs are located outside of the Site PMA

As the preceding illustrates, the subject project will offer the smallest unit sizes in the region in terms of square footage, as compared to similar unit types at the comparable LIHTC projects in the region. It should be noted however, that the subject project is 100.0% occupied and maintains a wait list for its next available units, indicating that the unit sizes (square feet) offered are appropriate for the targeted tenant population (general-occupancy) at the subject project and have not and should not adversely impact marketability of the subject project. The number of bathrooms offered at the subject project is also considered appropriate for the targeted tenant population based on the high reported occupancy rate at the subject project.

The following tables compare the amenities of the subject development with the other LIHTC projects in the region.

COMPARABLE PROPERTIES AMENITIES - BUTLER, GEORGIA

MAP ID	APPLIANCES							UNIT AMENITIES							OTHER					
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT		INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING
SITE	X	X		X			X		C		X	X	X				B		S	Storage
903	X	X		X	X		X		C		X	X					B		S	
904	X	X		X	X	X	X		C		X		X				B		S	
905	X	X					X		C		X	X					B		S	Storage
906	X	X	X	X	X	S	X		C		X	X					B		S	Storage

MAP ID	PROJECT AMENITIES													OTHER					
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE		COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X				X									X			
903		X	X	X			X		B							X			Garden
904		X	X	X			X									X			
905		X					X			S						X			
906		X	X		A	X	X						X		X				CCTV

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

Parking	
A - Attached	C - Carport
D - Detached	O - On Street
S - Surface	G - Parking Garage
(o) - Optional	(s) - Some

Sports Courts	
B - Basketball	D - Baseball Diamonds
P - Putting Green	T - Tennis
V - Volleyball	X - Multiple

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

Community Space	
A - Activity Room	L - Lounge/Gathering Room
T - Training Room	

The subject project offers a unit amenity package which is generally considered to be competitive with those offered among the comparable LIHTC projects in the region. However, it should be noted that one of the comparable LIHTC projects in the region, Magnolia Terrace II (Map ID 904) offers a microwave oven in each of its units, which the subject project does not offer. Further, the project amenities package offered at the subject project is considered relatively competitive with those offered among the comparable LIHTC projects in the region. Overall, the amenity packages offered at the subject project are considered typical of older subsidized rental product and are considered appropriate for the targeted tenant population at the subject project. The appropriateness of these amenity packages offered at the subject project is further evident by the 100.0% occupancy rate and waiting list maintained at the subject project, indicating that the project does not lack any key amenities that have or would adversely impact marketability of the subject project.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the region, it is our opinion that the subject development will be competitive. Notably, the subject project will offer the lowest priced one-bedroom LIHTC units in the market targeting households earning up to 60% of AMHI. Further, it should be reiterated that the subject project will offer the only Tax Credit (subsidized or non-subsidized) units in the Site PMA as there were no Tax Credit projects identified within the Butler Site PMA. This will likely create a marketing advantage for the subject project within the market. Additionally, based on the 100.0% occupancy rate reported at the subject project, the unit sizes (square feet), number of bathrooms and amenity packages offered appear to be appropriate for the targeted tenant population at the subject project and should contribute to its continued marketability following renovations.

Comparable/Competitive Housing Impact

There were no non-subsidized Tax Credit projects identified within the Site PMA and all affordable subsidized rental projects in the market reported 100.0% occupancy rates and waiting lists for their next available units. Further, the renovations to the subject project will not introduce any new units into the Butler market. Based on the preceding factors, we do not anticipate the renovations to the subject project will have any significant (if any) impact on future occupancy rates of the existing affordable rental housing product in the market.

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$86,030. At an estimated interest rate of 4.3% and a 30-year term (and 95% LTV), the monthly mortgage for an \$86,030 home is \$504, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$86,030
Mortgaged Value = 95% of Median Home Price	\$81,729
Interest Rate - Bankrate.com	4.3%
Term	30
Monthly Principal & Interest	\$403
Estimated Taxes and Insurance*	\$101
Estimated Monthly Mortgage Payment	\$504

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$416 to \$576 per month. While the cost of owning a typical home in the area is similar to, or in some cases less than, that of renting a unit at the subject project, it is important to note that 10 of the 24 subject units are expected to retain Rental Assistance (RA) following renovations, thus allowing tenants of these units to pay up to 30% of their adjusted gross income towards rent. Furthermore, a Private Rental Assistance (PRA) subsidy will be available to all current unassisted tenants at the subject project, preventing a rent increase on these unassisted tenants. Therefore, we do not anticipate any competitive impact on or from the homebuyer market, as most (if not all) tenants of the subject project will likely continue paying rents below the proposed collected Tax Credit rents due to the aforementioned RA and PRA subsidies available at the subject project.

SECTION I – ABSORPTION & STABILIZATION RATES

According to management, the subject project is currently 100.0% occupied and maintains a six household waiting list. It should also be noted that while residents will be relocated temporarily during renovations, they will not be permanently displaced. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 24 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 10 of the 24 subject units as proposed). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy.

It is our opinion that the 24 units at the subject site will reach a stabilized occupancy of 93.0% within approximately eight months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately three units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA will be maintained on 10 of the 24 subject units as proposed.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 24 units at the subject site would likely have an extended absorption period up to 16 months if all units were vacated simultaneously and had to be re-rented. This absorption projection is based on the fact that there is more limited demographic support for the subject project to operate exclusively under the LIHTC program, as illustrated in Section G of this report. However, while it is possible the subject project may experience an extended absorption period if RA was lost and all units had to operate exclusively under the LIHTC program and all units were vacated simultaneously, it is unlikely that this scenario would occur. Therefore, in reality the subject project will only have to fill units as they become vacant through typical monthly turnover (one to two units per month in most rural markets). Under this more likely scenario, the market should be able to adequately absorb any current or future vacancies that materialize at the subject project.

