

Market Feasibility Analysis

Pigeon Creek Apartments
43 Rose Court
Manchester, Meriwether County, GA 31816

Prepared For

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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Pigeon Creek Apartments to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Manchester, 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:

Pigeon Creek Apartments was originally built in 1992 and has operated under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. Currently, the project contains 42 one- and two-bedroom units targeting senior households (age 62 and older) earning up to 60% of Area Median Household Income (AMHI). All 42 units receive Rental Assistance (RA) directly from Rural Development, allowing residents to pay up to 30% of their adjusted gross income towards housing costs (collected rent and tenant-paid utilities). Management reports the project is 100.0% occupied and maintains a five-household waiting list.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the 42 units of RA will be preserved and will continue to target households up to 60% of AMHI. It should be noted that one (1) two-bedroom manager unit will become a revenue producing unit post LIHTC renovations. A Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing residents (PRA subsidy not to extend beyond existing residents). The PRA subsidy will prevent a rent increase on current residents, allowing existing residents to pay current rents. All renovations are expected to be completed in 2014.

2. Site Description/Evaluation:

The subject project is currently 100.0% occupied, which is evidence that the subject site location has had a positive impact on its marketability. It is our opinion that following the subject project's renovations, the surrounding land uses will continue to have a positive impact on the marketability of the site. Visibility is considered adequate; however, access is considered good.

The site is close to shopping, employment, recreation, entertainment, and social services and public safety services are all within 4.0 miles of the site. The site has convenient access to major highways. Overall, we expect the site's proximity to community services to continue to have a positive impact on its marketability.

3. Market Area Definition:

The Manchester Site PMA includes the towns of Manchester and Warm Springs. Additionally, unincorporated areas of Meriwether County are also encompassed in the market area. Specifically, the boundaries of the Site PMA consist of Pebblebrook Road and Jessie Cole Road to the north; LL Revell Road, Mitchell Cove Road, Chalybeate Springs Road and Pleasant Valley Road to the east; Tax Road, Fryer Road, McCrary Road and Old Shiloh Road to the south; and State Route 85/U.S. Highway 27, the western city limits of Warm Springs and State Route /U.S. Highway 27 to the west. The Site PMA boundaries are within 4.4 to 6.8 miles from the subject site. A justification of these boundaries and a detailed map are included in Section D of this report.

4. Community Demographic Data:

Overall population and households have experienced negative growth between 2010 and 2013. The trends are projected to remain negative through 2015. Despite the overall decline in population and household growth, population and households between the ages of 65 and 74 are projected to increase by 5.2% and 4.9%, respectively, between 2013 and 2015. This growth indicates an increasing need for senior housing in the market through 2015. In addition, the subject project will continue to target one- to two-person households which comprise nearly all of the senior renter households within the Site PMA. As such, the project will continue to accommodate the majority of the Site PMA's senior renter households based on size. The preceding factors will have a positive impact on the continued marketability of the subject site. Detailed demographic information is included in Section E of this report.

5. Economic Data:

According to industrial development representatives and based on ESRI data and employment data from the Bureau of Labor Statistics, the Meriwether County economy has been experiencing growth within the past two years. Notably, Mando Corporation recently opened their manufacturing facility, a \$200 million investment, which created more than 100 jobs. Mando Corporation is investing an additional \$80 million to construct a second facility, and once both facilities are fully operational, it is anticipated to create a total of 1,000 jobs by 2020.

It should be noted that the unemployment rate is high (11.5% through August 2013), however it has generally declined over the preceding five-year period. In addition, the employment base experienced a significant decrease between 2007 and 2009, a decline of 887 employees, or 9.9%, which is consistent with economies throughout the nation that were impacted by the national recession. The employment base has experienced growth since 2011, increasing by 286 employees, or 3.6%.

Considering the double digit unemployment rate, the need for affordable housing has remained strong, as evidenced by the typically high occupancies of the affordable housing projects in the Site PMA. In addition, a high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will continue to provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

6. Project-Specific Affordability and Demand Analysis:

Pigeon Creek has project-based Rental Assistance (RA) available to 42 of the 43 total units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, the 42 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 76 income-qualified senior households to support the 43 renovated units. As such, the capture rate would be 56.6% ($43 / 76 = 56.6\%$) 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 1.3%. A detailed capture rate analysis and alternative demand scenarios are provided in Section G of this report.

