

Market Feasibility Analysis

Lafayette Garden Apartments
709 Patterson Road
Lafayette, Walker County, Georgia 30728

Prepared For

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Effective Date

September 20, 2013

Job Reference Number

13-496 CR/PB



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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Lafayette Garden Apartments rental community to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Lafayette, 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 Lafayette Garden Apartments project was originally built in 1980 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 20 general-occupancy units, comprised of one (1) one-bedroom and 19 two-bedroom garden-style units. All 20 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 project is currently 100% occupied and maintains a four-household waiting list for their next available units.

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, RA will be preserved on all 20 units, which will target households earning up to 60% of Area Median Household Income (AMHI). All renovations are expected to be completed in 2014.

2. Site Description/Evaluation:

The subject project is located within an established area of Lafayette which is comprised primarily of wooded land and single-family homes which were observed to be relatively well-maintained. Further, the subject project is provided good visibility and access from Patterson Road, a lightly traveled residential roadway bordering the site to the south and west. Notably, this lightly traveled roadway also provides convenient access to and from State Route 136 north of the subject project. The subject project is located within proximity of numerous community services, as well as all applicable attendance schools. Further, Walker Transit provides an on-call door-to-door public transportation service to area residents, making for easy and convenient access to most area services, if needed. It should also be noted that the 100.0% occupancy rate reported at the subject project indicates that the subject project's location and proximity to community services has likely contributed to and will continue to contribute to marketability of the subject project.

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 Lafayette Site PMA includes the towns of Lafayette and Rock Spring, as well as some of the surrounding unincorporated portions of Walker County. The boundaries of the Site PMA generally include the Walker County boundary to the north; State Route 201 and East Armuchee Road to the east; the Walker County boundary to the south and Hog Jowl Road and Cove 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:

Between 2013 and 2015 the Lafayette Site PMA is projected to experience population and household growth. Specifically, the total population within the Site PMA is projected to increase by 226 (0.8%), while household growth is projected to increase by 101 (1.0%) during this time period. Renter households within the Site PMA are estimated to comprise more than 26.0% of all households in 2013, and the 2,731 renter households currently in the Site PMA represent a good base of potential renter support for the subject project. Overall, the demographic trends projected within the Site PMA are indicative of a stable base of potential support for the subject project. Detailed demographic information is included in Section E of this report.

5. Economic Data:

According to data provided by the U.S. Department of Labor, Bureau of Labor Statistics, the Walker County economy has been steadily improving since the impact of the national recession in 2009. Specifically, the employment base within Walker County has increased by 2,157 employees between 2009 and July of 2013, while the unemployment rate has decreased by more than three full percentage points during this same time period. It should be noted however, that while economic trends have proved to be positive over the past several years within Walker County, the unemployment rate reported thus far in 2013 remains higher than pre-recession levels. As such, it is likely that demand for affordable housing will remain high within Walker County for the foreseeable future as the area continues to recover from the effects of the national recession. Detailed economic information is included in Section F of this report.

6. Project-Specific Affordability and Demand Analysis:

The Lafayette Garden Apartments property has project-based Rental Assistance (RA) available on all 20 of its units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, these 20 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 858 income-qualified renter households to support the 20 renovated units. As such, the capture rate would be 2.3% ($20 / 858 = 2.3\%$) 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- and two-bedroom units targeting general-occupancy households earning up to 60% of Area Median Household Income (AMHI). Aside from the subject project, we identified and surveyed two established projects that offer Low-Income Housing Tax Credit (LIHTC) units in the Site PMA. However, each of these LIHTC projects in the market target senior households (age 55 and older) and therefore are not considered directly comparable/competitive with the subject project. As such, these two existing LIHTC projects in the market have not been included in our comparable analysis.

Due to the lack of general-occupancy LIHTC projects in the Site PMA it was necessary to identify and survey non-subsidized LIHTC projects outside of the Site PMA but within the region. As such, we have also identified and surveyed four non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Dalton, Jasper and Ringgold, Georgia. These four LIHTC projects offer one- through three-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, it should be noted that 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.

These four comparable LIHTC projects and the subject development are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Lafayette Garden Apartments	1980 / 2014	20	100.0%	-	4 H.H.	Families; 60% AMHI & RD 515
909	Bedford Place	2004	70*	100.0%	19.4 Miles	3 Months	Families; 30%, 50%, & 60% AMHI
910	Autumn Ridge Apts.	2004	117*	100.0%	25.7 Miles	10-12 H.H.	Families; 30%, 50%, & 60% AMHI
911	Homestead Apts.	1999	57	100.0%	62.8 Miles	1 H.H.	Families; 50% & 60% AMHI
912	Mountainside Manor	2004	140*	99.3%	62.3 Miles	None	Families; 60% AMHI

OCC. – Occupancy

900 Series Map IDs are located outside of the Site PMA

*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 99.7%. It should also be noted that three of the four comparable LIHTC projects are 100.0% occupied and maintain waiting lists for their next available units, as illustrated in the preceding table. These high occupancy rates and waiting lists maintained indicate that there is pent-up demand for additional general-occupancy LIHTC product in the region. Further, as previously discussed there are currently no general-occupancy LIHTC projects in the Site PMA. As such, the subject project will offer the only general-occupancy LIHTC units in the market which should create a marketing advantage for the subject project.

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.	
Site	Lafayette Garden Apartments	\$592/60% (1)	\$733/60% (19)	-	-
909	Bedford Place	\$354/30% (2/0) \$561/50% (8/0) \$571/60% (6/0)	\$428/30% (3/0) \$672/50% (24/0) \$682/60% (11/0)	\$773/50% (8/0) \$813/60% (8/0)	None
910	Autumn Ridge Apts.	\$532/50% (12/0) \$633/60% (9/0)	\$640/50% (25/0) \$762/60% (23/0)	\$459/30% (3/0) \$740/50% (17/0) \$881/60% (28/0)	None
911	Homestead Apts.	-	\$762/50% (7/0) \$762/60% (11/0)	\$844/50% (17/0) \$844/60% (22/0)	None
912	Mountainside Manor	\$643/60% (50/0)	\$831/60% (50/1)	\$904/60% (40/0)	None

900 Series Map IDs are located outside of the Site PMA

As proposed, the subject rents reported in the preceding table will not be the actual rents most tenants will be responsible for paying, as the subject project will maintain Rental Assistance on all 20 of its units, which will limit tenants gross rent to 30% of their adjusted household income. Additionally, a Private Rental Assistance (PRA) subsidy will also be available to all current unassisted tenants, preventing a rent increase on these residents of the subject project.

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 four 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 20 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on all 20 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 20 units at the subject site will reach a stabilized occupancy of 93.0% within five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately four 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 all 20 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 20 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:	Lafayette Garden Apartments	Total # Units:	20
Location:	709 Patterson Road, Lafayette, Georgia (Walker County)	# LIHTC Units:	20
PMA Boundary:	The Walker County boundary to the north; State Route 201 and East Armuchee Road to the east; the Walker County boundary to the south and Hog Jowl Road and Cove Road to the west.		
	Farthest Boundary Distance to Subject:	11.4 miles	

RENTAL HOUSING STOCK (found on page H-1)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	242	3	98.8%
Market-Rate Housing	3	62*	1	98.4%
Assisted/Subsidized Housing not to include LIHTC	5	102**	2	98.0%
LIHTC	5	78***	0	100.0%
Stabilized Comps (in PMA only)	0	0	0	N/A
Properties in Construction & Lease Up	-	-	-	-

*Excludes non-market units at mixed-income developments

**Excludes non-subsidized units at mixed-income developments

***Excludes market-rate and subsidized units at mixed-income developments

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
1	One	1.0	550	\$490	\$490	\$0.89	0.0%	\$575	\$0.68
19	Two	1.0	750	\$615	\$615	\$0.82	0.0%	\$775	\$0.60

DEMOGRAPHIC DATA (found in Section E & G)

	2010		2013		2015	
Renter Households	2,628	26.2%	2,731	26.8%	2,727	26.5%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	1,716	16.9%	1,709	16.6%
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 all 20 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	-7	-	-7	-	-	0
Existing Households (Overburd + Substand)	865	-	865	-	-	159
Homeowner conversion (Seniors)	-	-	-	-	-	-
Total Primary Market Demand	858	-	858	-	-	159
Less Comparable/Competitive Supply	0	-	0	-	-	0
Net Income-Qualified Renter HHs	858	-	858	-	-	159

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%*	-	0.0%*	-	-	12.6%

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

SECTION B - PROJECT DESCRIPTION

The Lafayette Garden Apartments project was originally built in 1980 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 20 general-occupancy units, comprised of one (1) one-bedroom and 19 two-bedroom garden-style units. All 20 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 project is currently 100% occupied and maintains a four-household waiting list for their next available units.

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, RA will be preserved on all 20 units, which will target households earning up to 60% of Area Median Household Income (AMHI). 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 unassisted residents (PRA subsidy not to extend beyond existing residents). This will prevent a rent increase on current residents. Additional project details follow:

- 1. PROJECT NAME:** Lafayette Garden Apartments

- 2. PROPERTY LOCATION:** 709 Patterson Road
Lafayette, Georgia 30728
(Walker County)

- 3. PROJECT TYPE:** Current: Tax Credit & RD 515
Proposed: Tax Credit & RD 515

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		
1	One-Br.	1.0	Garden	550	\$470	60%	\$592	\$102	\$490	\$652	\$584	\$490	\$490
19	Two-Br.	1.0	Garden	750	\$495	60%	\$733	\$118	\$615	\$783	\$727	\$615	\$615
20	Total												

Source: Boyd Management
 AMHI – Area Median Household Income (Chattanooga, TN-GA MSA)
 *Denotes current basic rents under the RD 515 program
 U.A. – Utility Allowance
 Max. Allow. – Maximum Allowable
 CRCU – Conventional Rents for Comparable Units



- 5. TARGET MARKET:** Low-Income Families
- 6. PROJECT DESIGN:** Three (3) two-story residential buildings with one- and two-bedroom garden-style units
- 7. ORIGINAL YEAR BUILT:** 1980
- 8. ANTICIPATED RENOVATION COMPLETION DATE:** 2014

9. UNIT AMENITIES:

- Refrigerator
- Electric Range
- Washer/Dryer Hookups
- Patio (Ground Units Only)
- Ceiling Fans
- Central Air Conditioning
- Carpet
- Window Blinds
- Dishwasher

10. COMMUNITY AMENITIES:

- Picnic Area
- Playground

11. RESIDENT SERVICES:

None

12. UTILITY RESPONSIBILITY:

Water/Sewer and trash collection are included in the rent, while tenants are responsible for the following:

- General Electricity
- Electric Heating
- Electric Hot Water Heating
- Electric Cooking

13. RENTAL ASSISTANCE:

The subject property operates under the RD 515 program guidelines with Rental Assistance on all 20 of the subject units. The Rental Assistance requires tenants to pay up to 30% of their gross adjust income towards housing costs. Rental Assistance on the all 20 units will remain in place following renovations.

14. PARKING:

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

15. CURRENT OCCUPANCY AND TENANT PROFILE:

The 20-unit project is currently 100% occupied and maintains a four household waiting list for their next available units, according to management. 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 all 20 subject units.

16. PLANNED RENOVATIONS:

Currently, the subject project is considered to be of relatively average 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:

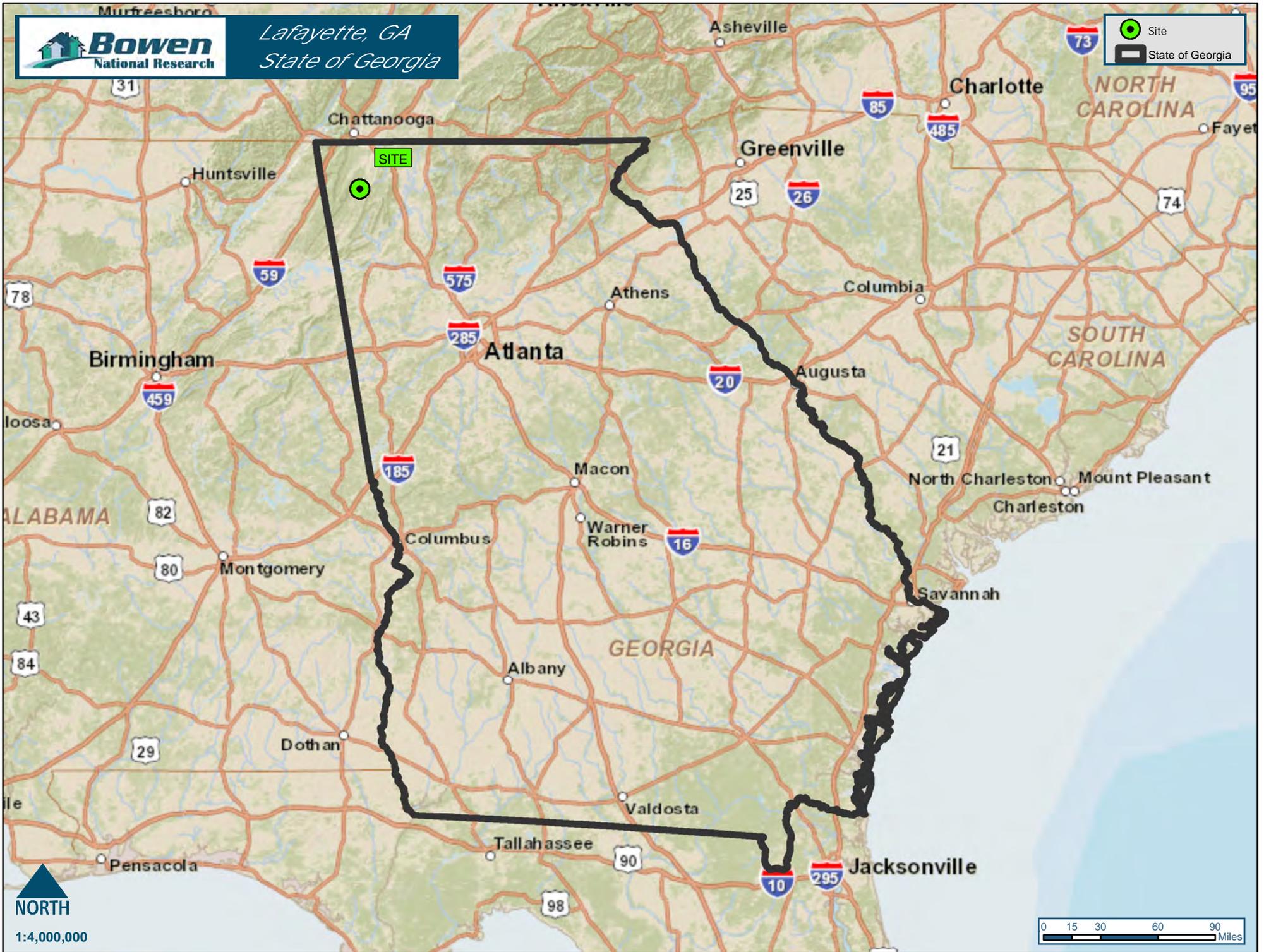
- New floor coverings
- Painting of unit interiors
- Replacement of kitchen cabinets and countertops
- Replacement of existing kitchen appliances
- Replacement of plumbing fixtures
- Replacement of lighting fixtures
- Replace windows and window blinds
- Replacement of interior and exterior doorways
- 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: Chattanooga, TN-GA MSA (2013)

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

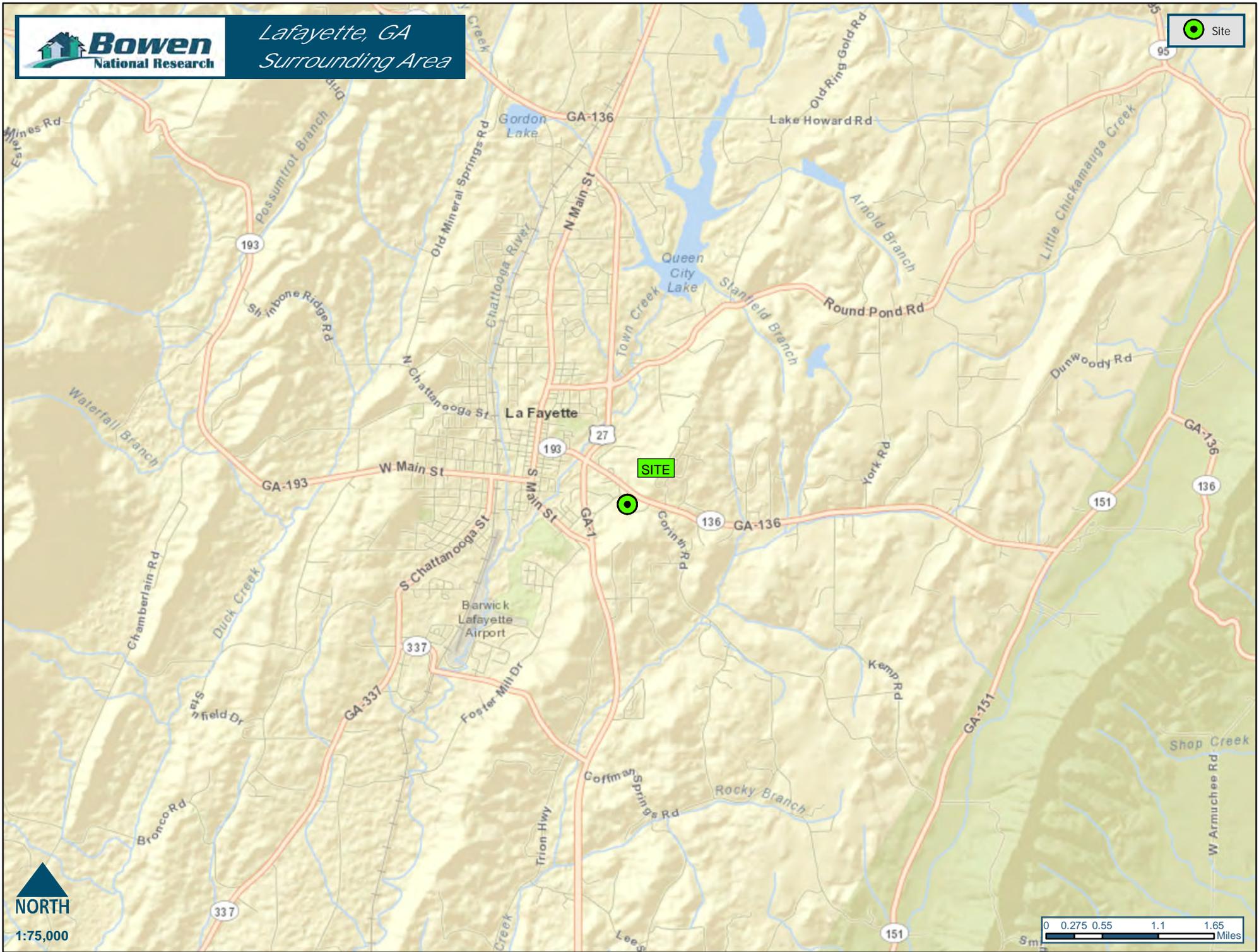
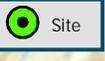