In reality, the absorption period for this project will be less than two months as most tenants are expected to remain at the project and many will continue to pay up to 30% of their adjusted gross income towards housing costs.

SECTION J – INTERVIEWS

The following is a summary of an interview conducted with a local source regarding the need for affordable housing in the Butler Site PMA.

- Brenda Curry, Office Director with the Georgia Department of Community Affairs (GDCA), Rental Assistance Division-Middle-Eastman Office, stated that there is a significant need for affordable housing in the Middle Georgia Region. Specifically, due to recent budget cuts they have closed all waiting lists in the counties that the Middle-Eastman office serves (including Taylor County) and they currently are not maintaining waiting lists until additional funding is received. In fact, Ms. Curry stated that they are unsure they will have the funding to pay for the vouchers that are already in use within their jurisdiction. Additionally, according to Ms. Curry the Department of Justice was awarded a settlement from HUD to distribute Housing Choice Vouchers (HCV) to individuals that are due to be released from state mental hospitals because of the decrease in funding for these facilities. As a result, any future available funding allotted to GDCA for the HCV Program will go towards assistance for this population. The government is also cutting the Eastman Office's administration funding and they might have to use some of the remaining administration funding to pay for the current HCV that they have issued. Based on the following factors, Ms. Curry feels that affordable housing will remain in high demand within the Taylor County region.

SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the Forest Pointe Apartments following renovations, assuming it is renovated and operated as detailed in this report. Note however, that changes to the project's rents, amenities or scope of renovations may alter these findings.

Given the 100.0% occupancy rates reported among all affordable (subsidized Tax Credit and government-subsidized) rental projects in the Site PMA, the subject project will continue to offer an affordable rental housing alternative that is in high demand within the market. In fact, as mentioned within this report the subject project offers the only Tax Credit (subsidized or non-subsidized) units in the Butler Site PMA. This likely has, and will continue to create a marketing advantage for the subject project within the Site PMA. Additionally, as shown in the Project Specific Demand Analysis section of this report, there is sufficient support for the subject development to operate as proposed, with the retention of Rental Assistance. Considering that the subject project will retain Rental Assistance on 10 of its 24 units and a Private Rental Assistance subsidy will be available to all current unassisted residents, the subject project will remain a value within the market. Further, given that the project is 100.0% occupied and will not introduce new units to the market as part of the proposed renovations, it is our opinion that the subject project will have no impact on the existing affordable rental alternatives within the Site PMA.

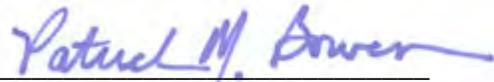
Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

SECTION L - SIGNED STATEMENT

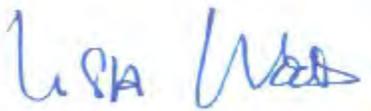
This certifies that Lisa Wood, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the subject site in Butler, Georgia on January of 2013. Note that this is a telephone update of the original market study completed by Bowen National Research in January, 2013, and we did not revisit the site for this analysis. Further, the information contained in this report is true and accurate as of November 4, 2013.

Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee in preparation of the market study. However, no contingency fees exist between our firm and the client.

Certified:



Patrick Bowen
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Date: November 4, 2013



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Date: November 4, 2013

SECTION M – MARKET STUDY REPRESENTATION

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

SECTION N - QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 15 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Benjamin J. Braley, Market Analyst, has conducted market research for over six years in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

Jack Wiseman, Market Analyst, with Bowen National Research, has conducted extensive market research in over 200 markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Craig Rupert, Market Analyst with Bowen National Research, has conducted market research in both urban and rural markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends and economic characteristics. Specifically, he has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, Indian housing, senior rental housing facilities and student housing facilities. Mr. Rupert has a Bachelor of Science degree in Hospitality Management from Youngstown State University.

Heather Moore, Market Analyst, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

Greg Gray, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

Christine Atkins, Market Analyst, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

Lisa Wood, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Chuck Ewing, Market Analyst, has been conducting site-specific analysis throughout the United States since 2009. He has experience in the evaluation of a variety of real estate developments that include affordable and market-rate apartments, senior living facilities, student housing, supportive and disabled veteran housing, farm worker housing and regional rental supply analysis. Mr. Ewing has a Bachelor of Arts degree in Economics from the Ohio State University.

Marlon Boone, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Boone graduated from The Ohio State University with a Bachelor of Science in City and Regional Planning, with a concentration in Housing, Development and Real Estate.

Tyler Bowers, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Bowers has a Bachelor Degree of Arts in History from Indiana University.

Amy Tyrrell is a Project Director for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

Stephanie Viren is the Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Desireé Johnson is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

June Davis, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

ADDENDUM A: PHONE SURVEY OF CONVENTIONAL RENTALS

BUTLER, GEORGIA

The following section is a phone survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and previous field inspection conducted by our firm. The intent of this phone survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site. None of these properties were visited in person. Because this information is collected by phone, we cannot verify the accuracy of this data.