7. Comparable/Competitive Rental Analysis

Based on our research, there were no comparable Tax Credit properties identified and surveyed within the Site PMA. As such, we identified and surveyed two LIHTC properties located outside of the Site PMA, but within the nearby region, that we also consider comparable. Both comparable properties and the subject property are illustrated in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Pigeon Creek Apartments	1992 / 2014	43	100.0%	-	5 H.H.	Seniors 62+; 60% AMHI & RD 515
901	Ashton Court Apts.	2002	56*	100.0%	32.0 Miles	100 H.H.	Seniors 55+; 50% AMHI
905	Lafayette Village	2002	44*	100.0%	32.2 Miles	30 H.H.	Seniors 55+; 50% AMHI

OCC. - Occupancy

H.H. - Households

*Tax Credit units only

900 Map IDs are located outside of Site PMA

The two LIHTC projects have a combined occupancy rate of 100.0%, indicating very strong demand for age-restricted affordable housing in the region. Both of these projects have waiting lists.

It should be noted that there are no age-restricted LIHTC projects within the market. As such, this will continue to provide the subject property with a competitive edge in the Site PMA.

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 type 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.	
Site	Pigeon Creek Apartments	\$564/60% (40/0)	\$676/60% (3/0)	-
901	Ashton Court Apts.	\$558/50% (28/0)	\$682/50% (28/0)	None
905	Lafayette Village	\$465/50% (22/0)	\$515/50% (22/0)	None

900 Map IDs are located outside of the Site PMA

As proposed, the majority of the subject rents reported in the preceding table will not be the actual rents tenants will be responsible for paying. The subject development will maintain Rental Assistance on 42 of the 43 total units, which will effectively allow tenants to limit their gross rent to 30% of their adjusted gross household income.

Overall, the subject 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 appropriate considering the 100.0% occupancy at the subject site. The proposed amenities package is considered generally similar to the comparable LIHTC projects. The subject project offers amenities that are designed for the senior population and will not lack any amenities that will have an adverse impact on its continued marketability. This is further evidenced by the subject's 100.0% occupancy and wait list. It should be noted that the subject project will be the only age-restricted LIHTC project in the market. As such, the subject project will continue to provide a rental housing alternative to low-income seniors which is currently underserved in the market. This will provide the subject with a market advantage.

8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100.0% occupied and maintains a collective wait list of up to five households for the next available unit. Current residents will be relocated temporarily; however, 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 42 of the 43 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 42 units). 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 43 units at the subject site will reach a stabilized occupancy of 93.0% within approximately eight months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five 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 on 42 of the 43 total units will be maintained. It should be noted that even though the capture rate for the project as proposed is considered high at 56.6%, it is believed to be achievable given that there are no age-restricted affordable housing projects within the Site PMA. As such, the subject project will continue to provide an affordable housing alternative for senior households that is currently lacking in the market.

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 43 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:	Pigeon Creek Apartments	Total # Units:	43
Location:	43 Rose Court, Manchester, Georgia 31816	# LIHTC Units:	43
PMA Boundary:	Pebblebrook Road and Jessie Cole Road to the north; LL Revell Road, Mitchell Cove Road, Chalybeate Springs Road and Pleasant Valley Road to the east; Tax Road, Fryer Road, McCrary Road and Old Shiloh Road to the south; and State Route 85/U.S. Highway 27, the western city limits of Warm Springs and State Route /U.S. Highway 27 to the west.		
	Farthest Boundary Distance to Subject:		6.8 miles

RENTAL HOUSING STOCK (found on page H-2)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	191	6	96.9%
Market-Rate Housing	4	10	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	1	50	5	90.0%
LIHTC	4	131	1	99.2%
Stabilized Comps (in PMA only)	0	-	-	-
Properties in Construction & Lease Up	0	-	-	-

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
40	One-Br.	1.0	650	\$517	\$495	\$0.76	-4.4%	\$770	\$1.00
3	Two-Br.	1.0	798	\$582	\$635	\$0.80	8.3%	\$600	\$0.76

DEMOGRAPHIC DATA (found in Section E & G)

	2010		2013		2015	
Renter Households (Age 62+)	240	21.0%	186	16.5%	191	16.6%
Age & Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	121	10.8%	124	10.8%
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 42 of the 43 total units

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other__	LIHTC Only Scenario
Renter Household Growth	3	1	3	-	-	1
Existing Households (Overburd + Substand)	72	14	72	-	-	25
Homeowner conversion (Seniors)	1	0	1	-	-	0
Total Primary Market Demand	76	15	76	-	-	26
Less Comparable/Competitive Supply	0	0	0	-	-	0
Net Income-Qualified Renter HHs	76	15	76	-	-	26

CAPTURE RATES (found on page G-5)

Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other__	LIHTC Only Scenario
Capture Rate	0.0%*	6.7%	1.3%*	-	-	165.4%

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

SECTION B - PROJECT DESCRIPTION

Pigeon Creek Apartments was originally built in 1992 and has operated under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. Currently, the project contains 42 one- and two-bedroom units targeting senior households (age 62 and older) earning up to 60% of Area Median Household Income (AMHI). The 42 units receive Rental Assistance (RA) directly from Rural Development, allowing residents to pay up to 30% of their adjusted gross income towards housing costs (collected rent and tenant-paid utilities). Management reports the project is 100.0% occupied and maintains a five-household waiting list.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the 42 units of RA will be preserved and will continue to target households up to 60% of AMHI. It should be noted that one (1) two-bedroom manager unit will become a revenue-producing unit post LIHTC renovations. A Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing residents (PRA subsidy not to extend beyond existing residents). The PRA subsidy will prevent a rent increase on current residents, allowing existing residents to pay current rents. All renovations are expected to be completed in 2014. Additional project details follow:

- 1. PROJECT NAME:** Pigeon Creek Apartments
- 2. PROPERTY LOCATION:** 43 Rose Court
Manchester, GA 31816
(Meriwether 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		
40	One-Br.	1.0	Garden	650	\$405	60%	\$564	\$47	\$517	\$564	\$543	\$495	\$517
3	Two-Br.	1.0	Garden	798	\$420	60%	\$676	\$94	\$582	\$676	\$644	\$635	\$582
43	Total												

Source: Boyd Management

AMHI – Area Median Household Income (Meriwether County, GA HUD Metro FMR Area; 2013)

*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:** Seniors (Age 62 and older)
6. PROJECT DESIGN: Seven (7) one-story residential buildings and one non-residential building.
- 7. ORIGINAL YEAR BUILT:** 1992
- 8. ANTICIPATED RENOVATION COMPLETION DATE:** 2014

9. UNIT AMENITIES:

Each unit, once renovated, will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Central Air Conditioning
- Window Blinds
- Ceiling Fan
- Washer/Dryer Hookups
- Carpet
- Exterior Storage
- Patio
- Emergency Call Buttons

10. COMMUNITY AMENITIES:

The subject property will include the following community features:

- On-Site Management
- Laundry Facility
- Community Room
- Picnic Area

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 Heat
- Electric Water Heat
- Electric Cooking

13. RENTAL ASSISTANCE:

The subject project operates under RD 515 and LIHTC program guidelines with Rental Assistance on all current 42 units. The Rental Assistance requires tenants to pay up to 30% of their gross adjusted income towards housing costs. Rental Assistance on all current 42 units will remain in place following LIHTC renovations.

14. PARKING:

The subject site offers 68 open lot parking spaces.

15. CURRENT OCCUPANCY AND TENANT PROFILE:

The subject project is currently 100.0% occupied and maintains a collective five-household wait list for the next available unit. Based on information provided by the developer, we anticipate that most, if not all, current tenants will continue to income-qualify following renovations. This assumes that the subject project will maintain Rental Assistance on the 42 units as proposed.

16. PLANNED RENOVATIONS:

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

- Replacement of existing flooring
- 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
- Painting of unit interiors
- Installation of new HVAC
- Re-roofing of buildings
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- ADA regulations met
- Upgrade sidewalks, dumpster surrounds and landscaping.