Lafayette, GA
State of Georgia





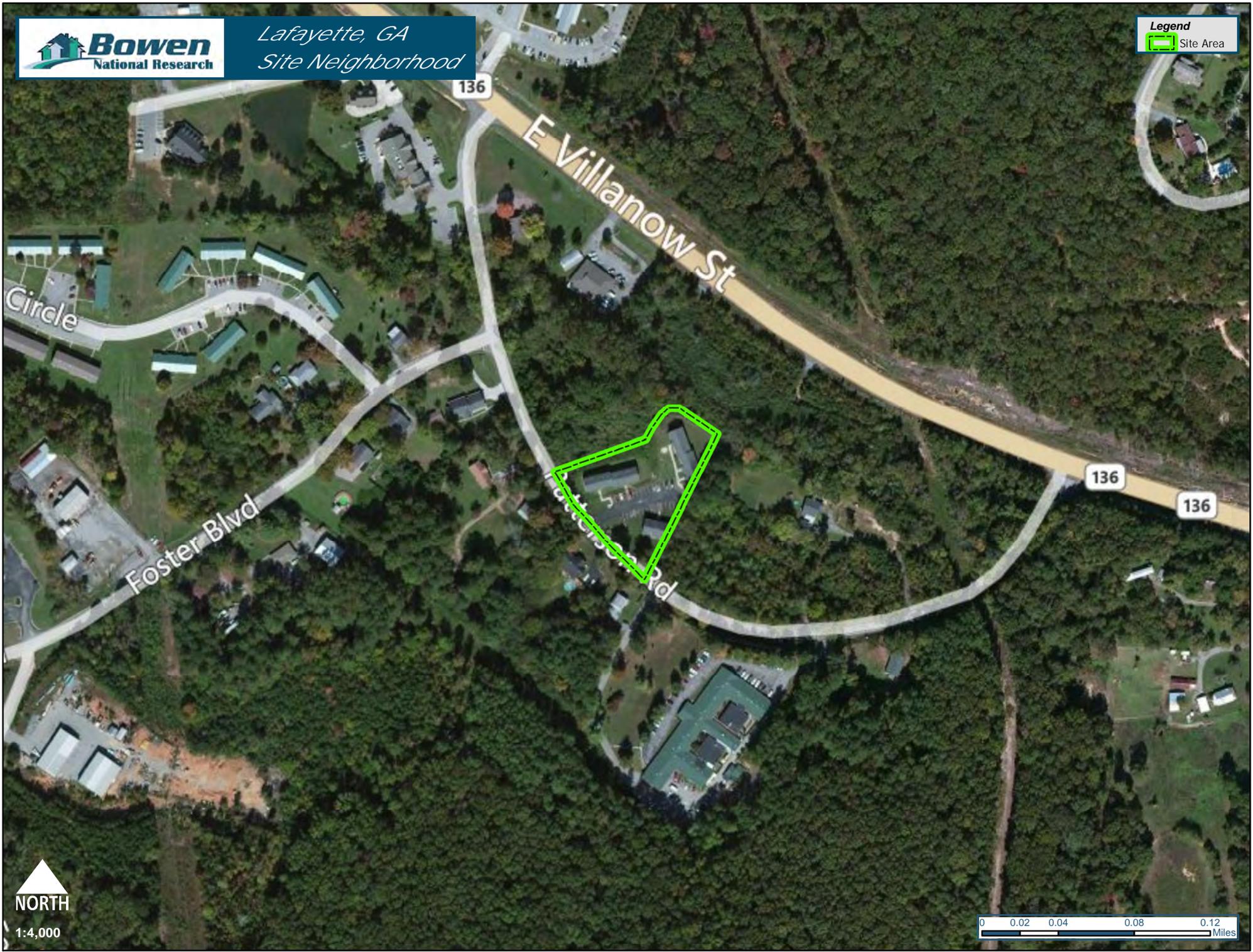
Lafayette, GA
Surrounding Area



NORTH

1:75,000

0 0.275 0.55 1.1 1.65 Miles



SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is the existing Lafayette Garden Apartments located at 709 Patterson Road in the eastern portion of Lafayette, Georgia. Located within Walker County, Lafayette, Georgia is approximately 29.0 miles southwest of Dalton, Georgia. Greg Gray, an employee of Bowen National Research, inspected the site and area apartments during the week of September 9, 2013.

2. SURROUNDING LAND USES

The subject site is situated within an established area of Lafayette, Georgia. Surrounding land uses include single-family homes, undeveloped land, multifamily apartments, a senior care facility, retail shops and various other small businesses. Adjacent land uses are detailed as follows:

North -	Undeveloped wooded land is located directly north of the subject site and is followed by a small government office building which is considered to be in satisfactory condition. Continuing north of the subject project is East Villanow Street (State Route 136), while The Hutcheson Medical Center and undeveloped wooded land extend beyond.
East -	A heavily wooded parcel of land and a single-family home in good condition border the site to the east and extend to Corinth Road. Scattered single-family homes and multiple local churches are located farther east of the subject project, beyond Corinth Road.
South -	Patterson Road, a lightly traveled two-lane roadway borders the site to the south. Continuing south of the subject project are multiple single-family homes in good condition which are followed by the Heritage Care at Shepherd Hills senior living facility. Undeveloped wooded land extends beyond.
West -	Patterson Road also borders the site to the west. West of Patterson Road are single-family homes in average to good condition which extend to Foster Boulevard. Continuing west of Foster Boulevard is a multifamily community in satisfactory condition and wooded land which extends to Lyle Jones Parkway (U.S. Highway 27).

The subject project is located within an established area of Lafayette which is comprised primarily of wooded land and single-family homes that are generally considered to be well-maintained. It is also of note that the Hutcheson Medical Center is within walking distance of the subject site and provides medical services and employment opportunities to area residents. These generally well-maintained surrounding land uses and proximity to medical services and employment opportunities should contribute to the continued marketability of the subject project following renovations.

3. VISIBILITY AND ACCESS

The subject project maintains frontage along and is clearly visible from Patterson Road, a lightly traveled residential roadway bordering the site to the south and west. It should also be noted that clear site signage is also provided along this lightly traveled roadway, thus enhancing visibility of the subject project. The subject project also derives access from lightly traveled Patterson Road. Notably, Patterson Road provides convenient access to and from East Villanow Street (State Route 136), north of the subject project. This arterial roadway provides access throughout the Lafayette area. Based on the preceding analysis, visibility and access of the subject project are both considered good, as the site is clearly visible and easily accessible from lightly traveled Patterson Road. Also note that the 100.0% occupancy rate reported at the subject project demonstrates that visibility and access of the subject project have and will likely contribute to the continued marketability of the subject project.

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 Sign



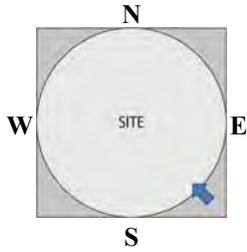
Site Entry



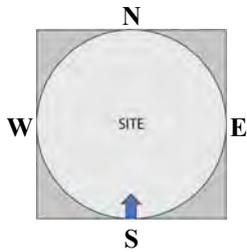
Typical Site Building



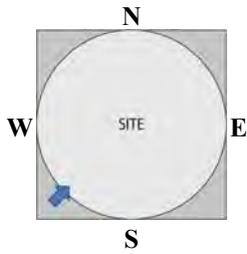
Typical Site Building



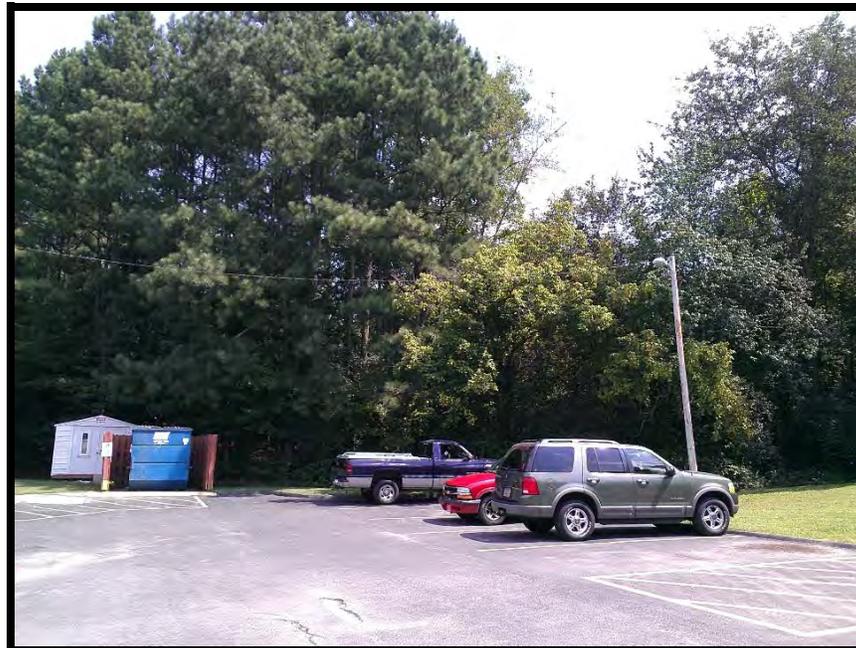
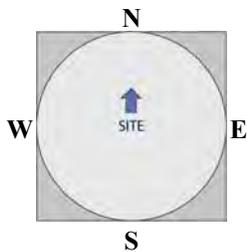
View of site from the southeast



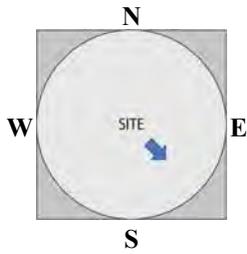
View of site from the south



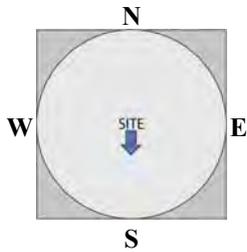
View of site from the southwest



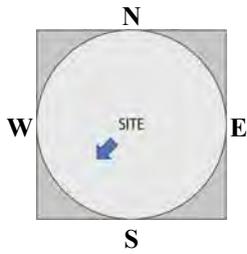
North view from site



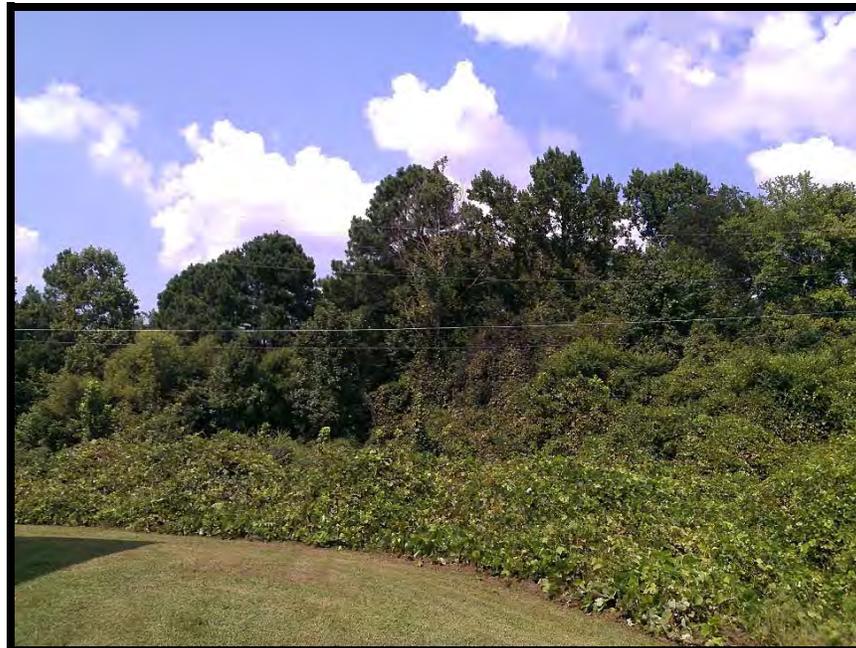
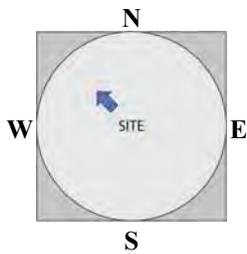
Southeast view from site