The phone survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

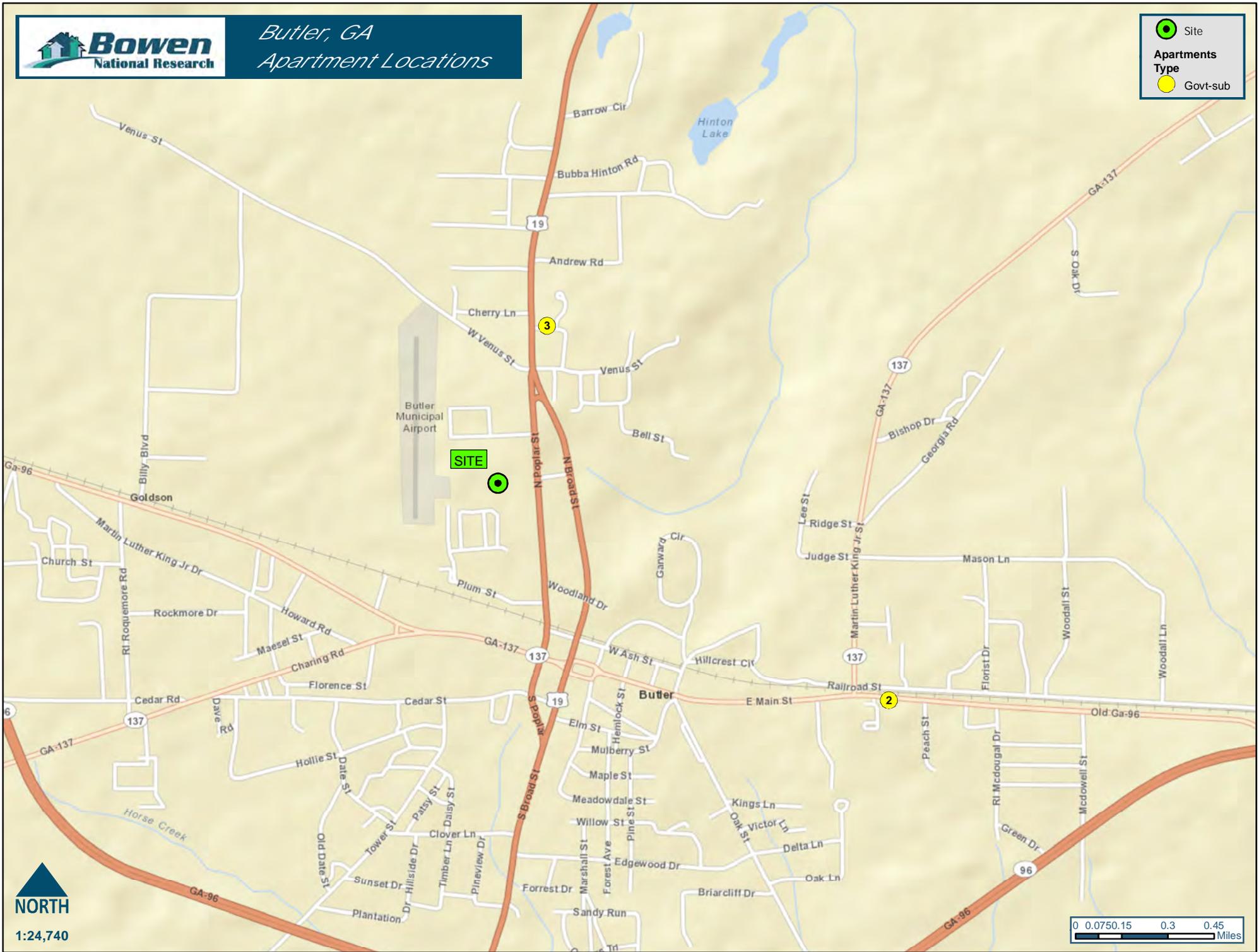
Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Finally, it should be noted that this is not likely a complete inventory of all rental properties. An in-person visit would allow verification of data collected by telephone, as well as an opportunity to identify other potential competitive properties.



Butler, GA Apartment Locations

● Site
● Apartments
Type
● Govt-sub



NORTH
1:24,740

0 0.0750.15 0.3 0.45
Miles

MAP IDENTIFICATION LIST - BUTLER, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Forest Pointe Apts. (Site)	TGS	C+	1992	24	0	100.0%	-
2	Cottage Lane Apts.	GSS	B	1992	32	0	100.0%	1.7
3	Sandcliff Apts.	GSS	C	1973	39	0	100.0%	1.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TGS	1	24	0	100.0%	0
GSS	2	71	0	100.0%	0

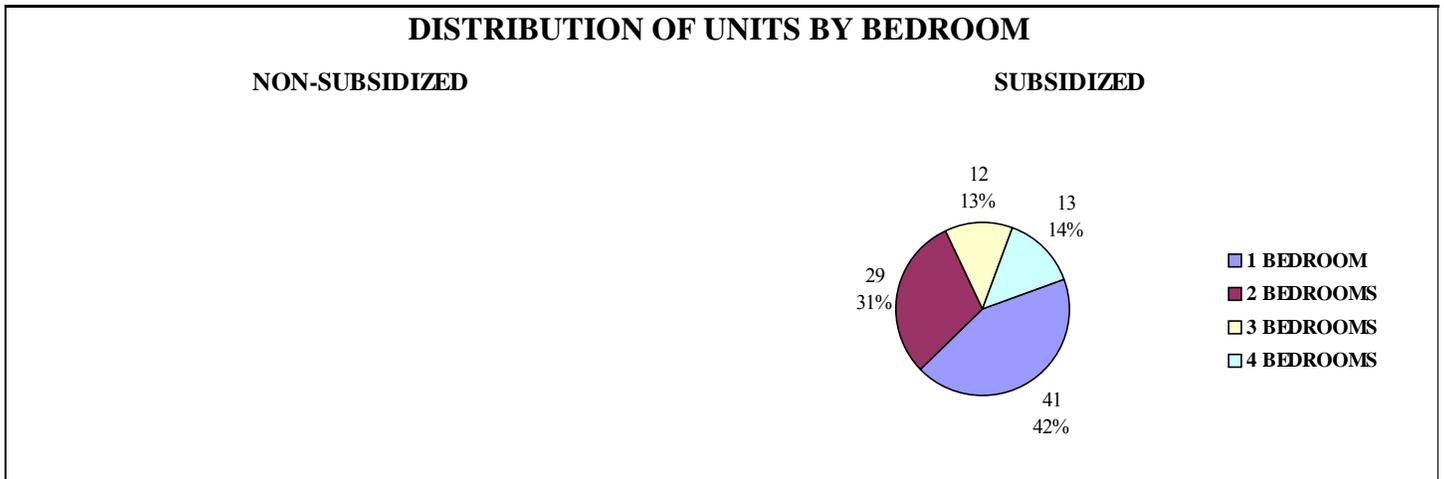
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