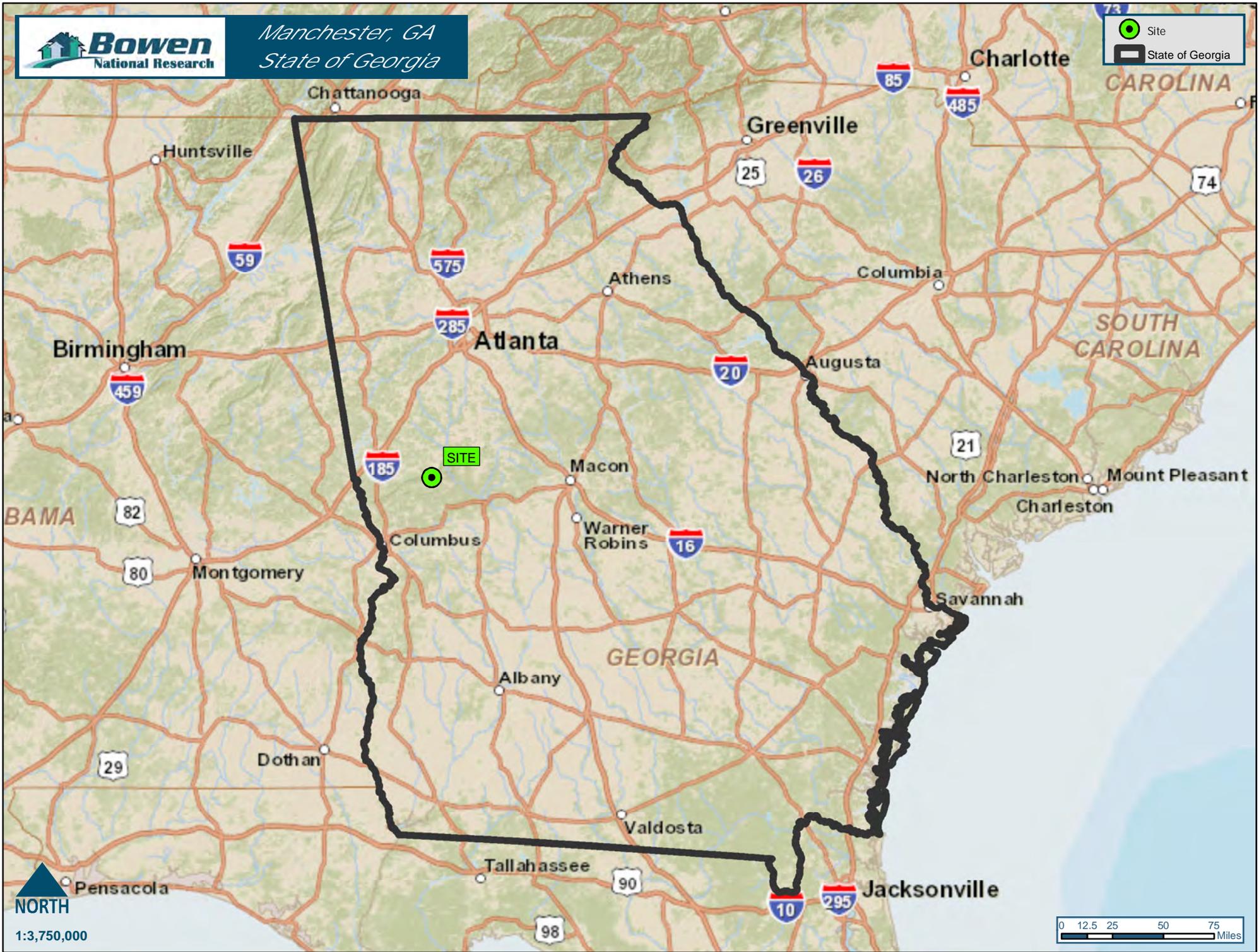
17. STATISTICAL AREA: Meriwether County, GA HUD Metro FMR Area (2013)