South view from site



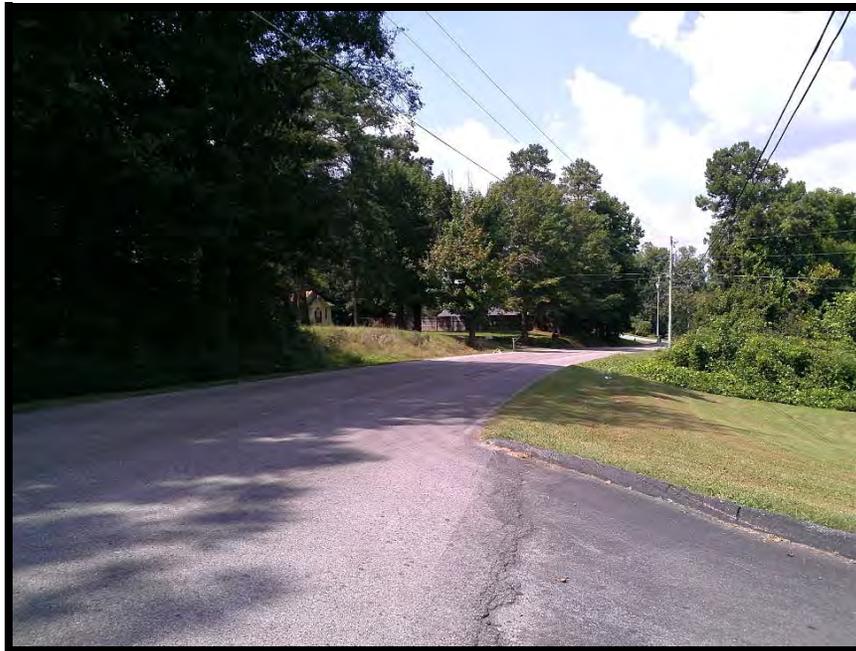
Southwest view from site



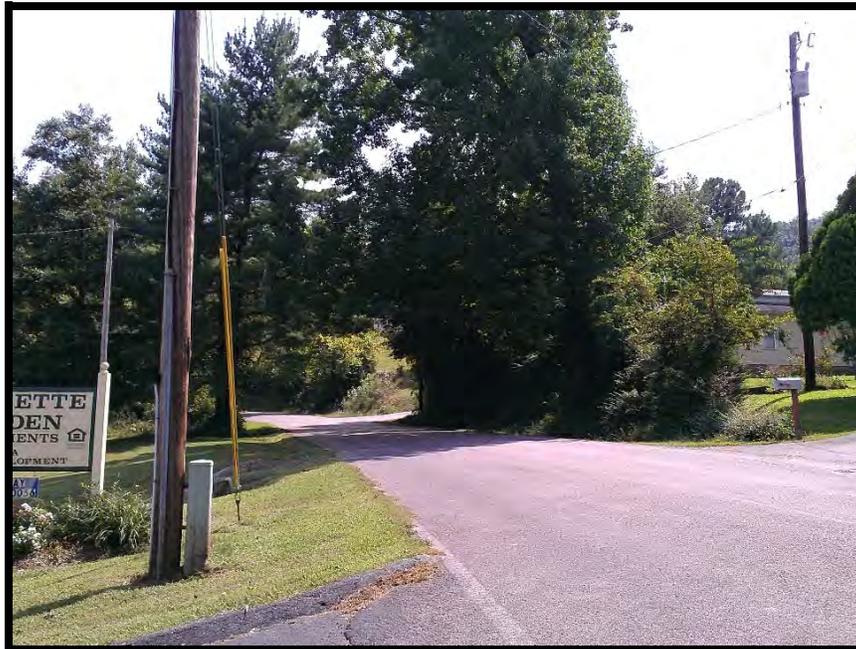
Northwest view from site



Streetscape



Northwest view on Patterson Road



Southeast view on Patterson Road



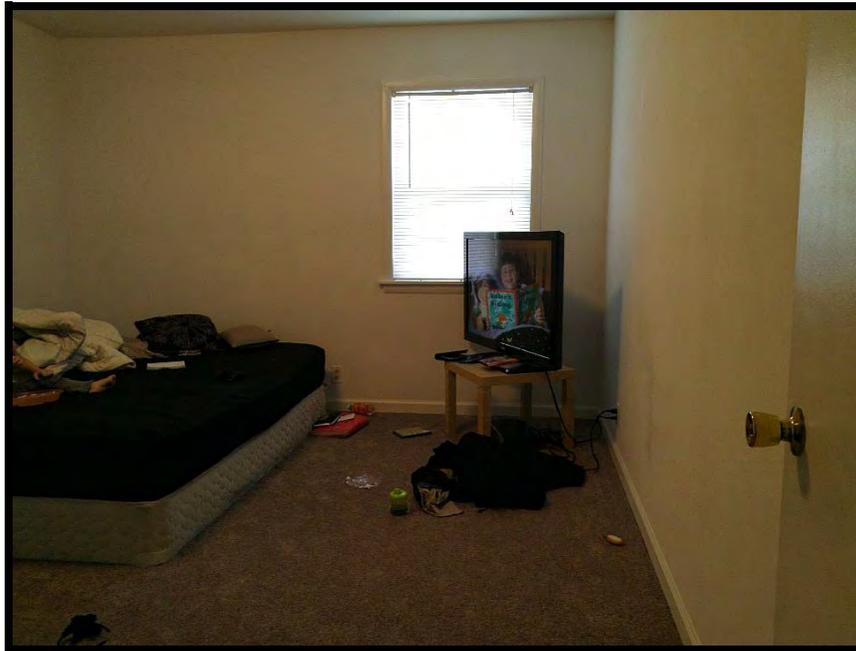
Site Playground



Typical Living Room



Typical Kitchen



Typical Bedroom



Typical Bedroom



Typical Bathroom

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

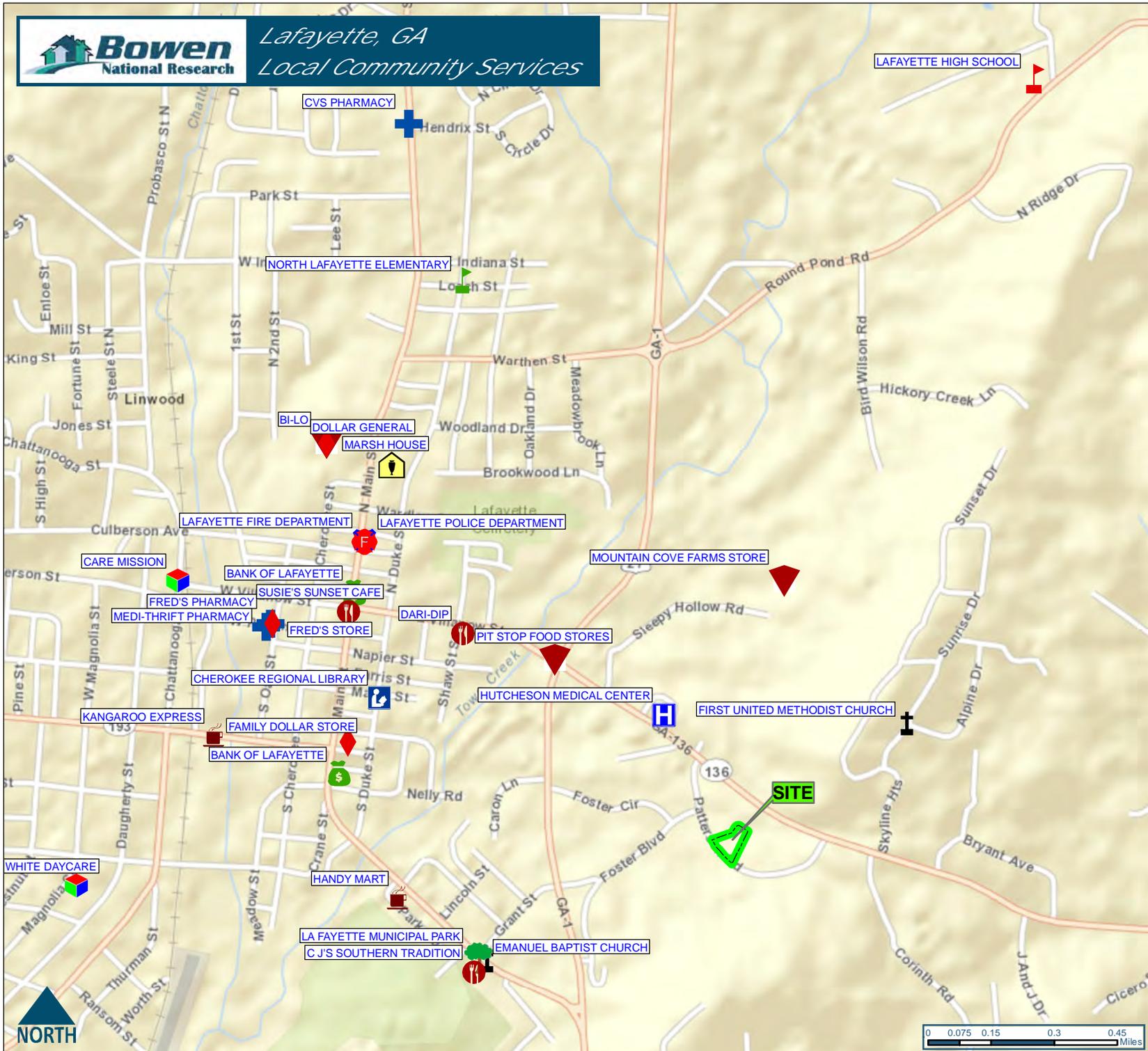
Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	U.S. Highway 27/State Route 1	0.3 Northwest
Public Bus Stop	Walker Transit	On-Site
Major Employers/ Employment Centers	Hutcheson Medical Center Roper Corporation Walmart Supercenter	0.3 Northwest 2.7 West 5.3 North
Convenience Store	Handy Mart Kangaroo Express	0.9 West 1.4 West
Grocery	Pit Stop Food Stores Mountain Cove Farms Store Bi-Lo Food Lion	0.6 Northwest 0.9 North 1.3 Northwest 2.3 North
Discount Department Store	Family Dollar Store Fred's Store Dollar General Walmart Supercenter	1.2 West 1.2 Northwest 1.3 Northwest 5.3 North
Schools: Elementary Middle/Junior Senior High	North Lafayette Elementary La Fayette Middle School Lafayette High School	1.6 Northwest 2.2 North 1.6 North
Hospital	Hutcheson Medical Center	0.4 Northwest
Police	Lafayette Police Department	1.1 Northwest
Fire	Lafayette Fire Department	1.1 Northwest
Bank	Bank Of Lafayette Bank Of Lafayette	1.0 Northwest 1.1 West
Gas Station	RC Food & Fuel Steve's Kwik Stop	2.4 South 2.6 West
Pharmacy	Fred's Pharmacy Medi-Thrift Pharmacy CVS Pharmacy	1.2 Northwest 1.2 Northwest 1.9 Northwest
Restaurant	C J's Southern Tradition Dari-Dip Susie's Sunset Cafe	0.6 West 0.8 Northwest 1.0 Northwest
Day Care	Care Mission White Daycare	1.3 Northwest 1.8 West
Library	Cherokee Regional Library	1.0 West
Museum	Marsh House	1.2 Northwest
Park	La Fayette Municipal Park	0.6 West
Golf	Lafayette Golf Course	1.7 West
Church	First United Methodist Church Emanuel Baptist Church	0.6 Northeast 0.7 West

Numerous basic community services are located within proximity of the subject project. Notably, these nearby community services include but are not limited to a Bi-Lo and Food Lion grocery stores, Family Dollar, Dollar General, Fred's Pharmacy, Medi-Thrift Pharmacy, CVS Pharmacy and multiple dining establishments. It is also of note that the subject project is located within 5.3 miles of a Walmart Supercenter. Additionally, there are several employment opportunities within 5.3 miles of the site including, but not limited to, the Hutcheson Medical Center, Roper Corporation and Walmart Supercenter. While most basic community services are located within a short walk or drive of the subject project, it should also be noted that many are also accessible via public transportation provided by Walker Transit. This public transportation service offered by Walker Transit provides an on-call door-to-door service to area residents for a fee of \$2.00 per passenger each way.

The Lafayette Police and Fire Departments serve the subject site and are each located within 1.1 mile of the site. The Hutcheson Medical Center is the nearest major medical center and is located just 0.4 miles northwest of the site. Further, the Walker County School District serves the subject site, as all applicable attendance schools are located within 1.6 miles of the site.

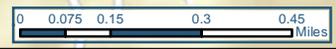
Overall, the site's proximity to most basic community and public safety services, as well as all applicable attendance schools should contribute to the continued marketability of the subject project following renovations.

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

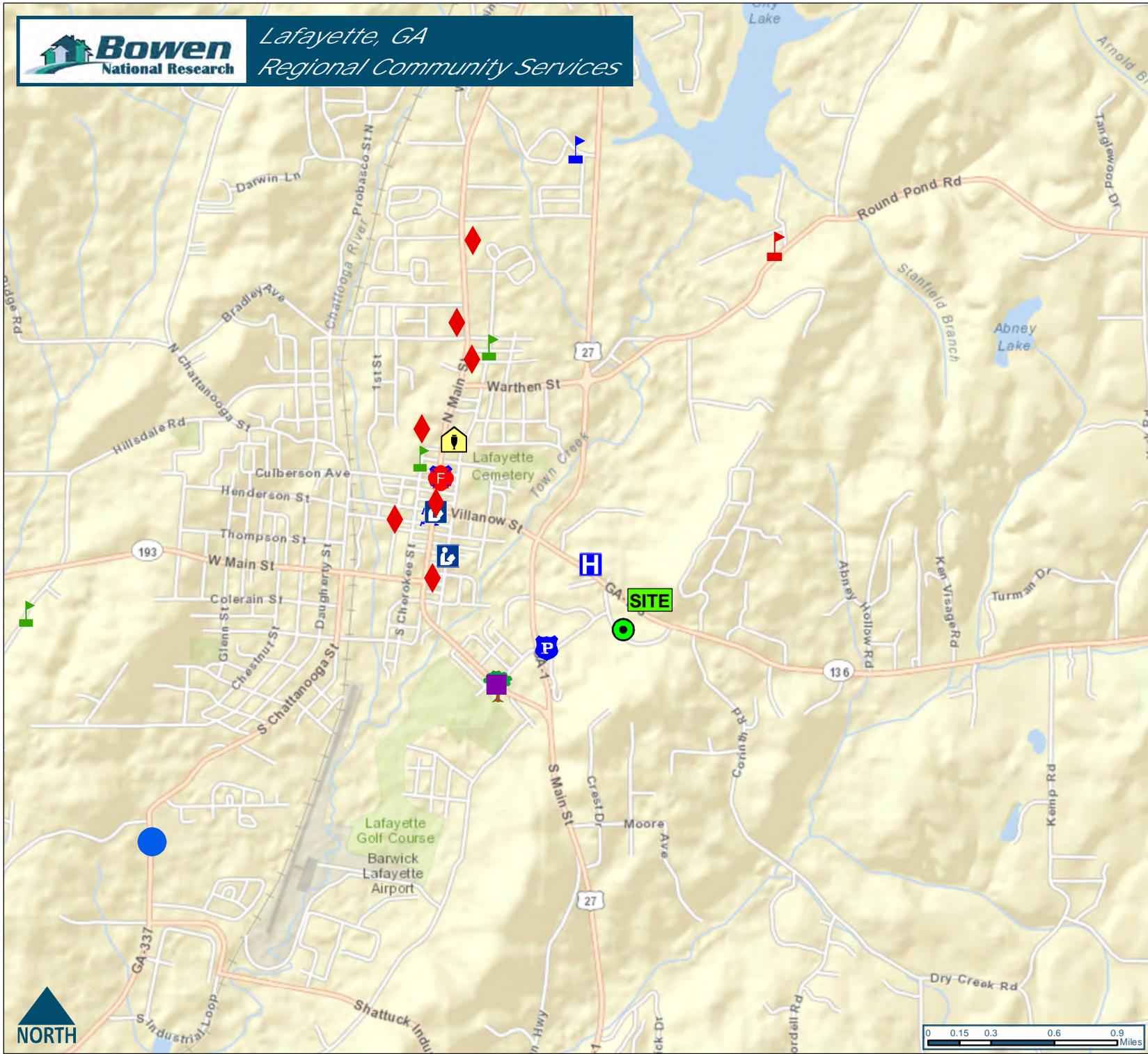


Legend

-  Site Area
-  bank
-  child care
-  church
-  convenience store
-  elementary school
-  fire
-  grocery
-  high school
-  hospital
-  museum
-  park
-  pharmacy
-  police
-  restaurant
-  shopping



1:20,000



Legend

-  Site
-  elementary school
-  fire
-  fitness center
-  high school
-  hospital
-  library
-  middle school
-  museum
-  park
-  police
-  senior services
-  shopping
-  employers_1000_5000



1:40,000

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 (50) for the Site PMA is below the national average with an overall personal crime index of 28 and a property crime index of 66. Total crime risk (65) for Walker County is below the national average with indexes for personal and property crime of 49 and 80, respectively.

	Crime Risk Index	
	Site PMA	Walker County
Total Crime	50	65
Personal Crime	28	49
Murder	42	66
Rape	29	32
Robbery	11	32
Assault	33	59
Property Crime	66	80
Burglary	86	96
Larceny	72	95
Motor Vehicle Theft	43	51

Source: Applied Geographic Solutions

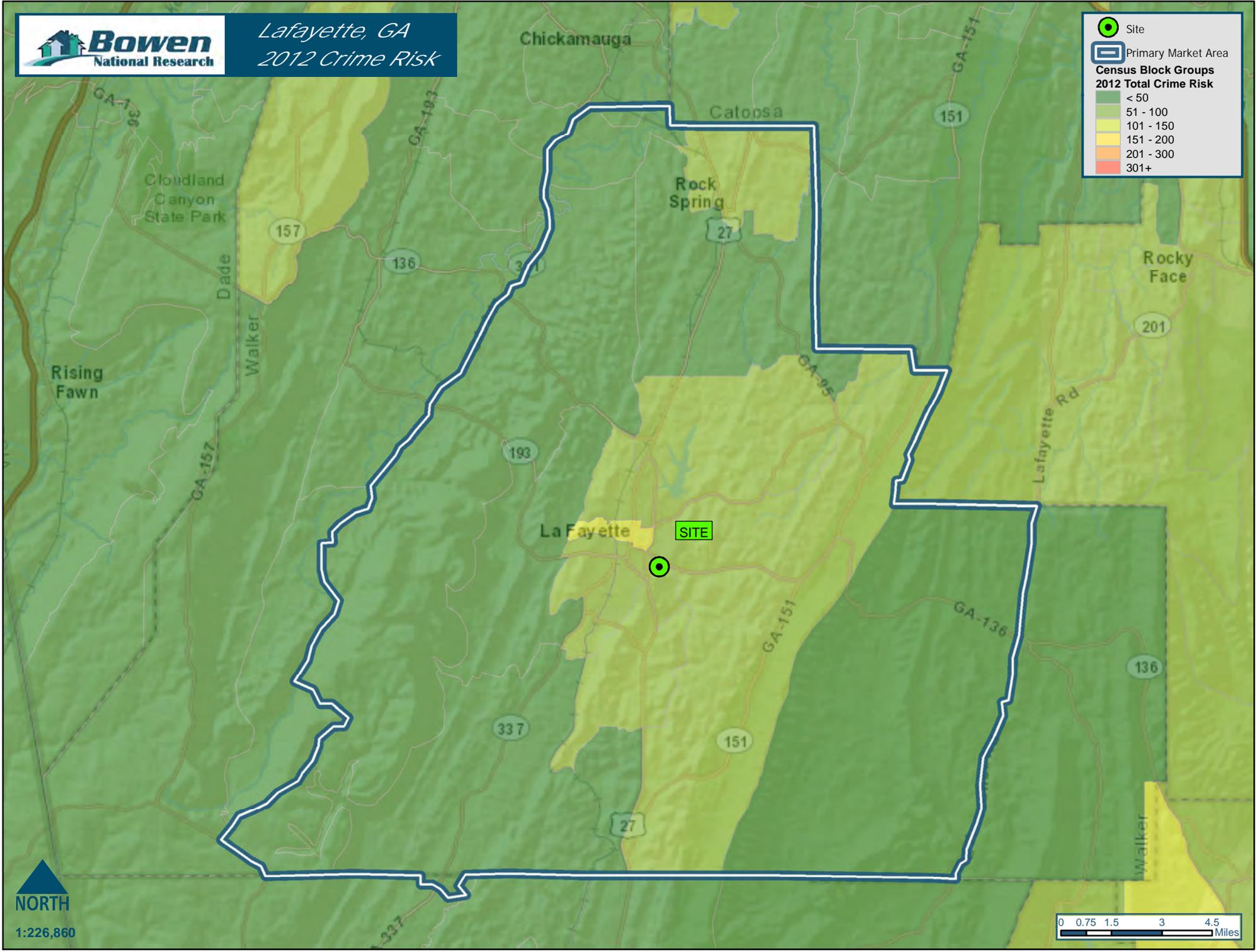
As the preceding table illustrates, the crime index reported for the Site PMA (50) is lower than that reported for Walker County (65). It is also of note that the crime rate reported for the Site PMA is half that of the national average (100). This low crime rate reported for the Site PMA has likely created a low perception of crime among area residents.

This low perception of crime within the Site PMA is further demonstrated by the 100.0% occupancy rate reported at the subject project, which indicates that tenants of the subject project likely perceive the site neighborhood to be a safe environment.

Base on the preceding analysis, the low perception of crime within the Site PMA should contribute to the continued marketability of the subject project following renovations.

A map illustrating crime risk is on the following page.

-  Site
-  Primary Market Area
- Census Block Groups**
- 2012 Total Crime Risk**
-  < 50
-  51 - 100
-  101 - 150
-  151 - 200
-  201 - 300
-  301+



7. OVERALL SITE EVALUATION

The subject project is located within an established area of Lafayette which is comprised primarily of wooded land and single-family homes which were observed to be relatively well-maintained. Further, the subject project is provided good visibility and access from Patterson Road, a lightly traveled residential roadway bordering the site to the south and west. Notably, this lightly traveled roadway also provides convenient access to and from State Route 136 north of the subject project. The subject project is located within proximity of numerous community services, as well as all applicable attendance schools. Further, Walker Transit provides an on-call door-to-door public transportation service to area residents, making for easy and convenient access to most area services, if needed. It should also be noted that the 100.0% occupancy rate reported at the subject project indicates that the subject project's location and proximity to community services has likely contributed to and will continue to contribute to marketability of the subject project.

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.

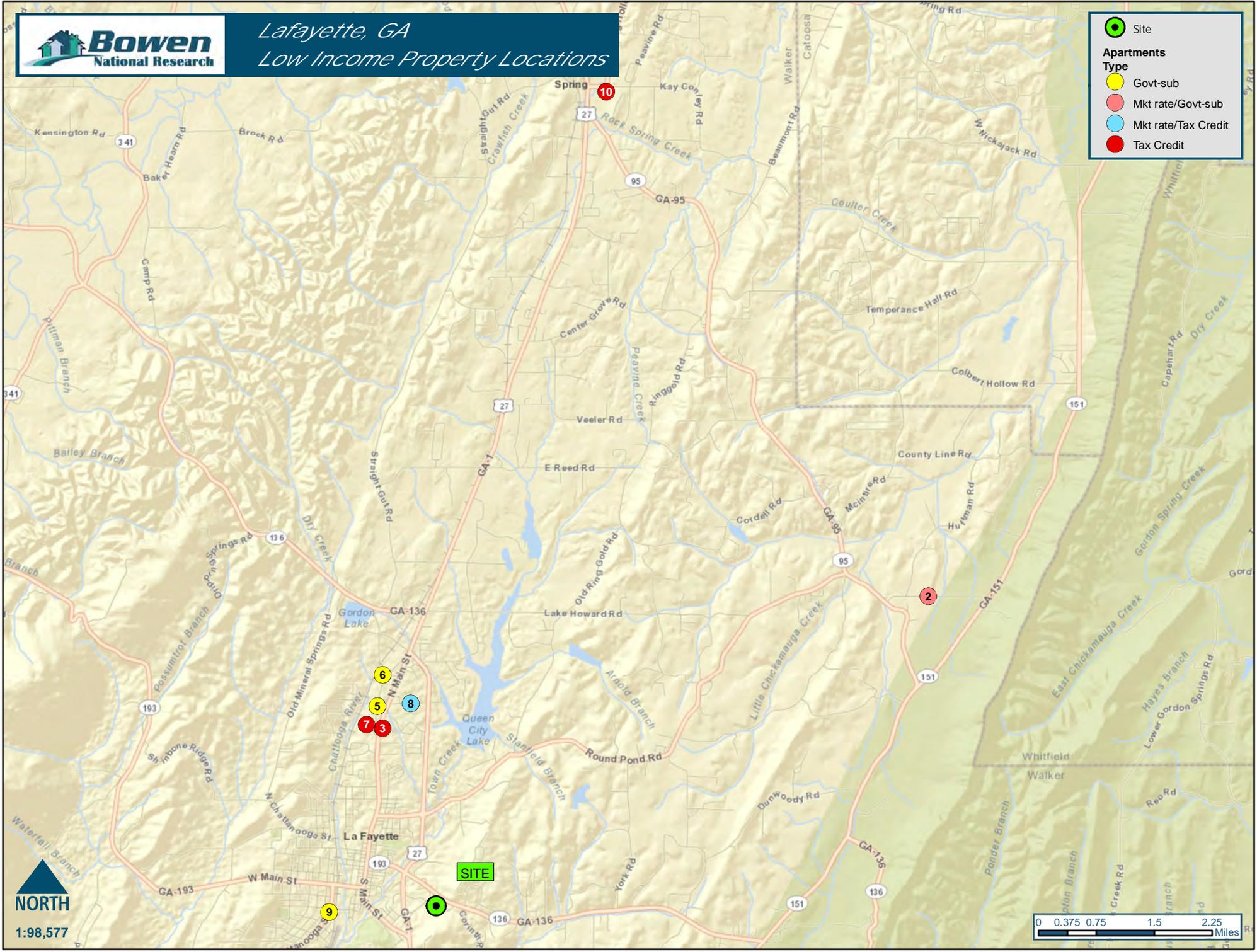


Lafayette, GA Low Income Property Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate/Govt-sub
- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:98,577

0 0.375 0.75 1.5 2.25 Miles

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 Lafayette 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. 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.

Cindy Walker, manager of the subject site, stated that a majority of her tenants originate from the immediate Lafayette area. Ms. Walker further stated that while the majority of her tenants are local to the Lafayette area, the subject project does derive support from some of the surrounding unincorporated areas of Walker County because Lafayette is the county seat and provides a significant amount of community services and employment opportunities.