Survey Date: October 2013

DISTRIBUTION OF UNITS - BUTLER, GEORGIA

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	4	16.7%	0	0.0%	N.A.
2	1.5	16	66.7%	0	0.0%	N.A.
3	1.5	4	16.7%	0	0.0%	N.A.
TOTAL		24	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	37	52.1%	0	0.0%	N.A.
2	1	13	18.3%	0	0.0%	N.A.
3	1	8	11.3%	0	0.0%	N.A.
4	1	13	18.3%	0	0.0%	N.A.
TOTAL		71	100.0%	0	0.0%	
GRAND TOTAL		95	-	0	0.0%	



SURVEY OF PROPERTIES - BUTLER, GEORGIA

1 Forest Pointe Apts. (Site)			
	Address 18 Forest Point Butler, GA 31006	Phone (478) 862-2566 (Contact by phone)	Total Units 24
	Year Built 1992	Contact Harriett	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (10 units); HCV (4 units); One 2-br manager unit not included in total		Occupied 100.0%
			Floors 1,2
			Quality Rating C+
			Waiting List 6 households
2 Cottage Lane Apts.			
	Address 1000 E. Main St. Butler, GA 31006	Phone (706) 202-1146 (Contact by phone)	Total Units 32
	Year Built 1992	Contact Mike	Vacancies 0
	Comments RD 515, has RA (32 units); One employee unit not included in total		Occupied 100.0%
			Floors 1
			Quality Rating B
			Senior Restricted (62+)
			Waiting List 3 households
3 Sandcliff Apts.			
	Address Gloria St. Butler, GA 31006	Phone (478) 472-8209 (Contact by phone)	Total Units 39
	Year Built 1973 Renovated 2003	Contact Terry	Vacancies 0
	Comments Public Housing; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C
			Waiting List 20 households

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: October 2013

TAX CREDIT UNITS - BUTLER, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Forest Pointe Apts. (Site)	4	643	1	60%	\$360 - \$473
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Forest Pointe Apts. (Site)	16	909	1.5	60%	\$380 - \$493
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Forest Pointe Apts. (Site)	4	949	1.5	60%	\$400 - \$503

DISTRIBUTION OF UTILITIES - BUTLER, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	3	95	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	3	95	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	3	95	100.0%
			100.0%
ELECTRIC			
TENANT	3	95	100.0%
			100.0%
WATER			
TENANT	3	95	100.0%
			100.0%
SEWER			
TENANT	3	95	100.0%
			100.0%
TRASH PICK-UP			
LANDLORD	2	56	58.9%
TENANT	1	39	41.1%
			100.0%

UTILITY ALLOWANCE - BUTLER, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$20	\$23		\$7	\$16	\$21	\$6	\$7	\$42	\$17	\$28	\$20	\$20
1	GARDEN	\$28	\$33		\$7	\$22	\$29	\$9	\$9	\$60	\$22	\$37	\$20	\$20
1	TOWNHOUSE	\$28	\$33		\$7	\$22	\$29	\$9	\$9	\$60	\$22	\$37	\$20	\$20
2	GARDEN	\$35	\$42		\$9	\$28	\$37	\$10	\$12	\$76	\$28	\$46	\$20	\$20
2	TOWNHOUSE	\$35	\$42		\$9	\$28	\$37	\$10	\$12	\$76	\$28	\$46	\$20	\$20
3	GARDEN	\$44	\$51		\$14	\$34	\$45	\$13	\$15	\$93	\$35	\$57	\$20	\$20
3	TOWNHOUSE	\$44	\$51		\$14	\$34	\$45	\$13	\$15	\$93	\$35	\$57	\$20	\$20
4	GARDEN	\$56	\$65		\$17	\$42	\$57	\$16	\$19	\$118	\$43	\$71	\$20	\$20
4	TOWNHOUSE	\$56	\$65		\$17	\$42	\$57	\$16	\$19	\$118	\$43	\$71	\$20	\$20

GA-Middle Region (6/2013)

Survey Date: October 2013

ADDENDUM B

COMPARABLE PROPERTY PROFILES

901 Hampton Place

35.7 miles to site



Address	395 Perry Pkwy. Perry, GA 31069		
Phone	(478) 987-8179	Contact	Courtney
Total Units	152	Vacancies	4
		Percent Occupied	97.4%
Project Type	Market-Rate		
Year Open	1999	Floors	2
Concessions	\$200 off 1st month's rent		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	48	2	747	\$0.84	\$625
2	1 to 2	G	104	2	982 to 1069	\$0.69 - \$0.70	\$690 to \$740