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



Manchester, GA
State of Georgia

Site
State of Georgia



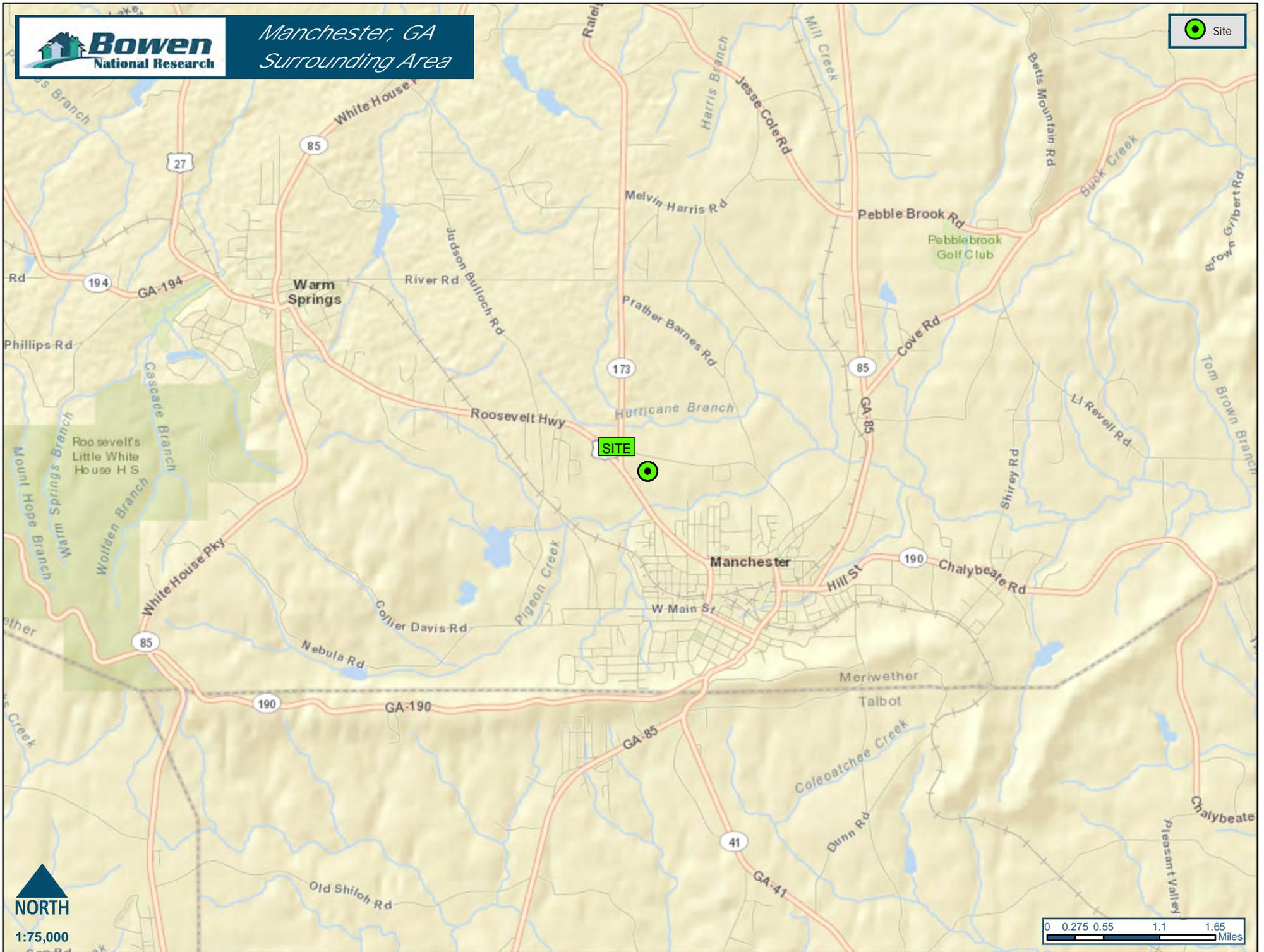
NORTH

1:3,750,000

0 12.5 25 50 75 Miles



*Manchester, GA
Surrounding Area*



NORTH

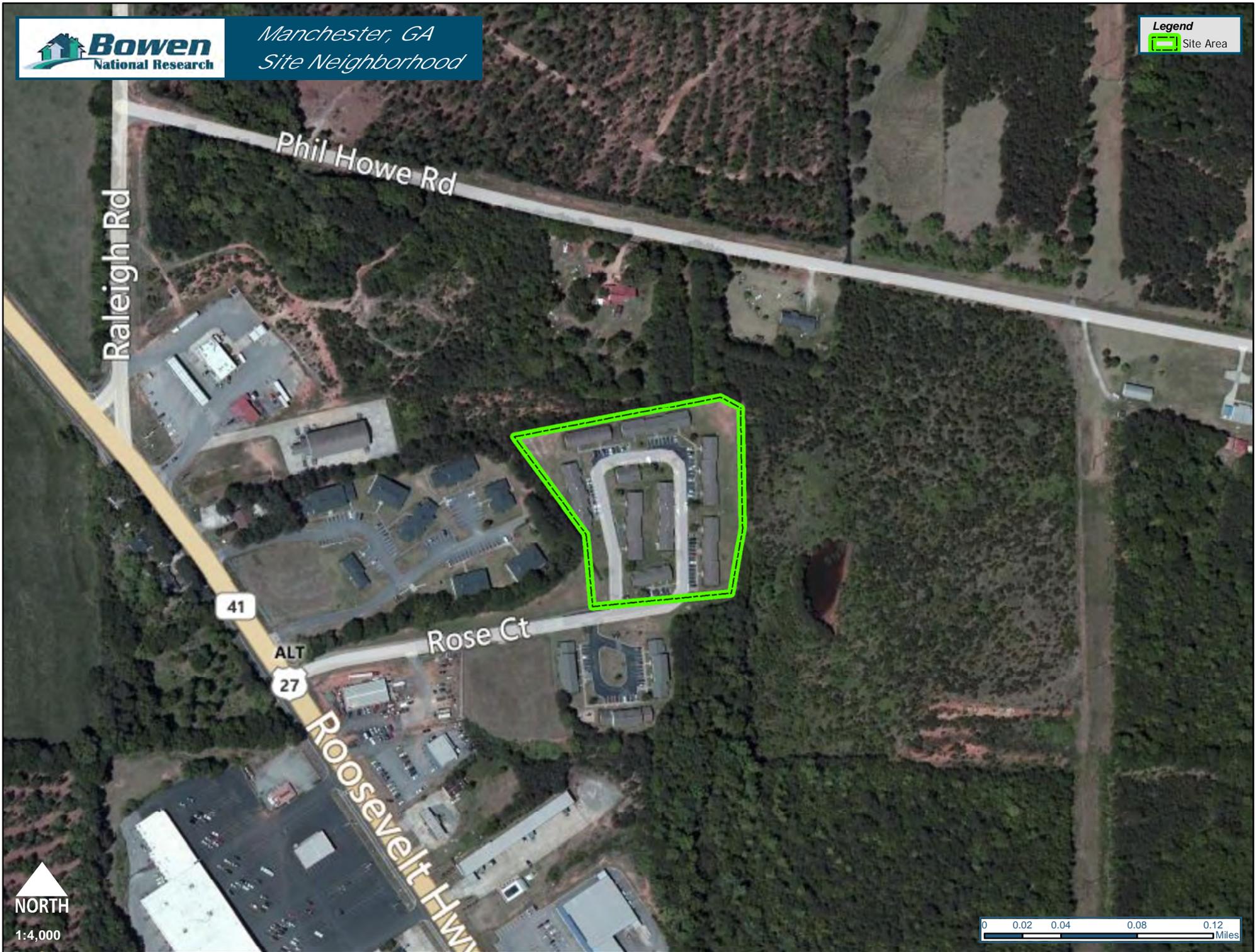
1:75,000

0 0.275 0.55 1.1 1.65 Miles



Manchester, GA
Site Neighborhood

Legend
Site Area



NORTH
1:4,000

0 0.02 0.04 0.08 0.12 Miles

SECTION C – SITE DESCRIPTION AND EVALUATION

This is a telephone update of the original market study completed in February 2013. Note we did not revisit the site for this analysis. We have assumed the surrounding land uses have not changed since our original site inspection. This is the original site evaluation.

1. LOCATION

The subject site is the existing Pigeon Creek Apartments, an age-restricted Tax Credit and Rural Development 515 project located at 43 Rose Court in the northwestern portion of Manchester, Georgia. Located within Meriwether County, Manchester is approximately 34.0 miles southeast of Lagrange, Georgia.

2. SURROUNDING LAND USES

The subject site is located within an established area of Manchester. Surrounding land uses include multifamily apartments, retail and commercial businesses, undeveloped land and single-family homes. Specifically, the surrounding land uses are detailed as follows:

North -	Undeveloped, wooded land and various single-family homes in good condition are directly north of the site and extend to Phil Howe Road. Further north are scattered single-family homes and undeveloped, wooded land.
East -	Undeveloped, wooded land and scattered single-family homes in satisfactory condition border the site to the east and extend to Copeland Circle. Beyond, undeveloped land and various single-family homes extend to Pigeon Creek Road.