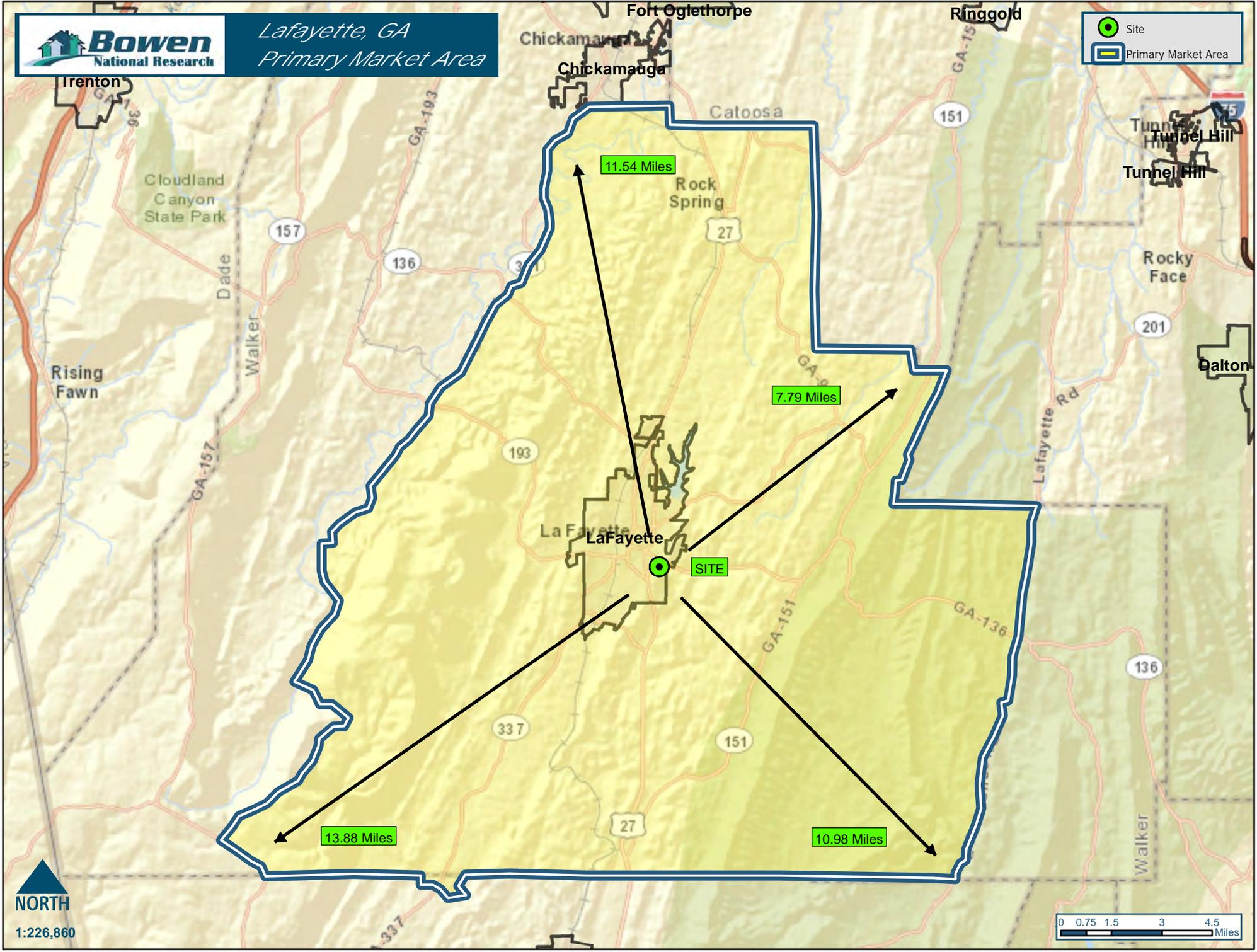
The Lafayette Site PMA includes the towns of Lafayette and Rock Spring, as well as some of the surrounding unincorporated portions of Walker County. The boundaries of the Site PMA generally include the Walker County boundary to the north; State Route 201 and East Armuchee Road to the east; the Walker County boundary to the south and Hog Jowl Road and Cove Road to the west.

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



Lafayette, GA
Primary Market Area

Legend:
● Site
■ Primary Market Area



NORTH

1:226,860



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	22,229	26,597	27,154	27,380
Population Change	-	4,368	557	226
Percent Change	-	19.6%	2.1%	0.8%

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

The Lafayette Site PMA population base increased by 4,368 between 2000 and 2010. This represents a 19.6% increase over the 2000 population, or an annual rate of 1.8%. Between 2010 and 2013, the population increased by 557, or 2.1%. It is projected that the population will increase by 226, or 0.8%, between 2013 and 2015.

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	6,738	25.3%	6,672	24.6%	6,673	24.4%	1	0.0%
20 to 24	1,453	5.5%	1,484	5.5%	1,447	5.3%	-37	-2.5%
25 to 34	3,267	12.3%	3,401	12.5%	3,426	12.5%	24	0.7%
35 to 44	3,704	13.9%	3,661	13.5%	3,646	13.3%	-15	-0.4%
45 to 54	3,978	15.0%	3,865	14.2%	3,769	13.8%	-96	-2.5%
55 to 64	3,527	13.3%	3,775	13.9%	3,866	14.1%	92	2.4%
65 to 74	2,333	8.8%	2,633	9.7%	2,852	10.4%	218	8.3%
75 & Over	1,598	6.0%	1,663	6.1%	1,702	6.2%	38	2.3%
Total	26,597	100.0%	27,154	100.0%	27,380	100.0%	226	0.8%

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

As the preceding table illustrates, over 54% 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. It is also of note that the 25 to 34 and 55 to 64 age cohorts within this primary age group are both projected to experience population growth between 2013 and 2015.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	8,448	10,017	10,182	10,283
Household Change	-	1,569	165	101
Percent Change	-	18.6%	1.6%	1.0%
Household Size	2.63	2.66	2.54	2.54

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

Within the Lafayette Site PMA, households increased by 1,569 (18.6%) between 2000 and 2010. Between 2010 and 2013, households increased by 165 or 1.6%. By 2015, there will be 10,283 households, an increase of 101 households, or 1.0% over 2013 levels. This is an increase of approximately 50 households annually over the next two years. This is considered moderate household growth and will likely result in increased housing demand 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	318	3.2%	301	3.0%	292	2.8%	-9	-3.0%
25 to 34	1,308	13.1%	1,330	13.1%	1,334	13.0%	3	0.3%
35 to 44	1,755	17.6%	1,690	16.6%	1,673	16.3%	-17	-1.0%
45 to 54	2,045	20.5%	1,962	19.3%	1,902	18.5%	-60	-3.1%
55 to 64	2,035	20.4%	2,157	21.2%	2,194	21.3%	37	1.7%
65 to 74	1,491	14.9%	1,664	16.3%	1,792	17.4%	127	7.6%
75 to 84	807	8.1%	859	8.4%	853	8.3%	-6	-0.7%
85 & Over	232	2.3%	219	2.1%	244	2.4%	25	11.6%
Total	9,991	100.0%	10,182	100.0%	10,283	100.0%	101	1.0%

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

As previously stated, the primary age group of potential tenants at the subject project is those between the ages of 25 and 64. Notably, this primary age group is estimated to comprise more than 70.0% of all households within the Site PMA in 2013.

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)	4,803	48.0%	4,812	47.3%	4,790	46.6%
Owner-Occupied (Age 62+)	2,585	25.8%	2,639	25.9%	2,766	26.9%
Renter-Occupied (<Age 62)	2,057	20.5%	2,037	20.0%	2,006	19.5%
Renter-Occupied (Age 62+)	571	5.7%	695	6.8%	721	7.0%
Total	10,017	100.0%	10,182	100.0%	10,283	100.0%

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

Currently, 20.0% of all occupied housing units within the Site PMA are occupied by renters below age 62.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,389	73.8%	7,451	73.2%	7,556	73.5%
Renter-Occupied	2,628	26.2%	2,731	26.8%	2,727	26.5%
Total	10,017	100.0%	10,182	100.0%	10,283	100.0%

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

In 2013, homeowners occupied 73.2% of all occupied housing units, while the remaining 26.8% were occupied by renters. Note that although number of renter households is projected to decline slightly between 2013 and 2015, this projected decline is minimal. The 2,727 renter households projected within the Site PMA in 2015 demonstrates a good base of potential renter support for the subject project.

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	921	33.7%	920	33.7%	-1	-0.1%
2 Persons	661	24.2%	659	24.2%	-2	-0.3%
3 Persons	483	17.7%	483	17.7%	0	0.0%
4 Persons	389	14.2%	387	14.2%	-2	-0.4%
5 Persons+	278	10.2%	279	10.2%	1	0.4%
Total	2,731	100.0%	2,727	100.0%	-4	-0.1%

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	1,572	21.1%	1,593	21.1%	21	1.3%
2 Persons	2,839	38.1%	2,871	38.0%	32	1.1%
3 Persons	1,308	17.6%	1,331	17.6%	23	1.7%
4 Persons	1,033	13.9%	1,046	13.8%	13	1.3%
5 Persons+	699	9.4%	714	9.5%	16	2.2%
Total	7,451	100.0%	7,556	100.0%	105	1.4%

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

The subject site targets one- to three-person households, which are estimated to comprise more than 75% of the Site PMA renter households in 2013. As such, the subject project will be able to accommodate most renter households in the Site PMA based on size.

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

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	869	8.7%	896	8.8%	899	8.7%
\$10,000 to \$19,999	1,311	13.1%	1,566	15.4%	1,574	15.3%
\$20,000 to \$29,999	1,481	14.8%	1,491	14.6%	1,504	14.6%
\$30,000 to \$39,999	1,408	14.1%	1,474	14.5%	1,491	14.5%
\$40,000 to \$49,999	1,139	11.4%	1,203	11.8%	1,215	11.8%
\$50,000 to \$59,999	840	8.4%	815	8.0%	826	8.0%
\$60,000 to \$74,999	936	9.3%	787	7.7%	796	7.7%
\$75,000 to \$99,999	1,058	10.6%	1,115	11.0%	1,132	11.0%
\$100,000 to \$124,999	482	4.8%	429	4.2%	433	4.2%
\$125,000 to \$149,999	241	2.4%	158	1.6%	160	1.6%
\$150,000 to \$199,999	179	1.8%	186	1.8%	188	1.8%
\$200,000 & Over	73	0.7%	62	0.6%	63	0.6%
Total	10,017	100.0%	10,182	100.0%	10,283	100.0%
Median Income	\$39,572		\$37,722		\$37,807	

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

In 2010, the median household income was \$39,572. This declined by 4.7% to \$37,722 in 2013. By 2015, it is projected that the median household income will be \$37,807, an increase of 0.2% over 2013.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	306	87	109	23	26	550
\$10,000 to \$19,999	292	82	22	4	151	551
\$20,000 to \$29,999	123	163	61	113	4	463
\$30,000 to \$39,999	50	104	30	67	4	256
\$40,000 to \$49,999	6	61	136	48	1	253
\$50,000 to \$59,999	13	26	23	41	20	123
\$60,000 to \$74,999	13	5	48	35	38	139
\$75,000 to \$99,999	28	48	11	11	3	101
\$100,000 to \$124,999	17	47	2	17	11	95
\$125,000 to \$149,999	22	5	13	8	3	51
\$150,000 to \$199,999	11	7	4	7	1	31
\$200,000 & Over	7	3	1	4	2	17
Total	888	639	459	378	263	2,628

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	292	90	119	29	27	556
\$10,000 to \$19,999	353	120	34	9	159	675
\$20,000 to \$29,999	125	129	71	116	8	449
\$30,000 to \$39,999	49	114	41	66	2	271
\$40,000 to \$49,999	3	83	146	50	3	285
\$50,000 to \$59,999	14	20	18	41	25	118
\$60,000 to \$74,999	14	4	29	31	33	111
\$75,000 to \$99,999	33	49	7	9	2	100
\$100,000 to \$124,999	14	40	3	18	10	85
\$125,000 to \$149,999	15	2	11	7	3	39
\$150,000 to \$199,999	6	4	4	11	2	28
\$200,000 & Over	3	6	1	2	2	14
Total	921	661	483	389	278	2,731

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	288	92	118	27	27	553
\$10,000 to \$19,999	353	117	35	8	157	670
\$20,000 to \$29,999	129	130	68	115	9	450
\$30,000 to \$39,999	47	113	42	66	3	271
\$40,000 to \$49,999	3	84	147	50	3	288
\$50,000 to \$59,999	15	20	19	41	26	121
\$60,000 to \$74,999	13	4	30	31	34	112
\$75,000 to \$99,999	34	48	8	9	3	102
\$100,000 to \$124,999	13	39	3	20	8	83
\$125,000 to \$149,999	14	1	10	8	2	35
\$150,000 to \$199,999	7	5	3	9	5	29
\$200,000 & Over	3	6	1	3	1	15
Total	920	659	483	387	279	2,727

Source: Ribbon Demographics; ESRI; Urban Decision Group

Between 2013 and 2015 the Lafayette Site PMA is projected to experience population and household growth. Specifically, the total population within the Site PMA is projected to increase by 226 (0.8%), while household growth is projected to increase by 101 (1.0%) during this time period. Renter households within the Site PMA are estimated to comprise more than 26.0% of all households in 2013, and the 2,731 renter households currently in the Site PMA represent a good base of potential renter support for the subject project. Overall, the demographic trends projected within the Site PMA are indicative of a stable base of potential support for the subject project.

SECTION F - ECONOMIC TRENDS

1. LABOR FORCE PROFILE

The labor force within the Lafayette Site PMA is based primarily in five sectors. Manufacturing (which comprises 23.1%), Educational Services, Retail Trade, Public Administration and Health Care & Social Assistance comprise over 73% of the Site PMA labor force. Employment in the Lafayette Site PMA, as of 2013, was distributed as follows:

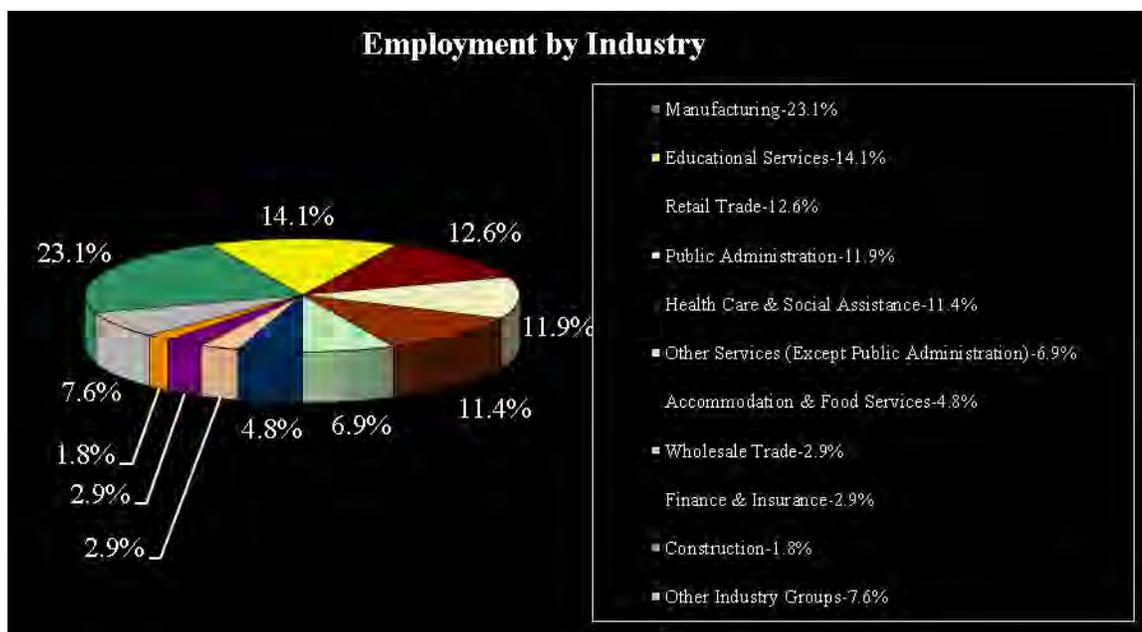
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	14	1.7%	69	0.8%	4.9
Mining	0	0.0%	0	0.0%	0.0
Utilities	0	0.0%	6	0.1%	0.0
Construction	48	5.8%	160	1.8%	3.3
Manufacturing	35	4.2%	2,004	23.1%	57.3
Wholesale Trade	31	3.7%	254	2.9%	8.2
Retail Trade	140	16.8%	1,094	12.6%	7.8
Transportation & Warehousing	19	2.3%	70	0.8%	3.7
Information	11	1.3%	93	1.1%	8.5
Finance & Insurance	66	7.9%	249	2.9%	3.8
Real Estate & Rental & Leasing	31	3.7%	124	1.4%	4.0
Professional, Scientific & Technical Services	47	5.6%	153	1.8%	3.3
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	23	2.8%	84	1.0%	3.7
Educational Services	19	2.3%	1,227	14.1%	64.6
Health Care & Social Assistance	55	6.6%	989	11.4%	18.0
Arts, Entertainment & Recreation	7	0.8%	32	0.4%	4.6
Accommodation & Food Services	37	4.4%	414	4.8%	11.2
Other Services (Except Public Administration)	154	18.5%	599	6.9%	3.9
Public Administration	87	10.4%	1,031	11.9%	11.9
Nonclassifiable	9	1.1%	29	0.3%	3.2
Total	833	100.0%	8,681	100.0%	10.4

*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 Chattanooga Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Chattanooga MSA	Georgia
Management Occupations	\$89,730	\$106,520
Business and Financial Occupations	\$60,410	\$69,720
Computer and Mathematical Occupations	\$68,570	\$76,060
Architecture and Engineering Occupations	\$74,710	\$73,630
Community and Social Service Occupations	\$37,720	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$36,280	\$48,400
Healthcare Practitioners and Technical Occupations	\$65,550	\$69,400
Healthcare Support Occupations	\$26,910	\$26,160
Protective Service Occupations	\$32,080	\$33,690
Food Preparation and Serving Related Occupations	\$19,430	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$21,430	\$23,550
Personal Care and Service Occupations	\$22,030	\$22,160
Sales and Related Occupations	\$31,950	\$35,520
Office and Administrative Support Occupations	\$31,330	\$33,110
Construction and Extraction Occupations	\$38,350	\$38,120
Installation, Maintenance and Repair Occupations	\$41,010	\$41,750
Production Occupations	\$31,390	\$31,340
Transportation and Moving Occupations	\$27,900	\$34,260

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

Most annual blue-collar salaries range from \$19,430 to \$41,010 within the Chattanooga MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$71,794. It is important to note that most occupational types within the MSA have slightly lower typical wages than the State of Georgia's typical wages. The subject project will generally target households with incomes below \$31,000. 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 ten largest employers within the Walker County area comprise a total of 6,397 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Roper	Manufacturer	1,800
SI, Inc.	Manufacturer	1,600
Hutcheson Medical Center	Healthcare	1,400
Walker County Board of Education	Education	1,334
Shaw Industries	Manufacturer/ carpet yarns	494
Walker County Government	Government	309
Wal-Mart	Retail	275
Yates Bleachery	Manufacturer	250
Nissin Brake GA, Inc.	Manufacturer/ brake parts	210
Walker County State Prison	Corrections facility	125
Total		6,397

Source: Georgia County Guide

According to a representative with the Walker County Commission the local economy is stable and relies heavily on agricultural farming and manufacturing jobs. The stability of the local economy is further evident by the fact that no major employers have made any major announcements or relocated to areas outside of the county within the past several years according to this representative. The Walker County Commission estimates that 30% of the county's developable land is currently utilized for farming or other agricultural purposes. Additionally, there are approximately 642 working farms within the county and cash crops include: poultry, beef and dairy cattle as well as raw crops. Aside from agriculture, Walker County is also home to other notable manufacturing producers such as Nissin Brake, Shaw Industries and Roper (a General Electric Division.)