902 Houston Lake

38.1 miles to site



Address	2350 Houston Lake Rd. Perry, GA 31047		
Phone	(478) 987-4521	Contact	Alexis
Total Units	300	Vacancies	6
		Percent Occupied	98.0%
Project Type	Market-Rate		
Year Open	2008	Floors	2,3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	A
Remarks	Does not accept HCV; Unit mix estimated		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Storage, Lake, Security Gate, Car Wash Area, Picnic Area, Walking Trail

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	44	2	825 to 915	\$0.75 - \$0.83	\$685
2	1 to 2	G	180	4	1031 to 1230	\$0.65 - \$0.77	\$795
3	2	G	76	0	1362 to 1488	\$0.62 - \$0.68	\$920

907 Winslow Place

35.1 miles to site



Address	200 Bristol St. Perry, GA 31069		
Phone	(478) 218-2875	Contact	Lindsey
Total Units	88	Vacancies	2
		Percent Occupied	97.7%
Project Type	Market-Rate		
Year Open	1988	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Larger 2-br have a sunroom (8 units)		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Sports Court, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	32	0	745	\$0.73	\$545
2	1	G	24	2	978	\$0.65	\$640
2	2	G	8	0	1140	\$0.59	\$675
2	2	G	24	0	1045	\$0.63	\$660

908 Timberwood Apts.

33.3 miles to site



Address	710 Mason Terr. Perry, GA 31069		
Phone	(478) 987-4150	Contact	Beverly
Total Units	60	Vacancies	2
		Percent Occupied	96.7%
Project Type	Market-Rate		
Year Open	1986	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Does not accept HCV; Attic storage in all units except studios; Some studios are furnished for additional fee		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Window AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Furnished Units, Attic Storage
Project Amenities	On-site Management, Laundry Facility

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
0	1	G	6	2	288	\$1.30	\$375
1	1	G	42	0	576	\$0.74	\$425
2	1 to 2	G	12	0	864	\$0.64 - \$0.69	\$550 to \$595

903 Magnolia Terrace I

22.5 miles to site



Address	714 Green St. Fort Valley, GA 31030		
Phone	(478) 825-3040	Contact	Carla
Total Units	50	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2000	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	16 households		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Market-rate (6 units); 30%, 50% & 60% AMHI (38 units); HCV (6 units); Unit mix estimated		



Features and Utilities

Utilities	Landlord pays Water, Sewer
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Sports Court, Picnic Area, Garden

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	850	\$0.58	\$492	
1	1	G	3	0	850	\$0.47	\$401	60%
1	1	G	1	0	850	\$0.47	\$401	50%
1	1	G	1	0	850	\$0.25	\$216	30%
2	2	G	8	0	1050	\$0.58	\$607	
2	2	G	20	0	1050	\$0.45	\$472	60%
2	2	G	4	0	1050	\$0.45	\$472	50%
2	2	G	2	0	1050	\$0.25	\$264	30%
3	2	G	2	0	1225	\$0.54	\$667	
3	2	G	3	0	1225	\$0.50	\$607	60%
3	2	G	3	0	1225	\$0.47	\$580	50%
3	2	G	1	0	1225	\$0.24	\$293	30%

904 Magnolia Terrace II

22.6 miles to site



Address	714 Green St. Fort Valley, GA 31030		
Phone	(478) 825-3040	Contact	Carla
Total Units	36	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2008	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	16 households		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Market-rate (8 units); 50% & 60% AMHI (28 units); HCV (2 units)		



Features and Utilities

Utilities	Landlord pays Water, Sewer
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	850	\$0.63	\$537	
1	1	G	2	0	850	\$0.51	\$437	50%
2	2	G	3	0	1050	\$0.56	\$587	
2	2	G	3	0	1050	\$0.46	\$487	60%
2	2	G	10	0	1050	\$0.46	\$487	50%
3	2	G	3	0	1225	\$0.56	\$687	
3	2	G	3	0	1225	\$0.50	\$607	60%
3	2	G	10	0	1225	\$0.47	\$580	50%

905 Marvin Gardens I & II

23.0 miles to site



Address	301 Edward Ct. & 101 Atlantic Ave. Fort Valley, GA 31030	
Phone	(478) 825-7313	Contact Nikki
Total Units	80	Vacancies 4 Percent Occupied 95.0%
Project Type	Tax Credit	
Year Open	1998	Floors 1
Concessions	No Rent Specials	
Parking	Surface Parking	
Waiting List	4-br: 9 months	
Quality Rating	C-	Neighborhood Rating C
Remarks	60% AMHI; HCV (15 units); Phase II has storage; Vacancies due to evictions; Square footage estimated	

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Storage
Project Amenities	On-site Management, Playground, Storage, Picnic Area

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	22	0	925	\$0.38	\$350	60%
3	1	G	52	4	1075	\$0.36	\$390	60%
4	2	G	6	0	1300	\$0.37	\$480	60%

906 Ruthie Manor

30.6 miles to site



Address	101 Ruthie Manor Dr. Thomaston, GA 30286		
Phone	(706) 648-4133	Contact	Dee
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2011	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	24 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (4 units); HOME Funds (50% AMHI units); Microwaves in handicap units only		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area, CCTV

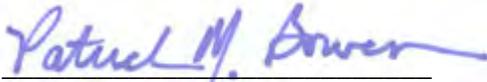
Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	875	\$0.43	\$380	60%
1	1	G	4	0	875	\$0.31	\$271	50%
2	2	G	20	0	1075	\$0.37	\$400	60%
2	2	G	4	0	1075	\$0.29	\$314	50%
3	2	G	12	0	1290	\$0.36	\$470	60%
3	2	G	4	0	1290	\$0.27	\$344	50%