South -	The Pigeon Bluff Apartments, various commercial businesses and Fred’s Store, all considered to be in satisfactory to good condition, are directly south of the site, extending to Roosevelt Highway (State Route 41). Town and Country Plaza, various commercial businesses in satisfactory condition and undeveloped land are south of Roosevelt Highway.
West -	Cross Creek Apartment in below-average condition are directly west of the site and extend to Roosevelt Highway. Undeveloped land continues west of Roosevelt Highway.

The surrounding residential structures are typically in satisfactory condition and the undeveloped land to the north and east create a serene atmosphere that is appealing to elderly residents. This has and will continue to contribute to the subject site's marketability, as evidenced by its 100.0% occupancy and wait list.

A map illustrating the location of Low-Income Housing Tax Credit and other affordable housing projects is located later in this section.

3. VISIBILITY AND ACCESS

The subject site is located on Rose Court, 0.2 miles east of Roosevelt Highway (State Route 41) where access is derived. Vehicular traffic on Roosevelt Highway is considered light to moderate, increasing during weekday businesses hours due to the commercial and retail businesses near the site. Overall, access is considered good, as ingress and egress traffic is not expected to experience major traffic delays. Visibility of the site from Roosevelt Highway is limited; however, signage is provided at the corner of Rose Court and Roosevelt Highway. Overall, visibility of the site is considered adequate.