WARN (layoff notices):

According to the Georgia Department of Labor website, there have been no WARN notices (large-scale layoffs/closures) reported for Walker County, Georgia. This further demonstrates the stability of the local economy.

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.

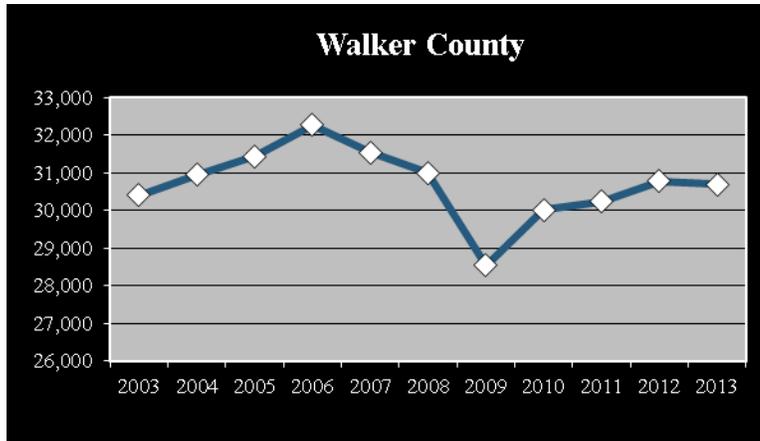
Excluding 2013, the employment base has declined by 0.7% over the past five years in Walker County, less than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Walker County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	30,407	-	4,173,787	-	137,936,674	-
2004	30,948	1.8%	4,249,007	1.8%	138,386,944	0.3%
2005	31,445	1.6%	4,375,178	3.0%	139,988,842	1.2%
2006	32,276	2.6%	4,500,150	2.9%	142,328,023	1.7%
2007	31,549	-2.3%	4,587,739	1.9%	144,990,053	1.9%
2008	30,998	-1.7%	4,540,706	-1.0%	146,397,529	1.0%
2009	28,536	-7.9%	4,289,819	-5.5%	146,068,824	-0.2%
2010	30,019	5.2%	4,241,718	-1.1%	140,721,369	-3.7%
2011	30,235	0.7%	4,295,113	1.3%	140,483,185	-0.2%
2012	30,785	1.8%	4,371,608	1.8%	141,748,955	0.9%
2013*	30,693	-0.3%	4,403,198	0.7%	141,772,241	0.0%

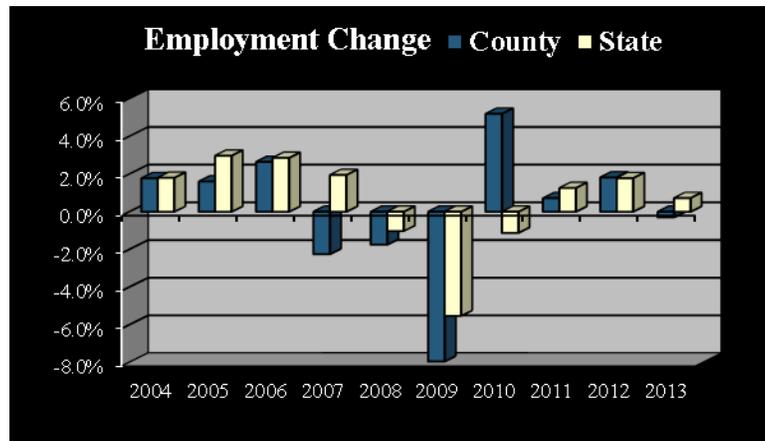
Source: Department of Labor; Bureau of Labor Statistics

*Through July



As the preceding illustrates, the Walker County employment base was adversely impacted by the national recession between 2006 and 2009. However, it should be noted that since 2009 the Walker County employment base has increased by 2,157 employees, through July 2013.

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

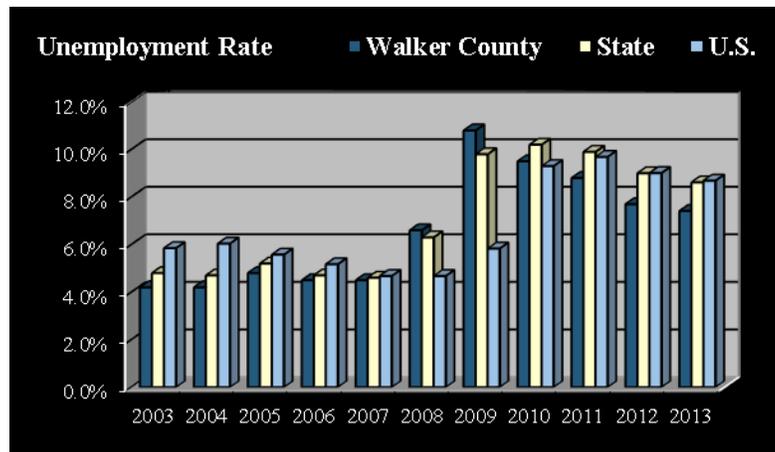


Unemployment rates for Walker County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Walker County	Georgia	United States
2003	4.2%	4.8%	5.8%
2004	4.2%	4.7%	6.0%
2005	4.8%	5.2%	5.6%
2006	4.5%	4.7%	5.2%
2007	4.5%	4.6%	4.7%
2008	6.6%	6.3%	4.7%
2009	10.8%	9.8%	5.8%
2010	9.5%	10.2%	9.3%
2011	8.8%	9.9%	9.7%
2012	7.7%	9.0%	9.0%
2013*	7.4%	8.6%	8.7%

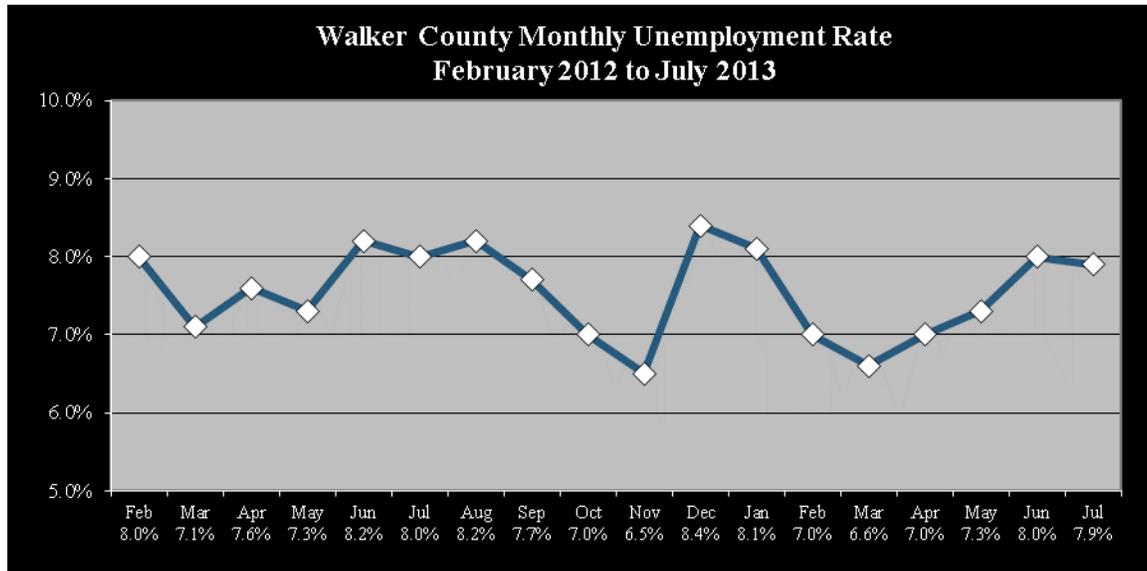
Source: Department of Labor, Bureau of Labor Statistics

*Through July



Similar to employment base trends, the unemployment rate within Walker County was also adversely impacted by the national recession, increasing from 4.5% in 2007 to 10.8% in 2009. However, since 2009 the unemployment rate has declined by more than three full percentage points. It is also of note that the unemployment rate within Walker County has consistently been below state averages since each of the past three years.

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



As the preceding table illustrates, the Walker County unemployment rate has remained relatively stable over the past 18-month period.

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 Walker County.

Year	In-Place Employment Walker County		
	Employment	Change	Percent Change
2002	14,873	-	-
2003	14,700	-173	-1.2%
2004	14,471	-229	-1.6%
2005	14,171	-300	-2.1%
2006	14,313	142	1.0%
2007	14,707	394	2.8%
2008	14,205	-502	-3.4%
2009	12,865	-1,340	-9.4%
2010	12,619	-246	-1.9%
2011	12,580	-39	-0.3%
2012*	12,441	-139	-1.1%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Walker County to be 40.9% of the total Walker County employment. This means that Walker County has a modest share of employed persons leaving the county for daytime employment.

It should be noted, however, that the subject project is currently 100.0% occupied, indicating that this somewhat lower share of in-place employment has not adversely impacted marketability at the subject project. Therefore, it is unlikely that this lower share of in-place employment will have an adverse impact on the continued marketability of the subject project as most area residents are likely accustomed to having longer commute times to their place of employment.

4. ECONOMIC FORECAST

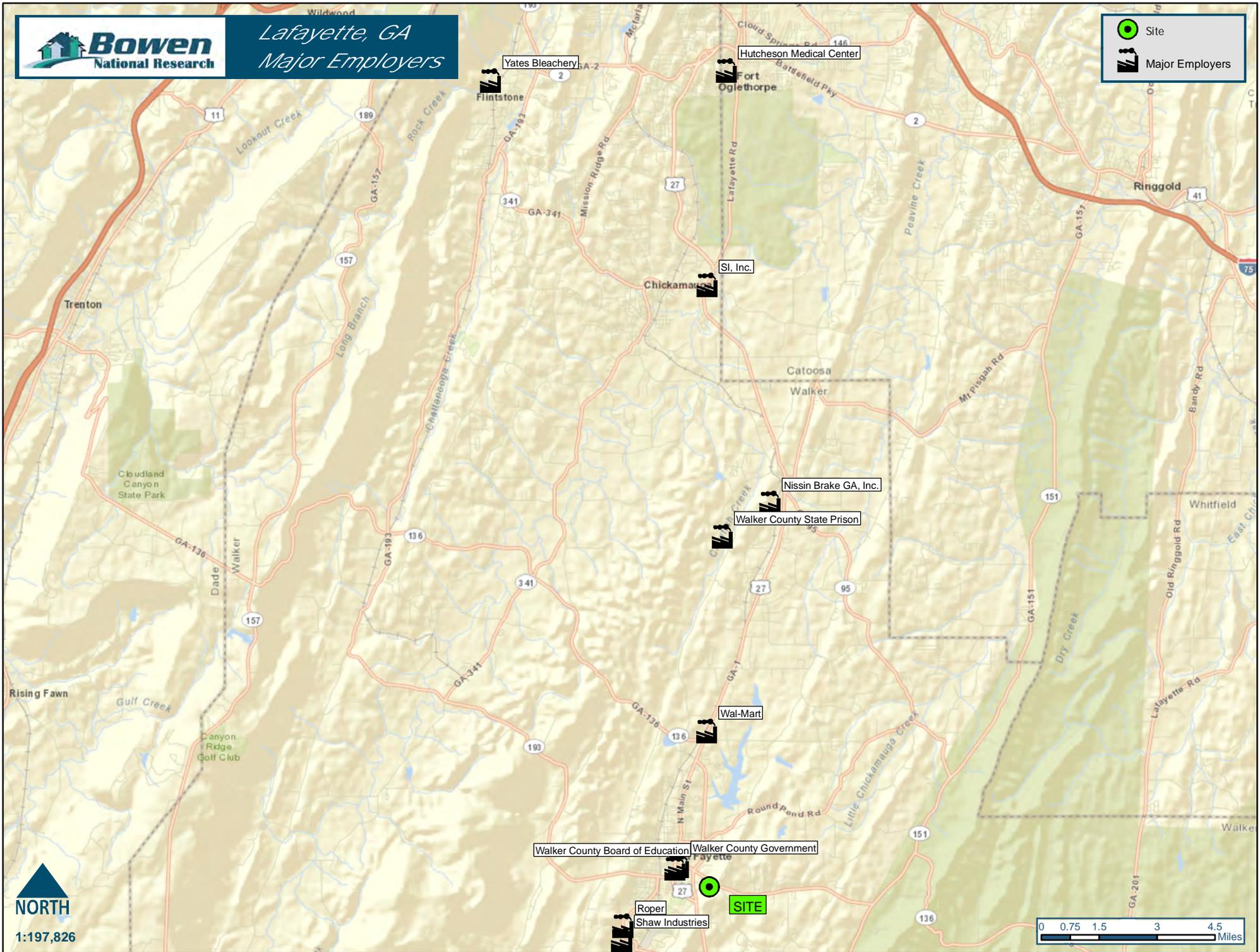
According to data provided by the U.S. Department of Labor, Bureau of Labor Statistics, the Walker County economy has been steadily improving since the impact of the national recession in 2009. Specifically, the employment base within Walker County has increased by 2,157 employees between 2009 and July of 2013, while the unemployment rate has decreased by more than three full percentage points during this same time period. It should be noted however, that while economic trends have proved to be positive over the past several years within Walker County, the unemployment rate reported thus far in 2013 remains higher than pre-recession levels. As such, it is likely that demand for affordable housing will remain high within Walker County for the foreseeable future as the area continues to recover from the effects of the national recession.

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



Lafayette, GA Major Employers

 Site
 Major Employers



NORTH
1:197,826

0 0.75 1.5 3 4.5
Miles

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 located within the Chattanooga, TN-GA Metropolitan Statistical Area (MSA), which has a median four-person household income of \$58,000 for 2013. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size for the MSA at 60% of AMHI.

Household Size	Maximum Allowable Income 60% AMHI
One-Person	\$24,360
Two-Person	\$27,840
Three-Person	\$31,320

a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to three-person households. As such, the maximum allowable income at the subject site is **\$31,320**.

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 all 20 of the subject units, the project could serve households with incomes as low as \$0.

However, if the units operate without the subsidy, the lowest gross Tax Credit rents would be \$592. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,104.

Applying a 35% rent-to-income ratio to the minimum annual household expenditure, yields a minimum annual household income requirement of \$20,297.

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	\$31,320
Tax Credit (Limited to 60% of AMHI) Without Rental Assistance	\$20,297	\$31,320

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 44.0% of renter households with incomes below \$31,320, and approximately 27.3% of renter households with incomes between \$20,297 and \$31,320 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, 6.4% 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 general-occupancy 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 Overall (\$0-\$31,320)	Tax Credit Only Overall (\$20,297-\$31,320)
Demand From New Households (Age- And Income-Appropriate)	1,709 - 1,716 = -7	472 - 472 = 0
+		
Demand From Existing Households (Rent Overburdened)	1,716 X 44.0% = 755	472 X 27.3% = 129
+		
Demand From Existing Households (Renters In Substandard Housing)	1,716 X 6.4% = 110	472 X 6.4% = 30
=		
Demand Subtotal	858	159
+		
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A
=		
Total Demand	858	159
-		
Supply (Directly Comparable Units Built And/Or Funded Since 2011)	0	0
=		
Net Demand	858	159
Proposed Units/ Net Demand	20 / 858	20 / 159
Capture Rate	2.3% (0.0%*)	12.6%

RA – Rental Assistance

*Under this scenario, all units will continue to be occupied, resulting in an effective capture rate of 0.0%.

N/A- Not Applicable

If all units were vacated, with the preservation of RA, the subject project's required capture rate would be 2.3% ($20 / 858 = 2.3\%$). This indicates that there will be a large base of households to draw support from if all current residents were displaced. However, as we anticipate all households to income-qualify following LIHTC renovations, and none are expected to be displaced, the effective capture rate will be 0.0%.

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 20 subject units would have a required capture rate of 12.6%. This capture rate is considered low and indicates that there will be a good base of households to draw support from if the Rental Assistance was ever lost. However, it will be necessary for the proposed project to represent a value in order to achieve a 12.6% capture rate.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	35%
Two-Bedroom	50%
Three-Bedroom	15%
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 (35%)	60%	0*	300	0	300	0.0%*	N/A	\$353	\$490
RD 515 Two-Bedroom (50%)	60%	0*	429	0	429	0.0%*	N/A	\$417	\$615
Tax Credit Only One-Bedroom (40%)	60%	1	56	0	56	1.8%	1 Month	\$353	\$490
Tax Credit Only Two-Bedroom (50%)	60%	19	80	0	80	23.8%	10 Months	\$417	\$615

* Under this scenario all units will continue to be occupied, resulting in an effective capture rate of 0.0%.

**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

N/A- Not Applicable

The effective capture rates by bedroom type with the preservation of Rental Assistance is 0.0%, given that all units are currently occupied and all tenants are anticipated to income-qualify post renovations.

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 are 1.8% and 23.8% for the one- and two-bedroom units, respectively. These capture rates are considered low to moderate and illustrate that there will be sufficient household support from which the subject project could draw support 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 Lafayette 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	10,017	88.8%	10,182	88.3%
Owner-Occupied	7,389	73.8%	7,451	73.2%
Renter-Occupied	2,628	26.2%	2,731	26.8%
Vacant	1,268	11.2%	1,348	11.7%
Total	11,285	100.0%	11,530	100.0%

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

Based on a 2013 update of the 2010 Census, of the 11,530 total housing units in the market, 11.7% were vacant. It should be noted that while the number of vacant housing units increased between 2010 and 2013, these units include vacant, abandoned and for-sale housing units in the market and therefore is not likely reflective of the long-term rental market in Lafayette. Regardless, we conducted a survey of area apartments to evaluate the strength of the long-term rental market within the Lafayette Site PMA.

We identified and personally surveyed ten conventional housing projects containing a total of 242 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. These rentals have a combined occupancy rate of 98.8%, a high rate for rental housing. Among these projects, five are non-subsidized (market-rate and Tax Credit) projects containing 140 units. These non-subsidized units are 99.3% occupied. The remaining five projects contain 102 government-subsidized units, which are 98.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	4	1	75.0%
Market-rate/Tax Credit	1	52	0	100.0%
Market-rate/Government-Subsidized	1	60	0	100.0%
Tax Credit	3	42	0	100.0%
Tax Credit/Government-Subsidized	1	20	0	100.0%
Government-Subsidized	3	64	2	96.9%
Total	10	242	3	98.8%

As the preceding table illustrates, each of the rental housing segments offering affordable rental units (market-rate/Tax Credit, market-rate/Government-Subsidized, non-subsidized Tax Credit, subsidized Tax Credit and Government-Subsidized) are performing extremely well as none are operating below 96.9% occupancy. These high occupancy rates indicate that affordable rental housing of all types has been well received within the market. Also note that all existing Tax Credit projects in the market are 100.0% occupied, as illustrated in the preceding table.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	14	22.6%	0	0.0%	\$531
Two-Bedroom	1.0	28	45.2%	1	3.6%	\$438
Two-Bedroom	2.0	8	12.9%	0	0.0%	\$607
Three-Bedroom	1.5	12	19.4%	0	0.0%	\$483
Total Market-Rate		62	100.0%	1	1.6%	-

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	37	47.4%	0	0.0%	\$456
Two-Bedroom	1.0	21	26.9%	0	0.0%	\$585
Two-Bedroom	2.0	20	25.6%	0	0.0%	\$567
Total Tax Credit		78	100.0%	0	0.0%	-

The market-rate units are 98.4% occupied and the Tax Credit units are 100.0% occupied. Given that the non-subsidized Tax Credit units in the market are 100.0% occupied and report substantially lower median gross rents than similar market-rate units in the market, non-subsidized Tax Credit product is likely perceived as a substantial value in the market.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	16	0.0%
B+	1	4	25.0%
B	1	42	0.0%
Non-Subsidized Tax Credit			
A	1	36	0.0%
A-	1	42	0.0%

While vacancies are highest among market-rate properties with a rating of “B+”, it should be noted that this is attributed to only one vacant unit at a small four-unit market-rate project in the market. Also note that all non-subsidized Tax Credit product in the market is 100.0% occupied, regardless of quality. Nonetheless, the anticipated renovations at the subject project are expected to improve its overall quality and aesthetic appeal which will enhance its marketability.