ADDENDUM C – Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
Demographic Characteristics		
24.	Population and household estimates and projections	E
25.	Area building permits	E
26.	Distribution of income	E
27.	Households by tenure	E
Competitive Environment		
28.	Comparable property profiles	Addendum B
29.	Map of comparable properties	G
30.	Comparable property photographs	Addendum B
31.	Existing rental housing evaluation	G
32.	Comparable property discussion	G
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	G
34.	Comparison of subject property to comparable properties	G
35.	Availability of Housing Choice Vouchers	G
36.	Identification of waiting lists	G & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	G
38.	List of existing LIHTC properties	G
39.	Discussion of future changes in housing stock	G
40.	Discussion of availability and cost of other affordable housing options including homeownership	G
41.	Tax Credit and other planned or under construction rental communities in market area	G
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	F
43.	Calculation and analysis of Penetration Rate	F
44.	Evaluation of proposed rent levels	G
45.	Derivation of Achievable Market Rent and Market Advantage	G
46.	Derivation of Achievable Restricted Rent	G
47.	Precise statement of key conclusions	A
48.	Market strengths and weaknesses impacting project	A
49.	Recommendations and/or modification to project discussion	A
50.	Discussion of subject property's impact on existing housing	G
51.	Absorption projection with issues impacting performance	A
52.	Discussion of risks or other mitigating circumstances impacting project projection	A
53.	Interviews with area housing stakeholders	H

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Addendum A
56.	Certifications	J
57.	Statement of qualifications	K
58.	Sources of data not otherwise identified	Addendum D
59.	Utility allowance schedule	Addendum A

ADDENDUM D - Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of an existing apartment project in Georgia following renovations under the Low-Income Housing Tax Credit (LIHTC) program. Currently, the project is a Rural Development Section 515 (RD Section 515) project. When applicable, we have incorporated the market study requirements as outlined in exhibits 4-10 and 4-11 of the Rural Development Handbook.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Affordable Housing Market Analysts (NCAHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the subject project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
- A drive-time analysis to the site.
- Personal observations by the field analyst.

- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the subject development. An in-depth evaluation of those two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the subject project renovations are complete and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis of the subject project's required capture of the number of income-appropriate households within the PMA based on GDCA's demand estimate guidelines. This capture rate analysis considers all income-qualified renter households. For senior projects, the market analyst is permitted to use conversion of homeowners to renters as an additional support component. Demand is conducted by bedroom type and targeted AMHI for the subject project. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.

- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

3. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period.

Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

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4. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

A. INTRODUCTION

Due to the lack of comparable market-rate product within the Site PMA, we identified and surveyed five market-rate properties outside of the Site PMA but within the region in the towns of Fort Valley and Perry, Georgia. Note that the Fort Valley area is considered to be socioeconomically similar to the Butler area in terms of household income, home values, rents charged and services offered. As such, an adjustment for out of market differences was not warranted for the comparable market-rate projects located in the town of Fort Valley. However conversely, the Perry area is considered socioeconomically different than the Butler area, based on the aforementioned market characteristics. Therefore, we have made an adjustment to each of the comparable market-rate projects located in these respective areas to reflect these market differences. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents, or *Conventional Rents for Comparable Units*, that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The subject development and the six selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Forest Pointe Apartments	1992 / 2014	24	100.0%	-	4 (100.0%)	16 (100.0%)	4 (100.0%)
901	Hampton Place	1999	152	97.4%	-	48 (95.8%)	104 (98.1%)	-
902	Houston Lake	2008	300	98.0%	-	44 (95.5%)	180 (97.8%)	76 (100.0%)
903	Magnolia Terrace I	2000	12*	100.0%	-	2 (100.0%)	8 (100.0%)	2 (100.0%)
904	Magnolia Terrace II	2008	8*	100.0%	-	2 (100.0%)	3 (100.0%)	3 (100.0%)
907	Winslow Place	1988	88	97.7%	-	32 (100.0%)	56 (96.4%)	-
908	Timberwood Apts.	1986	60	96.7%	6 (66.7%)	42 (100.0%)	12 (100.0%)	-