According to area planning and zoning officials, no notable roads or other infrastructure projects are 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



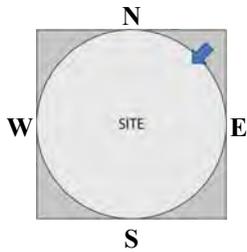
Site Sign



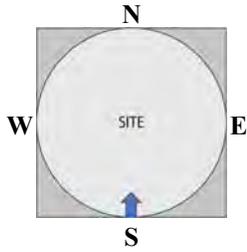
Site Building



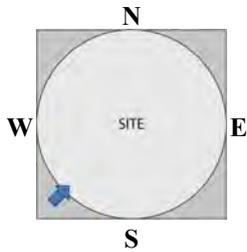
Site Building



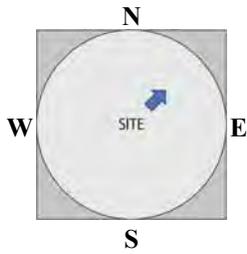
View of site from the northeast



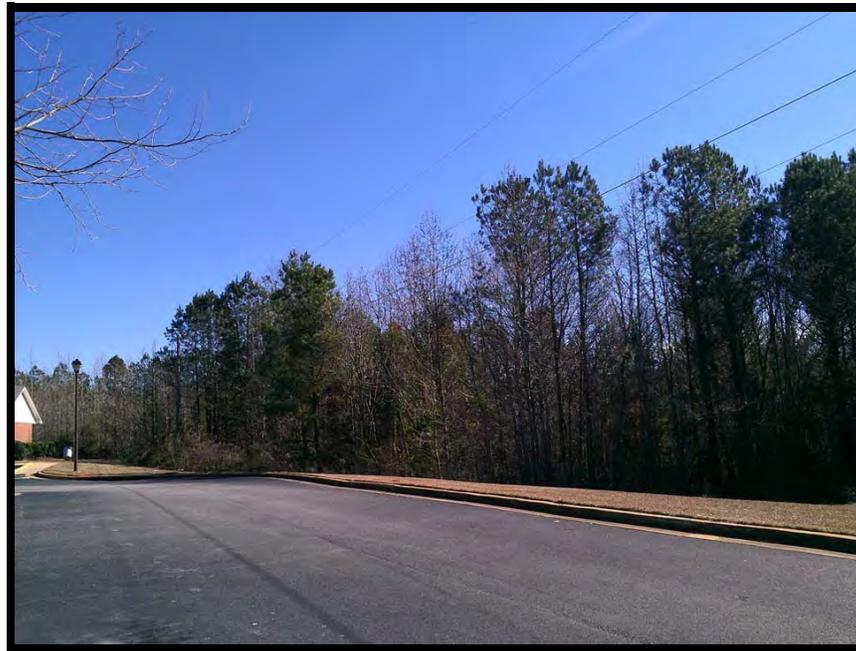
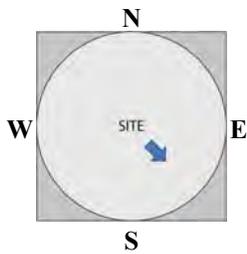
View of site from the south