2. SUMMARY OF ASSISTED PROJECTS

There are a total of 9 federally subsidized and/or Tax Credit apartment developments in the Lafayette Site PMA. These projects were surveyed in September 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.
1	LaFayette Garden Apts. (Site)	TAX & RD 515	1980 / 1997	20	100.0%	\$621 - \$807 (1)	\$687 - \$873 (19)
2	Town Creek Apts.	SEC 8	1970	18**	100.0%	\$371 (6)	\$438 (12)
3	Woodlands Village Senior	TAX	2003	42 + 10*	100.0%	\$423 - \$482 (21)	\$512 - \$585 (21)
5	Amberwood	RD 515	1986	43	100.0%	\$536 - \$574 (16)	\$600 - \$635 (27)
6	LaFayette VOA Housing	SEC 8	2002	9	100.0%	\$518 (9)	-
7	Woodlands Village II	TAX	2014	0 + 40*	U/C	-	\$611 (0)
8	Lucky Pointe	TAX	2007	36**	100.0%	\$501 (16)	\$567 (20)
9	VOA Apts.	SEC 811	2007	12	83.3%	SUB (12)	-
10	Endeavor Pointe	TAX	2013	0 + 64*	U/C	\$486 (0)	\$547 (0)
Total				180	98.9%		

The overall occupancy is 98.9% for these projects, indicating strong market demand. This high occupancy rate reported among the existing federally subsidized and/or Tax Credit projects in the market indicate that such rental housing has been well received and is in high demand within the Site PMA.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs' Athens Office, there are approximately 75 Housing Choice Voucher holders within the housing authority's jurisdiction. The waiting list is indefinitely closed. Annual turnover of persons in the Voucher program is estimated at one percent for the 149-county region. This reflects the continuing need for Housing Choice Voucher assistance.

The following table summarizes the number of Housing Choice Vouchers currently in use at the two existing non-subsidized Tax Credit projects in the Site PMA.

Map I.D.	Project Name	Total Units	Occupancy Rate	Number of Vouchers
3	Woodlands Village Senior	42	100.0%	0
8	Lucky Pointe	36*	100.0%	4

*Non-subsidized Tax Credit units only

As the preceding table illustrates, there is a known total of only four voucher holders residing among the existing non-subsidized Tax Credit units in the market. This comprises approximately 5.0% of the 78 existing LIHTC units located within the Site PMA. The remaining 95.0% of the existing LIHTC units in the market are actually collecting the asking rents at these properties. As such, it can be concluded that the gross rents charged at these properties are achievable. It is also of note that both of these non-subsidized Tax Credit projects are age-restricted (age 55 and older) projects.

The following table outlines the HUD 2013 Fair Market Rents for the Chattanooga TN-GA MSA:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents
One-Br.	\$584	\$592
Two-Br.	\$727	\$733

As proposed, all 20 of the subject units will maintain Rental Assistance (RA) via the RD 515 program. Therefore, it will not be able to accommodate Housing Choice Voucher holders as proposed. However, it should be noted that even in the unlikely event that the subject project lost Rental Assistance, the subject project would likely attract some Voucher holders as the subject project's proposed gross Tax Credit rents are slightly above current Fair Market Rents for the MSA, as illustrated in the preceding table.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, as well as the observations of our analyst, it was determined that there are two multifamily projects under construction within the Site PMA. These planned/under construction projects in the market are summarized as follows:

- Endeavor Pointe, located on Kay Conley Road in Rock Springs is scheduled to be complete in December 2013. This 64-unit LIHTC project will contain one- and two-bedroom units set at 50% & 60% of AMHI and will target senior households age 55 and older. Proposed collected rents for the project range from \$335 to \$355. This project has been included in Addendum A, Field Survey of Conventional Rentals (Map ID 10).
- Woodlands Village II is the planned second phase of the existing Woodlands Village Senior apartment community located at 1201 West North Main Street in Lafayette. This second phase is expected to comprise 40 two-bedroom garden-style units targeting senior households (age 55 and older) earning up to 60% of AMHI. This project is currently under construction, however, the anticipated completion date of this project was unavailable at the time of this report. This project has been included in Addendum A, Field Survey of Conventional Rentals (Map ID 7).

Note that while there are two planned and/or under construction multifamily projects in the Site PMA, they will both target a distinctly different populations (seniors age 55 and older) as compared to the subject project (general-occupancy). As such, these planned multifamily projects are not considered to be directly competitive with the subject project.

Building Permit Data

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

Housing Unit Building Permits for Walker County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	24	10	0	18	42	14	8	6	6	0
Single-Family Permits	415	512	490	406	275	176	97	69	80	51
Total Units	439	522	490	424	317	190	105	75	86	51

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

Housing Unit Building Permits for Lafayette, GA:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	4	0	0	16	0	0	2	0	0	0
Single-Family Permits	5	13	43	34	26	15	6	3	1	2
Total Units	9	13	43	50	26	15	8	3	1	2

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

As the preceding table illustrates, there have been no multifamily building permits issued within Lafayette since 2009. Considering the high occupancy rates reported among the affordable rental housing product in the market and 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- and two-bedroom units targeting general-occupancy households earning up to 60% of Area Median Household Income (AMHI). Aside from the subject project, we identified and surveyed two established projects that offer Low-Income Housing Tax Credit (LIHTC) units in the Site PMA. However, each of these LIHTC projects in the market target senior households (age 55 and older) and therefore are not considered directly comparable/competitive with the subject project. As such, these two existing LIHTC projects in the market have not been included in our comparable analysis.

Due to the lack of general-occupancy LIHTC projects in the Site PMA it was necessary to identify and survey non-subsidized LIHTC projects outside of the Site PMA but within the region. As such, we have also identified and surveyed four non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Dalton, Jasper and Ringgold, Georgia. These four LIHTC projects offer one- through three-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, it should be noted that 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.

These four comparable LIHTC projects and the subject development are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Lafayette Garden Apartments	1980 / 2014	20	100.0%	-	4 H.H.	Families; 60% AMHI & RD 515
909	Bedford Place	2004	70*	100.0%	19.4 Miles	3 Months	Families; 30%, 50%, & 60% AMHI
910	Autumn Ridge Apts.	2004	117*	100.0%	25.7 Miles	10-12 H.H.	Families; 30%, 50%, & 60% AMHI
911	Homestead Apts.	1999	57	100.0%	62.8 Miles	1 H.H.	Families; 50% & 60% AMHI
912	Mountainside Manor	2004	140*	99.3%	62.3 Miles	None	Families; 60% AMHI

OCC. – Occupancy

900 Series Map IDs are located outside of the Site PMA

*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 99.7%. It should also be noted that three of the four comparable LIHTC projects are 100.0% occupied and maintain waiting lists for their next available units, as illustrated in the preceding table. These high occupancy rates and waiting lists maintained indicate that there is pent-up demand for additional general-occupancy LIHTC product in the region. Further, as previously discussed there are currently no general-occupancy LIHTC projects in the Site PMA. As such, the subject project will offer the only general-occupancy LIHTC units in the market which should create a marketing advantage for the subject project.

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



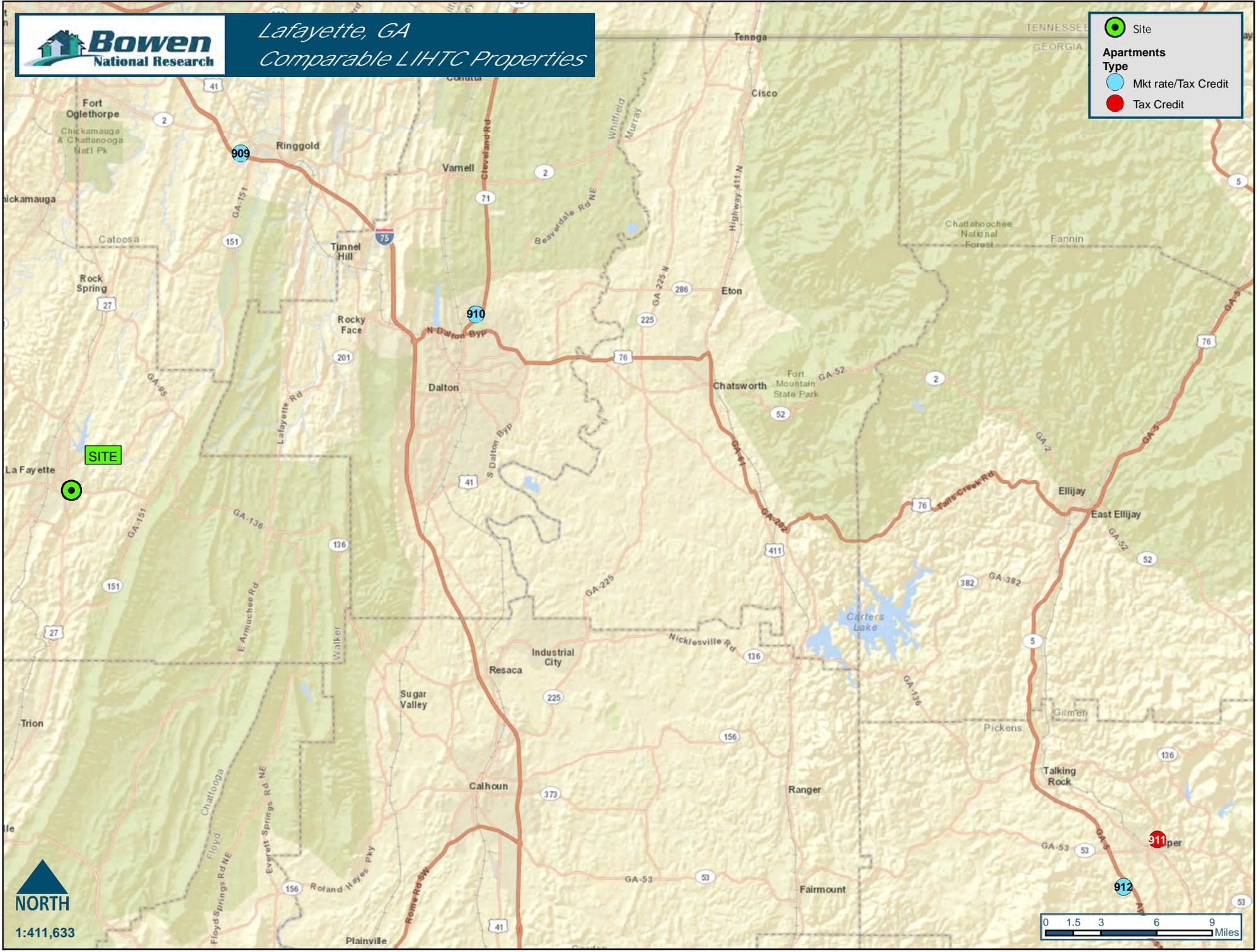
Lafayette, GA

Comparable LIHTC Properties

Site
● Site

Apartments Type

- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:411,633



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.	
Site	Lafayette Garden Apartments	\$592/60% (1)	\$733/60% (19)	-	-
909	Bedford Place	\$354/30% (2/0) \$561/50% (8/0) \$571/60% (6/0)	\$428/30% (3/0) \$672/50% (24/0) \$682/60% (11/0)	\$773/50% (8/0) \$813/60% (8/0)	None
910	Autumn Ridge Apts.	\$532/50% (12/0) \$633/60% (9/0)	\$640/50% (25/0) \$762/60% (23/0)	\$459/30% (3/0) \$740/50% (17/0) \$881/60% (28/0)	None
911	Homestead Apts.	-	\$762/50% (7/0) \$762/60% (11/0)	\$844/50% (17/0) \$844/60% (22/0)	None
912	Mountainside Manor	\$643/60% (50/0)	\$831/60% (50/1)	\$904/60% (40/0)	None

900 Series Map IDs are located outside of the Site PMA

The proposed subject gross rents of \$592 and \$733 for the one- and two-bedroom units at the subject project are within range of the gross rents charged among similar unit types targeting similar AMHI levels at the comparable LIHTC projects in the region. Regardless, the subject project is anticipated to retain Rental Assistance on all 20 subject units following renovations which will allow tenants of the subject project to pay up to 30% of their adjusted gross income towards rent. As such, the subject project will remain a significant value in the market and the region.

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. (AMHI)	Two-Br. (AMHI)
\$509 (60%)	\$623 (60%)

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

Bedrooms	Weighted Avg. Rent (AMHI)	Proposed Rent (AMHI)	Difference	Proposed Rent (AMHI)	Rent Advantage
One-Br.	\$509 (60%)	- \$490 (60%)	\$19	/ \$490 (60%)	3.9%
Two-Br.	\$623 (60%)	- \$615 (60%)	\$8	/ \$615 (60%)	1.3%

As the preceding table illustrates, the subject’s proposed rents represent rent advantages of 3.9% and 1.3% for the one- and two-bedroom units, respectively. Regardless, as noted throughout this report, the subject project is anticipated to retain RA on all 20 subject units, thus requiring tenants to pay up to 30% of their adjusted gross income towards housing costs. Therefore, the subject project 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 market are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Lafayette Garden Apartments	550	750	-
909	Bedford Place	783	1,025	1,180
910	Autumn Ridge Apts.	892	1,208	1,486
911	Homestead Apts.	-	927 - 957	1,240
912	Mountainside Manor	1,011	1,245	1,382

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.
Site	Lafayette Garden Apartments	1.0	1.0	-
909	Bedford Place	1.0	2.0	2.0
910	Autumn Ridge Apts.	1.0	2.0	2.0
911	Homestead Apts.	-	2.0	2.5
912	Mountainside Manor	1.0	2.0	2.0

900 Series Map IDs are located outside of the Site PMA

The subject development will continue to offer the smallest unit sizes, in terms of square footage and a lesser number of bathrooms in its two-bedroom units, relative to the comparable LIHTC projects within the region. Note however, that the relatively small unit sizes (square feet) and number of bathrooms offered are considered typical of older subsidized rental product such as that offered at the subject project.

Further, the 100.0% occupancy rate reported at the subject project indicates that the unit sizes (square feet) and number of bathrooms offered are and will continue to be appropriate for the targeted tenant population.

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

COMPARABLE PROPERTIES AMENITIES - LAFAYETTE, GEORGIA

MAP ID	APPLIANCES							UNIT AMENITIES											
	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		C	X	S					B		S	
909	X	X	X	X	X		X		C	X	X					B		S	Storage
910	X	X		X	X		X		C	X		X				B		S	Sunroom
912	X	X		X	X		X		C	X	X					B		D(o), S	Exterior Storage
911	X	X	X	X	X		X		C	X	X					B		S	

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												
909		X	X	X	L	X	X		B				X			X	X		
910	X	X	X	X		X	X		B							X			
912	X	X	X	X		X	X		X							X			
911		X	X	X			X		B							X			

◆ 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 will offer a unit and project amenity package which is considered to be inferior to those offered among the comparable LIHTC projects in the region. Notably, most of the comparable LIHTC projects offer a dishwasher, garbage disposal, laundry facility, clubhouse and a fitness center as added amenities as compared to the subject project. Regardless, the 100.0% occupancy rate reported at the subject project indicates that the amenity packages offered at the subject project are appropriate for the targeted tenant population. Therefore, the amenity packages offered at the subject project should contribute to the continued marketability of the subject project following renovations.

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. It is of note that while the proposed gross Tax Credit rents at the subject project are competitively positioned within the market, Rental Assistance is anticipated to be retained on all 20 units at the subject project following renovations, ensuring it remains a substantial value within the region. It should also be noted that the subject project offers the smallest unit sizes (square feet) and a slightly inferior amenity package as compared to those offered among the comparable LIHTC product in the region. However, the subject project is currently 100.0% occupied, indicating that the unit sizes (square feet) and amenities offered are appropriate for the targeted tenant population and should continue to contribute to the marketability of the subject project following renovations. It is also important to note that the subject project will be the only general-occupancy Tax Credit project in the Site PMA, thus creating a marketing advantage for the subject project.

Comparable/Competitive Housing Impact

As discussed earlier in this section of the report, all existing and planned LIHTC projects in the Site PMA target senior households (age 55 and older). Further, the subject project is currently 100.0% occupied and the anticipated renovations will not introduce any new units into the Lafayette rental housing market. Therefore based on the preceding analysis, we do not anticipate the renovations to the subject project will have any significant impact on future occupancy rates among the existing and planned LIHTC projects 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 \$109,118. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for a \$109,118 home is \$669, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$109,118
Mortgaged Value = 95% of Median Home Price	\$103,662
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$535
Estimated Taxes and Insurance*	\$134
Estimated Monthly Mortgage Payment	\$669

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$490 to \$615 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$54 to \$179 greater than the cost of renting a unit at the subject project, depending upon bedroom type. Regardless, as mentioned throughout this report, the subject property is anticipated to retain RA on all 20 subject units, thus allowing residents to pay up to 30% of their adjusted gross income towards housing costs. As such, residents of the subject project will likely pay rents which are significantly less than the proposed rents at the subject project and significantly less than the cost of owning a home in the area. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

SECTION I – ABSORPTION & STABILIZATION RATES

According to management, the subject project is currently 100.0% occupied and maintains a four 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 20 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on all 20 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 20 units at the subject site will reach a stabilized occupancy of 93.0% within five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately four 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 all 20 subject units as proposed.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 20 units at the subject site would likely have an extended absorption period up to 10 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 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 are summaries of interviews conducted with various local sources knowledgeable of the local housing market:

- Nancy Dove, a representative with the Georgia Department of Community Affairs' (GDCA) Rental Assistance Division, stated that there is a large need for affordable housing in the North Georgia Region. Due to recent budget cuts GDCA has closed all waiting lists in the 149 counties that the Athens Office serves, and are not maintaining waiting lists until they receive more funding. Notably, Ms. Dove stated that they are unsure if they will have the funding to pay for the vouchers that are already in use. As such, based on this lack of funding for the voucher program, Ms. Dove believes that there will be an ongoing need for additional affordable housing throughout the northern Georgia region.
- According to Joan Fowler, a representative with the Walker County Commissioners Office, the need for additional affordable housing within Walker County seems evident as most low-income properties in the area are consistently 100.0% occupied. Ms. Fowler further stated that most renters in need of affordable housing in the area are family-oriented households seeking two- and three-bedroom apartments.
- Lacy Mullis is the property manager of the Woodland Village Senior apartment community in Lafayette. According to Ms. Mullis, she believes the need for additional affordable rental housing in the area is greatest among family households. Specifically, Ms. Mullis feels that the Lafayette market would benefit from additional two- and three-bedroom affordable rental units that are geared towards families.