*Market-rate units only

The six selected market-rate projects have a combined total of 620 units with an overall occupancy rate of 97.7%. None of the comparable properties has an occupancy rate below 96.7%.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Forest Pointe Apts.		Hampton Place		Houston Lake		Magnolia Terrace I		Winslow Place		Timberwood Apts.	
18 Forest Dr.		395 Perry Pkwy.		2350 Houston Lake Rd.		714 Green St.		200 Bristol St.		710 Mason Terr.	
Butler, GA		Perry, GA		Perry, GA		Fort Valley, GA		Perry, GA		Perry, GA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$625		\$685		\$492		\$545		\$425	
2	Date Surveyed	Aug-13		Oct-13		Sep-13		Aug-13		Oct-13	
3	Rent Concessions	Yes	(\$17)	None		None		None		None	
4	Occupancy for Unit Type	96%		95%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$608	0.81	\$685	0.83	\$492	0.58	\$545	0.73	\$425	0.74
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/2,3		WU/1,2		WU/2		R/1	
7	Yr. Built/Yr. Renovated	1992/2014		1999	\$4	2008	(\$5)	2000	\$3	1988	\$15
8	Condition /Street Appeal	G		G		E	(\$15)	G		G	
9	Neighborhood	G		G		E	(\$10)	G		G	
10	Same Market?	No	(\$122)	No	(\$127)	No		No	(\$109)	No	(\$85)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	643	(\$19)	747	(\$19)	825	(\$34)	850	(\$38)	745	(\$19)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		W	\$5
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	N/Y		N/Y	
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Storage	Y	\$5	N		Y		N	\$5	Y	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		N	\$5	Y	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N		N		Y	(\$5)	N		N	
27	Clubhouse/ Meeting Rooms	N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	N/N		N/N	
28	Pool/ Recreation Areas	N	(\$18)	P/F/T	(\$18)	P/F/S/WT	(\$21)	S/G	(\$6)	P/F/S	(\$18)
29	Computer Center	N		N		N		N		N	
30	Picnic Area	Y	\$3	N		Y		Y		N	\$3
31	Playground	Y		Y		Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		Y/Y		N/N	\$59	Y/Y		N/N	\$59
39	Trash /Recycling	Y/N		Y/N		N/N	\$20	N/N	\$20	N/N	\$20
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	6		10	3	4	1	4	5	2
41	Sum Adjustments B to D	\$12	(\$174)		(\$232)	\$13	(\$54)	\$15	(\$151)	\$40	(\$90)
42	Sum Utility Adjustments			\$79		\$20		\$79		\$79	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$162)	\$186	(\$153)	\$311	(\$21)	\$87	(\$57)	\$245	\$29	\$209
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$446		\$532		\$471		\$488		\$454	
45	Adj Rent/Last rent		73%		78%		96%		90%		107%
46	Estimated Market Rent	\$470	\$0.73	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Forest Pointe Apts.		Hampton Place		Houston Lake		Magnolia Terrace I		Winslow Place		Timberwood Apts.	
18 Forest Dr.		395 Perry Pkwy.		2350 Houston Lake Rd.		714 Green St.		200 Bristol St.		710 Mason Terr.	
Butler, GA		Perry, GA		Perry, GA		Fort Valley, GA		Perry, GA		Perry, GA	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$690		\$795		\$607		\$640		\$550	
2	Date Surveyed	Aug-13		Oct-13		Sep-13		Aug-13		Oct-13	
3	Rent Concessions	Yes	(\$17)	None		None		None		None	
4	Occupancy for Unit Type	98%		98%		100%		92%		100%	
5	Effective Rent & Rent/ sq. ft	\$673	0.69	\$795	0.77	\$607	0.58	\$640	0.65	\$550	0.64
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/2		WU/1,2		WU/2		R/1	
7	Yr. Built/Yr. Renovated	1992/2014		1999	\$4	2008	(\$5)	2000	\$3	1988	\$15
8	Condition /Street Appeal	G		G		E	(\$15)	G		G	
9	Neighborhood	G		G		E	(\$10)	G		G	
10	Same Market?			No	(\$135)	No	(\$149)	No	(\$128)	No	(\$110)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1.5		1	\$15	1	\$15	2	(\$15)	1	\$15
13	Unit Interior Sq. Ft.	909	(\$12)	982	(\$12)	1031	(\$20)	1050	(\$24)	978	(\$12)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		W	\$5
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	N/Y		N/Y	
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Storage	Y		N	\$5	Y		N	\$5	Y	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		N	\$5	Y	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N		N		Y	(\$5)	N		N	
27	Clubhouse/ Meeting Rooms	N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	N/N		N/N	
28	Pool/ Recreation Areas	N	(\$18)	P/F/T	(\$18)	P/F/S/WT	(\$21)	S/G	(\$6)	P/F/S	(\$18)
29	Computer Center	N		N		N		N		N	
30	Picnic Area	Y		N	\$3	Y		Y		N	\$3
31	Playground	Y		Y		Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		Y/Y		N/N	\$74	Y/Y		N/N	\$74
39	Trash /Recycling	Y/N		Y/N		N/N	\$20	N/N	\$20	N/N	\$20
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	6	1	10	3	5	2	4	6	2
41	Sum Adjustments B to D	\$27	(\$180)	\$15	(\$240)	\$13	(\$55)	\$30	(\$163)	\$51	(\$115)
42	Sum Utility Adjustments			\$94		\$20		\$94		\$94	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$153)	\$207	(\$131)	\$349	(\$22)	\$88	(\$39)	\$287	\$30	\$260
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$520		\$664		\$585		\$601		\$580	
45	Adj Rent/Last rent		77%		83%		96%		94%		105%
46	Estimated Market Rent	\$585	\$0.64	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Forest Pointe Apts.		Hampton Place		Houston Lake		Magnolia Terrace I		Magnolia Terrace II		Timberwood Apts.	
18 Forest Dr.		395 Perry Pkwy.		2350 Houston Lake Rd.		714 Green St.		714 Green St.		710 Mason Terr.	
Butler, GA		Perry, GA		Perry, GA		Fort Valley, GA		Fort Valley, GA		Perry, GA	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$690		\$920		\$667		\$687		\$550	
2	Date Surveyed	Aug-13		Oct-13		Sep-13		Sep-13		Oct-13	
3	Rent Concessions	Yes	(\$17)	None		None		None		None	
4	Occupancy for Unit Type	98%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$673	0.69	\$920	0.68	\$667	0.54	\$687	0.56	\$550	0.64
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/2,3		WU/1,2		WU/1,2		R/1	
7	Yr. Built/Yr. Renovated	1992/2014		1999 \$4		2008 (\$5)		2008 (\$5)		1986 \$17	
8	Condition /Street Appeal	G		G		E (\$15)		G		G	
9	Neighborhood	G		G		E (\$10)		G		G	
10	Same Market?	No	(\$135)	No	(\$174)	No		No		No	(\$110)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		2 \$50		3		3		2 \$50	
12	# Baths	1.5		1 \$15		2 (\$15)		2 (\$15)		1 \$15	
13	Unit Interior Sq. Ft.	949	(\$5)	982 (\$5)		1362 (\$64)		1225 (\$43)		864 \$13	
14	Balcony/ Patio	Y		Y		Y		N \$5		Y	
15	AC: Central/ Wall	C		C		C		C		W \$5	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	(\$5)	Y/Y (\$5)		N/Y (\$5)		Y/Y (\$5)		N/Y	
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Storage	Y		N \$5		Y		N \$5		Y	
22	Garbage Disposal	N	(\$5)	Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)	
23	Ceiling Fans	Y		Y		Y		N \$5		Y	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N		N		Y (\$5)		N		N	
27	Clubhouse/ Meeting Rooms	N/N	(\$5)	Y/N (\$5)		Y/N (\$5)		Y/N (\$5)		N/N	
28	Pool/ Recreation Areas	N	(\$18)	P/F/T (\$18)		P/F/S/WT (\$21)		S/G (\$6)		N	
29	Computer Center	N		N		N		N		N	
30	Picnic Area	Y		N \$3		Y		Y		N \$3	
31	Playground	Y		Y		Y		Y		N \$3	
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		Y/Y		N/N \$92		Y/Y		N/N \$92	
39	Trash /Recycling	Y/N		Y/N		N/N \$20		N/N \$20		N/N \$20	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	6		11	3	5	1	6	7	2
41	Sum Adjustments B to D	\$77	(\$173)		(\$324)	\$13	(\$74)	\$5	(\$78)	\$106	(\$115)
42	Sum Utility Adjustments				\$112		\$20		\$20		\$112
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$96)	\$250	(\$212)	\$436	(\$41)	\$107	(\$53)	\$103	\$103	\$333
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$577		\$708		\$626		\$634		\$653	
45	Adj Rent/Last rent		86%		77%		94%		92%		119%
46	Estimated Market Rent	\$630	\$0.66	← Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$470 for a one-bedroom unit, \$585 for a two-bedroom unit and \$630 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent*	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$416 (60%)	\$470	11.5%
Two-Bedroom	\$490 (60%)	\$585	16.2%
Three-Bedroom	\$576 (60%)	\$630	8.6%