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 Lafayette Garden 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.

With preservation of the Rental Assistance subsidy on all 20 subject units, the subject project will remain a significant value to low-income renters within the Lafayette Site PMA.

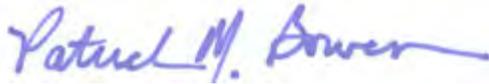
Further, given the high occupancy rates reported among the existing affordable rental housing product in the market the subject project will continue to offer an affordable rental housing alternative that is in high demand within the market. It should also be reiterated that the subject project will offer the only general-occupancy LIHTC units in the market which should create a marketing advantage for the subject project. Further, the subject project is currently 100.0% occupied and maintains a wait list for its next available units. This indicates that the subject project has been well received within the Site PMA and offers unit sizes (square feet) and amenity packages which are appropriate for the targeted tenant population at the subject project. Additionally, as shown in the Project Specific Demand Analysis section of this report, the required capture rate of 2.3%, assuming Rental Assistance is maintained, illustrates sufficient demographic support will continue to exist within the Site PMA for the subject development following renovations.

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

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.

Certified:



Patrick Bowen
President/Market Analyst
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Date: September 20, 2013



Greg Gray
Market Analyst
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Date: September 20, 2013



Craig Rupert
Market Analyst
craigr@bowennational.com
Date: September 20, 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.

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: FIELD SURVEY OF CONVENTIONAL RENTALS

LAFAYETTE, GEORGIA

The following section is a field 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 our own field inspection. The intent of this field 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.

The field 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.

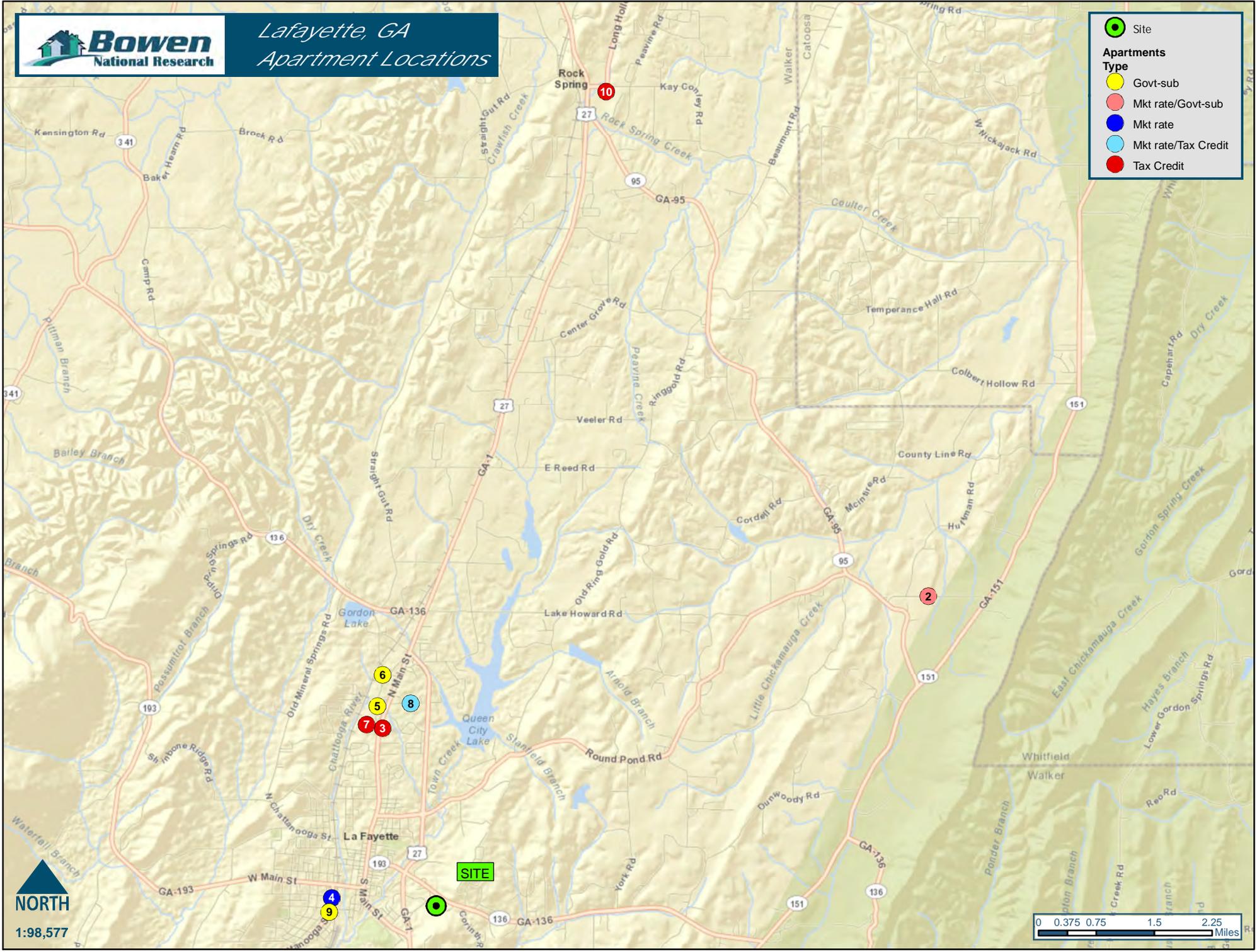


Lafayette, GA Apartment Locations

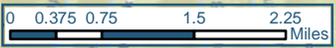
Site
● Site

Apartments Type

- Govt-sub
- Mkt rate/Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:98,577



MAP IDENTIFICATION LIST - LAFAYETTE, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	LaFayette Garden Apts. (Site)	TGS	C+	1980	20	0	100.0%	-
2	Town Creek Apts.	MRG	B	1970	60	0	100.0%	8.0
3	Woodlands Village Senior	TAX	A-	2003	42	0	100.0%	2.4
4	416 S. Chattanooga St.	MRR	B+	1997	4	1	75.0%	1.6
5	Amberwood	GSS	B-	1986	43	0	100.0%	2.7
6	LaFayette VOA Housing	GSS	A	2002	9	0	100.0%	3.0
7	Woodlands Village II	TAX	A	2014	0	0	U/C	2.5
8	Lucky Pointe	MRT	A	2007	52	0	100.0%	2.6
9	VOA Apts.	GSS	A-	2007	12	2	83.3%	1.6
10	Endeavor Pointe	TAX	A	2013	0	0	U/C	9.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	1	4	1	75.0%	0
MRT	1	52	0	100.0%	0
MRG	1	60	0	100.0%	0
TAX	3	42	0	100.0%	114
TGS	1	20	0	100.0%	0
GSS	3	64	2	96.9%	0

Total units does not include units under construction.

◆	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: September 2013

DISTRIBUTION OF UNITS - LAFAYETTE, GEORGIA

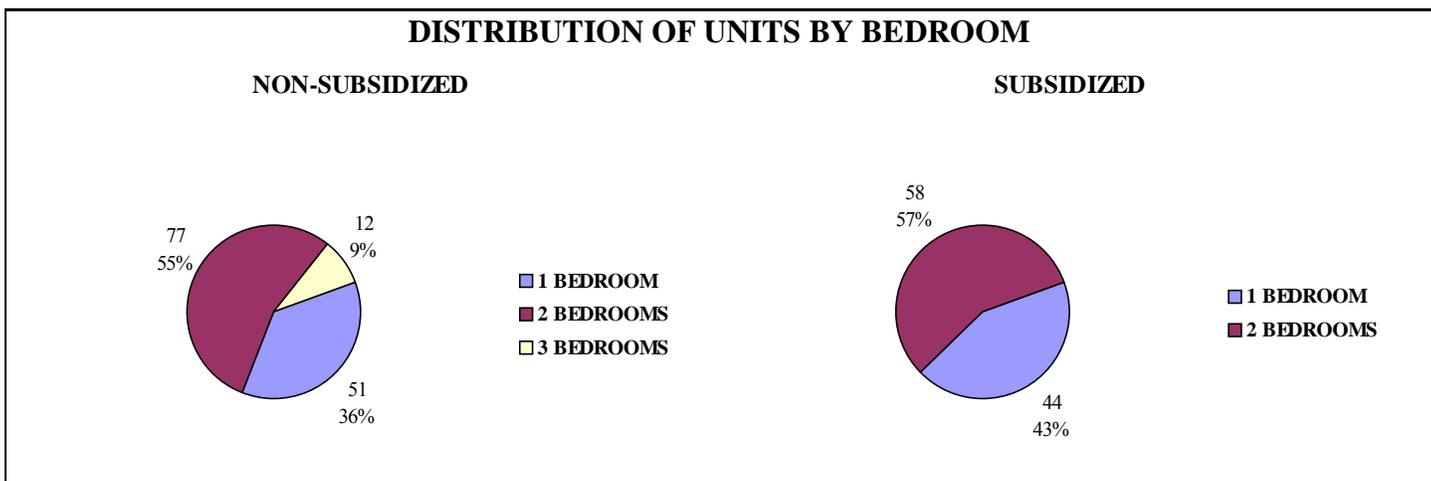
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	14	22.6%	0	0.0%	\$531
2	1	28	45.2%	1	3.6%	\$438
2	2	8	12.9%	0	0.0%	\$607
3	1.5	12	19.4%	0	0.0%	\$483
TOTAL		62	100.0%	1	1.6%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	37	47.4%	0	0.0%	\$456
2	1	21	26.9%	0	0.0%	\$585
2	2	20	25.6%	0	0.0%	\$567
TOTAL		78	100.0%	0	0.0%	

114 UNITS UNDER CONSTRUCTION

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	1	5.0%	0	0.0%	N.A.
2	1	19	95.0%	0	0.0%	N.A.
TOTAL		20	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	43	52.4%	2	4.7%	N.A.
2	1	12	14.6%	0	0.0%	N.A.
2	1.5	27	32.9%	0	0.0%	N.A.
TOTAL		82	100.0%	2	2.4%	
GRAND TOTAL		242	-	3	1.2%	



SURVEY OF PROPERTIES - LAFAYETTE, GEORGIA

1 LaFayette Garden Apts. (Site)			
	Address 709 Patterson Rd. LaFayette, GA 30728	Phone (706) 638-0335 (Contact in person)	Total Units 20
	Year Built 1980 Renovated 1997	Contact Cindy	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (20 units)		Occupied 100.0%
			Floors 2
			Quality Rating C+
			Waiting List
			4 households
2 Town Creek Apts.			
	Address 601 Cooper St. LaFayette, GA 30728	Phone (706) 638-5203 (Contact in person)	Total Units 60
	Year Built 1970	Contact Wanda	Vacancies 0
	Comments Market-rate (42 units); HUD Section 8 (18 units)		Occupied 100.0%
			Floors 2,3
			Quality Rating B
			Waiting List
			Section 8: 1 year
3 Woodlands Village Senior			
	Address 1201 W. North Main St. LaFayette, GA 30728	Phone (706) 639-9595 (Contact in person)	Total Units 42
	Year Built 2003	Contact Lacy	Vacancies 0
	Comments 45%, 50% & 60% AMHI; Accepts HCV (0 currently); All units receive HOME Funds; 10 units vacant pending renovations		Occupied 100.0%
			Floors 1
			Quality Rating A-
			Senior Restricted (55+)
			Waiting List
			7 households
4 416 S. Chattanooga St.			
	Address 416 S. Chattanooga St. LaFayette, GA 30728	Phone (423) 593-1547 (Contact in person)	Total Units 4
	Year Built 1997	Contact Mark	Vacancies 1
	Comments		Occupied 75.0%
			Floors 2
			Quality Rating B+
			Waiting List
			None
5 Amberwood			
	Address 1212 W. North Main St. LaFayette, GA 30728	Phone (706) 638-7567 (Contact in person)	Total Units 43
	Year Built 1986	Contact Tami	Vacancies 0
	Comments RD 515, no RA; HCV (6 units); Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating B-
			Waiting List
			5 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: September 2013

SURVEY OF PROPERTIES - LAFAYETTE, GEORGIA

6 LaFayette VOA Housing			
	Address 1405 Gordon Pond Rd. LaFayette, LA 30728	Phone (706) 406-5511 (Contact in person)	Total Units 9
	Year Built 2002	Contact Robin	Vacancies 0
	Comments HUD Section 8; Designated for disabled veterans; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating A
			Waiting List None
7 Woodlands Village II			
	Address 1201 W. North Main St. LaFayette, GA 30728	Phone (706) 639-9595 (Contact in person)	Total Units 0
	Year Built 2014	Contact Lacy	Vacancies 0
	Comments 60% AMHI; 40 units under construction, completion date unknown		Occupied 0
			Floors 3
			Quality Rating A
			Senior Restricted (55+) Waiting List None
8 Lucky Pointe			
	Address 307 Stanfield Rd. LaFayette, GA 30728	Phone (706) 638-2654 (Contact in person)	Total Units 52
	Year Built 2007	Contact Bonnie	Vacancies 0
	Comments Market-rate (16 units); 50% & 60% AMHI (36 units); HCV (4 units); Five handicap units		Occupied 100.0%
			Floors 2
			Quality Rating A
			Senior Restricted (55+) Waiting List 26 households
9 VOA Apts.			
	Address S. Chattanooga St. LaFayette, GA 30728	Phone (706) 638-0766 (Contact in person)	Total Units 12
	Year Built 2007	Contact Sobrina	Vacancies 2
	Comments HUD Section 811 PRAC; Accepts HCV (0 currently); 100% mentally disabled; Flooring is wood laminate; Square footage estimated		Occupied 83.3%
			Floors 1
			Quality Rating A-
			Waiting List None
10 Endeavor Pointe			
	Address Kay Conley Rd. Rock Springs, GA 30739	Phone (404) 219-6953 (Contact in person)	Total Units 0
	Year Built 2013	Contact Nick	Vacancies 0
	Comments 50% & 60% AMHI; 64 units under construction, expect completion 12/2013		Occupied 0
			Floors 2
			Quality Rating A
			Senior Restricted (55+) Waiting List None

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: September 2013

COLLECTED RENTS - LAFAYETTE, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2		\$371	\$438	\$483					
3		\$309 to \$368	\$366 to \$439						
4			\$450						
7									
8		\$350 to \$380	\$375 to \$415						
10									

◆	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

Survey Date: September 2013

PRICE PER SQUARE FOOT - LAFAYETTE, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
◆ 8	Lucky Pointe	1	762	\$501 to \$531	\$0.66 to \$0.70
2	Town Creek Apts.	1	600	\$371	\$0.62
◆ 3	Woodlands Village Senior	1	622	\$423 to \$482	\$0.68 to \$0.77
◆ 10	Endeavor Pointe	1	762	\$486	\$0.64
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	416 S. Chattanooga St.	1	830	\$662	\$0.80
◆ 8	Lucky Pointe	2	1078	\$567 to \$607	\$0.53 to \$0.56
2	Town Creek Apts.	1	800	\$438	\$0.55
◆ 3	Woodlands Village Senior	1	872	\$512 to \$585	\$0.59 to \$0.67
◆ 7	Woodlands Village II	2	1078	\$611	\$0.57
◆ 10	Endeavor Pointe	2	1078	\$547	\$0.51
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Town Creek Apts.	1.5	950	\$483	\$0.51

◆	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

Survey Date: September 2013

AVERAGE GROSS RENT PER SQUARE FOOT - LAFAYETTE, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.66	\$0.58	\$0.51
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.69	\$0.59	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.68	\$0.58	\$0.51
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - LAFAYETTE, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 3	Woodlands Village Senior	7	622	1	45%	\$309
◆ 10	Endeavor Pointe	0	762	1	60%	\$335
◆ 10	Endeavor Pointe	0	762	1	50%	\$335
◆ 3	Woodlands Village Senior	12	622	1	50%	\$342
◆ 8	Lucky Pointe	5	762	1	60%	\$350
◆ 8	Lucky Pointe	11	762	1	50%	\$350
◆ 3	Woodlands Village Senior	2	622	1	60%	\$368
1	LaFayette Garden Apts. (Site)	1	550	1	60%	\$470 - \$656
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 10	Endeavor Pointe	0	1078	2	60%	\$355
◆ 10	Endeavor Pointe	0	1078	2	50%	\$355
◆ 3	Woodlands Village Senior	7	872	1	45%	\$366
◆ 8	Lucky Pointe	9	1078	2	60%	\$375
◆ 8	Lucky Pointe	11	1078	2	50%	\$375
◆ 3	Woodlands Village Senior	2	872	1	60%	\$439
◆ 3	Woodlands Village Senior	12	872	1	50%	\$439
◆ 7	Woodlands Village II	0	1078	2	60%	\$465
1	LaFayette Garden Apts. (Site)	19	750	1	60%	\$495 - \$681

◆ - Senior Restricted

QUALITY RATING - LAFAYETTE, GEORGIA

MARKET-RATE PROJECTS AND UNITS

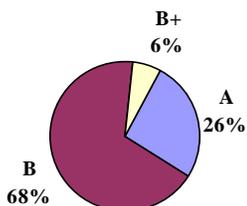
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	16	0.0%		\$531	\$607		
B+	1	4	25.0%			\$662		
B	1	42	0.0%		\$371	\$438	\$483	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

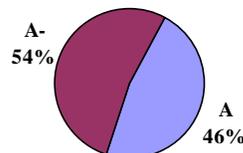
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	36	0.0%		\$501	\$567		
A-	1	42	0.0%		\$456	\$585		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - LAFAYETTE, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	42	0	0.0%	42	30.0%
1980 to 1989	0	0	0	0.0%	42	0.0%
1990 to 1999	1	4	1	25.0%	46	2.9%
2000 to 2005	1	42	0	0.0%	88	30.0%
2006	0	0	0	0.0%	88	0.0%
2007	1	52	0	0.0%	140	37.1%
2008	0	0	0	0.0%	140	0.0%
2009	0	0	0	0.0%	140	0.0%
2010	0	0	0	0.0%	140	0.0%
2011	0	0	0	0.0%	140	0.0%
2012	0	0	0	0.0%	140	0.0%
2013**	0	0	0	0.0%	140	0.0%
TOTAL	4	140	1	0.7%	140	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of September 2013

Survey Date: September 2013

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APPLIANCES AND UNIT AMENITIES - LAFAYETTE, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	6	100.0%	140
REFRIGERATOR	6	100.0%	140
ICEMAKER	3	50.0%	94
DISHWASHER	4	66.7%	94
DISPOSAL	4	66.7%	94
MICROWAVE	3	50.0%	52
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	6	100.0%	140
AC - WINDOW	0	0.0%	
FLOOR COVERING	6	100.0%	140
WASHER/DRYER	1	16.7%	52
WASHER/DRYER HOOK-UP	5	83.3%	98
PATIO/DECK/BALCONY	5	83.3%	98
CEILING FAN	4	66.7%	98
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	6	100.0%	140
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	3	50.0%	94

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - LAFAYETTE, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	5	83.3%	136
LAUNDRY	4	66.7%	84
CLUB HOUSE	2	33.3%	94
MEETING ROOM	3	50.0%	42
FITNESS CENTER	3	50.0%	94
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	16.7%	42
COMPUTER LAB	4	66.7%	94
SPORTS COURT	1	16.7%	0
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	1	16.7%	0
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	5	83.3%	136
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	16.7%	52

DISTRIBUTION OF UTILITIES - LAFAYETTE, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	60	24.8%
TENANT			
ELECTRIC	9	182	75.2%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	1	60	24.8%
TENANT			
ELECTRIC	9	182	75.2%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	60	24.8%
TENANT			
ELECTRIC	7	140	57.9%
GAS	2	42	17.4%
			100.0%
ELECTRIC			
LANDLORD	1	60	24.8%
TENANT	9	182	75.2%
			100.0%
WATER			
LANDLORD	6	166	68.6%
TENANT	4	76	31.4%
			100.0%
SEWER			
LANDLORD	6	166	68.6%
TENANT	4	76	31.4%
TRASH PICK-UP			
LANDLORD	9	238	98.3%
TENANT	1	4	1.7%
			100.0%

UTILITY ALLOWANCE - LAFAYETTE, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$24	\$26		\$9	\$16	\$19	\$6	\$6	\$34	\$10	\$15	\$20	\$20
1	GARDEN	\$34	\$36		\$10	\$22	\$26	\$9	\$9	\$47	\$13	\$20	\$20	\$20
1	TOWNHOUSE	\$34	\$36		\$10	\$22	\$26	\$9	\$9	\$47	\$13	\$20	\$20	\$20
2	GARDEN	\$43	\$46		\$13	\$28	\$34	\$10	\$11	\$61	\$16	\$24	\$20	\$20
2	TOWNHOUSE	\$43	\$46		\$13	\$28	\$34	\$10	\$11	\$61	\$16	\$24	\$20	\$20
3	GARDEN	\$53	\$56		\$18	\$34	\$41	\$13	\$13	\$74	\$22	\$32	\$20	\$20
3	TOWNHOUSE	\$53	\$56		\$18	\$34	\$41	\$13	\$13	\$74	\$22	\$32	\$20	\$20
4	GARDEN	\$68	\$72		\$22	\$43	\$53	\$16	\$17	\$95	\$28	\$39	\$20	\$20
4	TOWNHOUSE	\$68	\$72		\$22	\$43	\$53	\$16	\$17	\$95	\$28	\$39	\$20	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

902 Creekview Estates

29.7 miles to site



Address	112 Creekview Dr. Calhoun, GA 30701		
Phone	(706) 625-4137	Contact	Laura
Total Units	56	Vacancies	3
		Percent Occupied	94.6%
Project Type	Market-Rate		
Year Open	1979	Floors	1,2
Concessions	1st month's rent \$300		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Accepts HCV (0 currently); Scattered duplexes; Square footage estimated		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Fireplace, Blinds
Project Amenities	On-site Management

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	6	0	600	\$0.66	\$395
2	1 to 1.5	T	8	3	775	\$0.64	\$495
2	1 to 1.5	G	38	0	750	\$0.66	\$495
3	2	T	4	0	900	\$0.66	\$595

904 Newtown Apts.

29.8 miles to site



Address	265 Newtown Rd. NE Calhoun, GA 30701		
Phone	(706) 629-6539	Contact	Vickie
Total Units	78	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	2000	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Offers short term leases with utilities included; Unit mix & square footage estimated by manager		

No Picture
on File

Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities On-site Management

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	39	0	700	\$0.64	\$450
2	1.5	G	39	0	975	\$0.56	\$550

906 Fountain Brook Apts.

19.5 miles to site



Address	100 Brookhaven Cir. Fort Oglethorpe, GA 30742		
Phone	(706) 866-9441	Contact	Ingrid
Total Units	224	Vacancies	4
		Percent Occupied	98.2%
Project Type	Market-Rate		
Year Open	2000	Floors	2,3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Does not accept HCV		



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Storage

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	100	2	850	\$0.68	\$575
2	1.5 to 2	G	124	2	1300	\$0.60 - \$0.63	\$775 to \$825

907 Lakeshore Apts. I

19.5 miles to site



Address	1100 Lakeshore Dr. Fort Oglethorpe, GA 30742		
Phone	(706) 861-5518	Contact	Linda
Total Units	79	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1984	Floors	1
Concessions	Reported rents discounted		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Studios do not have washer/dryer hookups, but have murphy bed; Rent range based on unit location; Typical rents: 0-br \$414, 1-br \$469 & 2-br \$600-664		

Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
0	1	G	15	0	288	\$1.36	\$392
1	1	G	59	0	576	\$0.79	\$456
2	1 to 2	G	5	0	864	\$0.69 - \$0.78	\$595 to \$674

908 Lakeshore Apts. II

19.5 miles to site



Address	1000 Lakeshore Dr. Fort Oglethorpe, GA 30742		
Phone	(706) 861-0455	Contact	Linda
Total Units	70	Vacancies	3
		Percent Occupied	95.7%
Project Type	Market-Rate		
Year Open	1988	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Does not accept HCV; Studios are furnished, include electric, water, sewer, trash & do not have washer/dryer hookups or ceiling fans		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Disposal, Window AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds, Furnished Units
Project Amenities	On-site Management

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
0	1	G	10	0	276	\$1.56	\$430
1	1	G	54	3	576	\$0.76	\$435
2	1 to 2	G	6	0	876	\$0.68	\$595

909 Bedford Place

19.4 miles to site



Address	60 Bedford Pl. Ringgold, GA 30736		
Phone	(706) 937-6268	Contact	Monica
Total Units	88	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2004	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	3 months		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Market-rate (18 units); 30%, 50% & 60% AMHI (70 units); HCV (approx. 4 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Storage
Project Amenities	On-site Management, Laundry Facility, Club House, Meeting Room, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area, Social Services

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	783	\$0.54	\$420	60%
1	1	G	8	0	783	\$0.52	\$410	50%
1	1	G	2	0	783	\$0.26	\$203	30%
1	1	G	4	0	783	\$0.59	\$465	
2	2	G	11	0	1025	\$0.48	\$490	60%
2	2	G	24	0	1025	\$0.47	\$480	50%
2	2	G	3	0	1025	\$0.23	\$236	30%
2	2	G	10	0	1025	\$0.56	\$575	
3	2	G	8	0	1180	\$0.49	\$575	60%
3	2	G	8	0	1180	\$0.45	\$535	50%
3	2	G	4	0	1180	\$0.53	\$625	

910 Autumn Ridge Apts.

25.7 miles to site

No Picture
on File

Address	850 Autumn Ct. Dalton, GA 30722		
Phone	(706) 226-0404	Contact	Balinda
Total Units	130	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2004	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10-12 households		
Quality Rating	N	Neighborhood Rating	N
Remarks	Market-rate (13 units); 30%, 50% & 60% AMHI (117 units); HCV (5 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds, Sunroom
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	9	0	892	\$0.54	\$482	60%
1	1	G	12	0	892	\$0.43	\$381	50%
1	1	G	3	0	892	\$0.75	\$670	
2	2	G	6	0	1208	\$0.64	\$770	
2	2	G	23	0	1208	\$0.47	\$570	60%
2	2	G	25	0	1208	\$0.37	\$448	50%
3	2	G	4	0	1486	\$0.58	\$860	
3	2	G	28	0	1486	\$0.43	\$643	60%
3	2	G	17	0	1486	\$0.34	\$502	50%
3	2	G	3	0	1486	\$0.15	\$221	30%

912 Mountainside Manor

62.3 miles to site



Address	264 Bill Hasty Blvd. Jasper, GA 30143		
Phone	(678) 454-4050	Contact	Michelle
Total Units	176	Vacancies	2
		Percent Occupied	98.9%
Project Type	Market-Rate & Tax Credit		
Year Open	2004	Floors	2,3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B+
Remarks	Market-rate (36 units); 60% AMHI (140 units); HCV (5 units)		

Features and Utilities

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

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	10	0	1011	\$0.62	\$625	
1	1	G	50	0	1011	\$0.52	\$525	60%
2	2	G	16	0	1245	\$0.63	\$779	
2	2	G	50	1	1245	\$0.55	\$679	60%
3	2	G	10	1	1382	\$0.59	\$820	
3	2	G	40	0	1382	\$0.52	\$720	60%

911 Homestead Apts.

62.8 miles to site



Address	102 Library Ln. Jasper, GA 30143		
Phone	(706) 253-4663	Contact	Lori
Total Units	57	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	1 household		
Quality Rating	B-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (3 units)		

**Features and Utilities**

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, 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

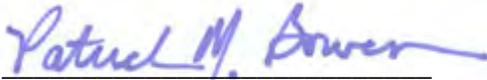
Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	11	0	927	\$0.66	\$610	60%
2	2	G	7	0	957	\$0.64	\$610	50%
3	2.5	T	22	0	1240	\$0.53	\$660	60%
3	2.5	T	17	0	1240	\$0.53	\$660	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 properties within the Site PMA, we identified and surveyed five market-rate properties outside of the Site PMA but within the region in the nearby towns of Calhoun and Fort Oglethorpe, Georgia. Note that the Calhoun and Fort Oglethorpe areas are considered to be socioeconomically similar to the Lafayette 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 these comparable market-rate projects located in these nearby towns. 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 five 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	Lafayette Garden Apartments	1980 / 2014	20	100.0%	-	1 (100.0%)	19 (100.0%)	-
902	Creekview Estates	1979	56	94.6%	-	6 (100.0%)	46 (93.5%)	4 (100.0%)
904	Newtown Apts.	2000	78	100.0%	-	39 (100.0%)	39 (100.0%)	-
906	Fountain Brook Apts.	2000	224	98.2%	-	100 (98.0%)	124 (98.4%)	-
907	Lakeshore Apts. I	1984	79	100.0%	15 (100.0%)	59 (100.0%)	5 (100.0%)	-
908	Lakeshore Apts. II	1988	70	95.7%	10 (100.0%)	54 (94.4%)	6 (100.0%)	-

900 Map IDs are located outside of the Site PMA

The five selected market-rate projects have a combined total of 507 units with an overall occupancy rate of 98.0%. None of the comparable properties has an occupancy rate below 94.6%.

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	
Lafayette Garden Apartments		Creekview Estates		Newtown Apts.		Fountain Brook Apts.		Lakeshore Apts. II		Lakeshore I Apts.	
709 Patterson Rd.		112 Creekview Dr.		265 Newtown Rd. NE		100 Brookhaven Cir.		1000 Lakeshore Dr.		1100 Lakeshore Dr.	
Lafayette, GA		Calhoun, GA		Calhoun, GA		Fort Oglethorpe, GA		Fort Oglethorpe, GA		Fort Oglethorpe, GA	
A. Rents Charged	Data on Subject	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$395		\$450		\$575		\$435		\$456	
2	Date Surveyed	Aug-13		Sep-13		Aug-13		Sep-13		Sep-13	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		98%		94%		100%	
5	Effective Rent & Rent/ sq. ft	\$395	0.66	\$450	0.64	\$575	0.68	\$435	0.76	\$456	0.79
B. Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
6	Structure / Stories	WU/2		WU/1,2		WU/2,3		R/1		R/1	
7	Yr. Built/Yr. Renovated	1980/2014		1979 \$18		2000 (\$3)		1988 \$9		1984 \$13	
8	Condition /Street Appeal	G		G		G		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No		No		No		No		No	
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.	550	(\$9)	600	(\$26)	700	(\$52)	576	(\$5)	576	(\$5)
14	Balcony/ Patio	Y	\$5	N	\$5	Y		N	\$5	Y	
15	AC: Central/ Wall	C		C		C		W	\$5	W	\$5
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y		N/Y		Y/Y (\$5)		N/N \$10		N/N \$10	
18	Washer/Dryer	HU		HU		HU		HU/L (\$5)		HU/L (\$5)	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N	(\$5)	Y		N		Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		Y		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	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	N/N		N/N		Y/N (\$5)		N/N		N/N	
28	Pool/ Recreation Areas	N		N		P (\$10)		N		N	
29	Computer Center	N		N		N		N		N	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	N	\$3	Y	
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Additional Storage	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
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	\$33	N/N	\$33	N/N	\$33	Y/Y		N/N	\$33
39	Trash /Recycling	Y/N	\$20	N/N	\$20	Y/N		Y/N		N/N	\$20
F. Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	
40	# Adjustments B to D	5	3	4	3	3	7	7	4	4	4
41	Sum Adjustments B to D	\$34	(\$19)	\$16	(\$34)	\$11	(\$85)	\$40	(\$20)	\$31	(\$20)
42	Sum Utility Adjustments	\$53		\$53		\$33				\$53	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$68	\$106	\$35	\$103	(\$41)	\$129	\$20	\$60	\$64	\$104
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	
44	Adjusted Rent (5+ 43)	\$463		\$485		\$534		\$455		\$520	
45	Adj Rent/Last rent		117%		108%		93%		105%		114%
46	Estimated Market Rent	\$490	\$0.89	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lafayette Garden Apartments		Creekview Estates		Newtown Apts.		Fountain Brook Apts.		Lakeshore Apts. II		Lakeshore I Apts.	
709 Patterson Rd.		112 Creekview Dr.		265 Newtown Rd. NE		100 Brookhaven Cir.		1000 Lakeshore Dr.		1100 Lakeshore Dr.	
Lafayette, GA		Calhoun, GA		Calhoun, GA		Fort Oglethorpe, GA		Fort Oglethorpe, GA		Fort Oglethorpe, GA	
A. Rents Charged	Data on Subject	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$495		\$550		\$775		\$595		\$595	
2	Date Surveyed	Aug-13		Sep-13		Aug-13		Sep-13		Sep-13	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		98%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$495	0.66	\$550	0.56	\$775	0.60	\$595	0.68	\$595	0.69
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/1,2		WU/2,3		R/1		R/1	
7	Yr. Built/Yr. Renovated	1980/2014		1979 \$18		2000 (\$3)		1988 \$9		1984 \$13	
8	Condition /Street Appeal	G		G		G		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No		No		No		No		No	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1		1		1.5 (\$15)		1		1	
13	Unit Interior Sq. Ft.	750		750		975 (\$36)		1300 (\$87)		876 (\$20)	
14	Balcony/ Patio	Y	\$5	N	\$5	Y		N	\$5	Y	
15	AC: Central/ Wall	C		C		C		W	\$5	W	\$5
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y		N/Y		N/Y		Y/Y (\$5)		N/N \$10	
18	Washer/Dryer	HU		HU		HU		HU/L (\$5)		HU/L (\$5)	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N	(\$5)	Y		N		Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities	Data	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	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	N/N		N/N		Y/N (\$5)		N/N		N/N	
28	Pool/ Recreation Areas	N		N		N		P (\$10)		N	
29	Computer Center	N		N		N		N		N	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	N	\$3	Y	
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Additional Storage	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
E. Utilities	Data	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	\$40	N/N	\$40	N/N	\$40	Y/Y		N/N	\$40
39	Trash /Recycling	Y/N	\$20	N/N	\$20	Y/N		Y/N		N/N	\$20
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	2	4	4	3	8	7	4	4	4
41	Sum Adjustments B to D	\$34	(\$10)	\$16	(\$59)	\$11	(\$135)	\$40	(\$35)	\$31	(\$33)
42	Sum Utility Adjustments	\$60		\$60		\$40				\$60	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$84	\$104	\$17	\$135	(\$84)	\$186	\$5	\$75	\$58	\$124
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$579		\$567		\$691		\$600		\$653	
45	Adj Rent/Last rent		117%		103%		89%		101%		110%
46	Estimated Market Rent	\$615		\$0.82		← 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 \$490 for a one-bedroom unit and \$615 for a two-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$490	\$490	0.0%
Two-Bedroom	\$615	\$615	0.0%

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.

Therefore, the collected Tax Credit rents are positioned appropriately in the unlikely event the project were to ever lose its project-based subsidy. As proposed, however, the subsidy will be preserved following renovations and tenants will continue to pay up to 30% of their adjusted household incomes towards housing costs. As such, the renovated subject development is expected to continue to represent a significant value as proposed.

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.

7. Upon completion of renovations, the subject project will have an effective age of a property built in 1997. The selected properties were built between 1979 and 2000. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference as compared to the subject project.
10. As previously mentioned, all of the selected properties are located outside of the Site PMA in areas that are considered socioeconomically similar to the Lafayette market. As such, an adjustment for out of market differences for these selected properties was not warranted.
12. There is a variety of the number of bathrooms offered among the two-bedroom 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 considered to be relatively 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

Affordable Rent Roll

Property: Lafayette Gardens Apts (343) Sort by: Unit

As of 8/1/2013

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
Lafayette Gardens Apts (343)																	
01	343S2	0	2	Jordan, Laura	Rental		AR	09/01/12	681	613	495	495	407	88	118	206	0
02	343S2	0	2	Ware-Spears, Princess	Assistance(RA)		AR	04/01/13	681	613	495	495	341	154	118	272	0
03	343S2	2	2	Sweet, Elizabeth	Rental		MI	06/28/13	681	613	495	495	404	91	118	209	0
04	343S2	0	2	Poteet, Lisa	Assistance(RA)		AR	08/01/13	681	613	495	495	420	75	118	193	0
05	343S2	0	2	Lawson, Heather	Rental		AR	03/01/13	681	613	495	495	550	0	118	63	55
06	343S2	0	2	Sharp, Hattie	Assistance(RA)		AR	03/01/13	681	613	495	495	446	49	118	167	0
07	343S2	0	2	Gatewood, Jada	Rental		MI	08/14/12	681	613	495	495	488	7	118	125	0
08	343S2	0	2	Lumpkin, April	Assistance(RA)		AR	10/01/12	681	613	495	495	535	0	118	78	40
09	343S2	0	2	Wright, Aaisha	Rental		AR	02/01/13	681	613	495	495	369	126	118	244	0
10	343S2	0	2	Buffington, Ellen	Assistance(RA)		MI	01/31/13	681	613	495	495	404	91	118	209	0
11	343S2	0	2	Vincent, Nicole	Rental		MI	03/28/13	681	613	495	495	523	0	118	90	28
12	343S2	0	2	Griffin, Julia	Assistance(RA)		AR	03/01/13	681	613	495	495	537	0	118	76	42
13	343S2	0	2	Goodman, Charity	Rental		AR	05/01/13	681	613	495	495	422	73	118	191	0
14	343S2	0	2	Wallin, Billy	Assistance(RA)		AR	06/01/13	681	613	495	495	404	91	118	209	0
15	343S2	0	2	Holcomb, Kynesa	Rental		AR	10/01/12	681	613	495	495	463	32	118	150	0
16	343S2	0	2	Bonnie, Aleta	Assistance(RA)		AR	04/01/13	681	613	495	495	144	351	118	469	0
17	343H1	1	1	Wallin, Kelsey	Rental		GR	01/01/13	656	578	470	470	425	45	108	153	0
18	343H2	0	2	Traylor, Hortense	Assistance(RA)		AR	08/01/13	681	613	495	495	404	91	118	209	0
19	343S2	0	2	VACANT	Rental				681	0	410	0	0	0	118	0	0
20	343S2	0	2	Arnold, Ashley	Assistance(RA)		MI	05/31/13	681	613	495	495	547	0	118	66	52
Total :		3	39	Number of Units:	20				13,595	11,612	9,790	9380	8,233	1,364	2,350	3,379	217
Grand Total :		3	39	Total Units:	20				13,595	11,612	9,790		8,233	1,364	2,350	3,379	217