*2013 maximum allowable LIHTC gross rent less the value of tenant-paid utilities
 CRCU – Conventional Rents for Comparable Units

Typically, Tax Credit rents in urban markets are set 10% or more below achievable market rents to ensure that a LIHTC project will have a sufficient flow of tenants. In more rural settings, such as the subject site location, a market rent advantage near 0.0% is acceptable as Tax Credit product often represents some of the most desirable rental housing opportunities available. Regardless, the proposed collected Tax Credit rents represent market rent advantages ranging from 8.6% to 16.2%, depending upon bedroom type. As such, the subject project will likely be viewed as a value within the Site PMA.

Further, Rental Assistance (RA) is anticipated to be retained on 10 of the 24 subject units. This RA will allow tenants of these units to pay up to 30% of their adjusted gross income towards housing costs (rent plus tenant-paid utilities). Additionally, a Private Rental Assistance (PRA) subsidy will be available to all current unassisted residents. This subsidy will prevent a rent increase on any current unassisted residents. Considering the retention of RA and the available PRA subsidy, the subject project will likely be viewed as an even greater value than that illustrated above.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
5. The effective rent is the reported rent when considering rent concessions or special promotions. One of the selected properties, Hampton Place, offers a rent concession on its units which has been prorated and subtracted from the collected rent.
7. Upon completion of renovations, the subject project will have an effective age of a project built in 2003. The selected properties were built between 1986 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. While it is anticipated that the subject project will have an improved quality and aesthetic appeal following renovations, one of the selected market-rate properties (Houston Lake) is considered to be of superior quality as compared to the subject project. As such, we have made an adjustment to this property that we consider to be of superior quality to the subject development.
9. One of the selected market-rate properties (Houston Lake) is considered to be located in a more desirable neighborhood than the subject project. As such, we have made an adjustment to this property to reflect this difference in neighborhood desirability.
10. As previously stated, all of the selected properties are located outside of the Butler Site PMA, in the cities of Fort Valley and Perry, due to the lack of market-rate product within the Site PMA. Since the Butler and Fort Valley markets are considered similar based on factors such as median household income, rents charged, home values and community services offered, adjustments were not warranted to the two comparable properties located within the Fort Valley market. Conversely, adjustments of 20% have been made to the comparable properties located within the Perry market as the Butler and Perry markets are considerably different based on the previously mentioned factors.
11. All of the selected properties offer one- and two-bedroom units. However, for those projects lacking three-bedroom units, we have used the two-bedroom units at these properties and made adjustments to reflect the additional bedroom offered at the subject project as compared to these selected market-rate properties.

12. There is a variety of the number of bathrooms offered among the units at the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package which is generally considered to be slightly inferior to those offered at the selected properties. As such, we have made adjustments for features lacking at the subject project, and in some cases, adjustments for features the subject property offers, that the selected properties do not offer.
- 24.-32. The subject project will offer a project amenities package that is considered to be inferior to those offered among most of the selected properties. We have made monetary adjustments to reflect the differences between the project's and the selected properties' project amenities.
- 33.-39. We made adjustments to reflect the differences in utility responsibility at the selected properties as needed. The utility adjustments were based on the local housing authority's utility cost estimates.

Addendum F:
RENT ROLL

******insert rent roll******