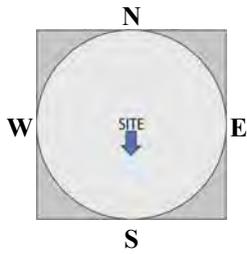
View of site from the southwest



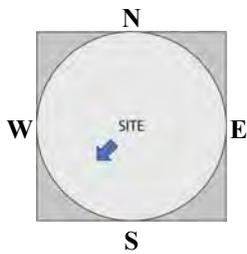
Northeast view from site



Southeast view from site



South view from site



Southwest view from site



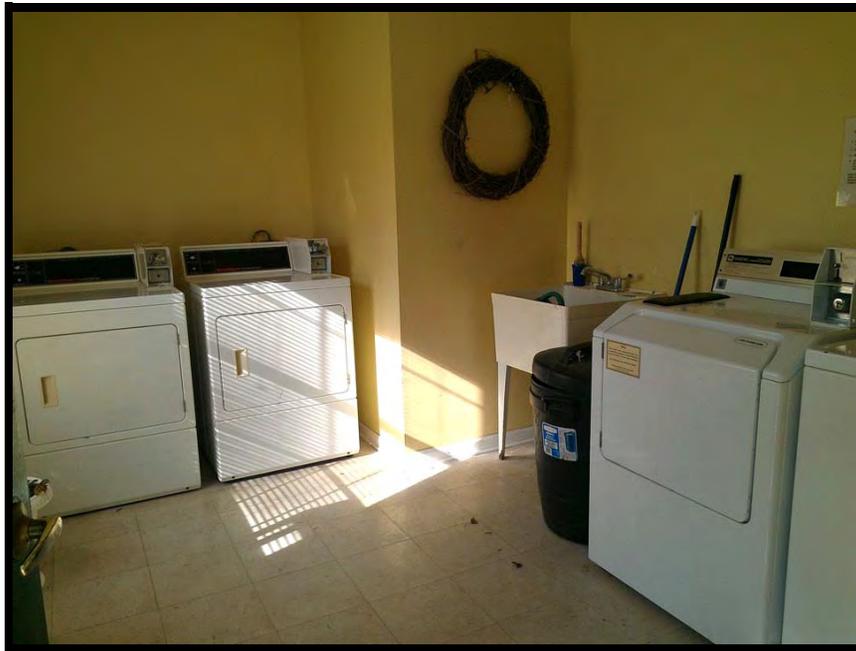
Typical Site Streetscape



Typical Site Streetscape



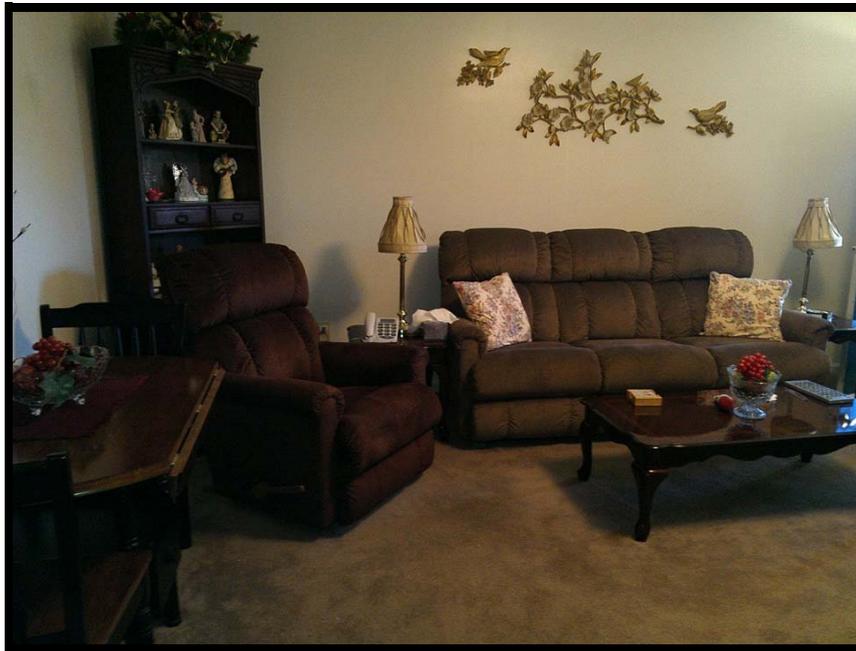
Site Rental Office



Site Laundry Facility



Site Community Room



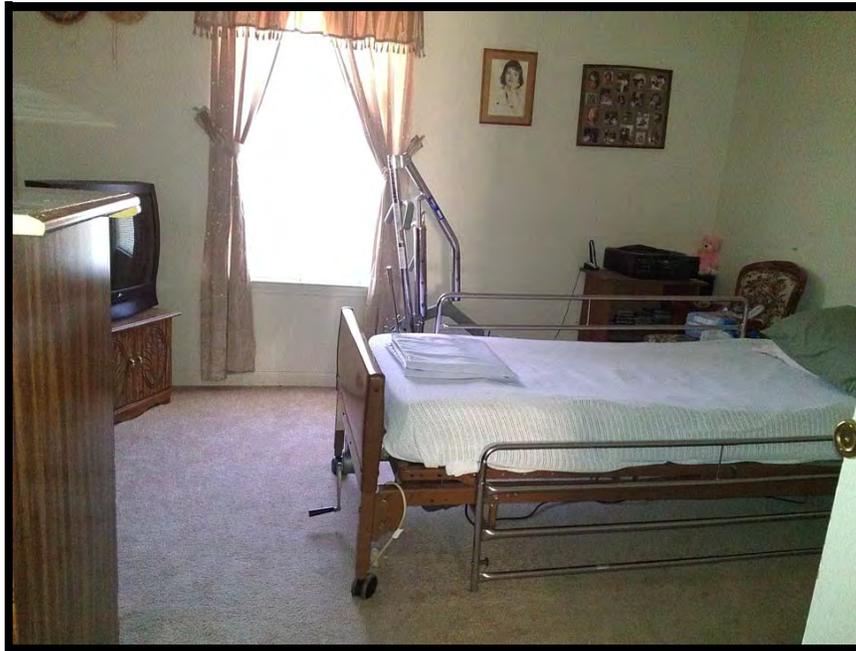
Typical Site Living Room



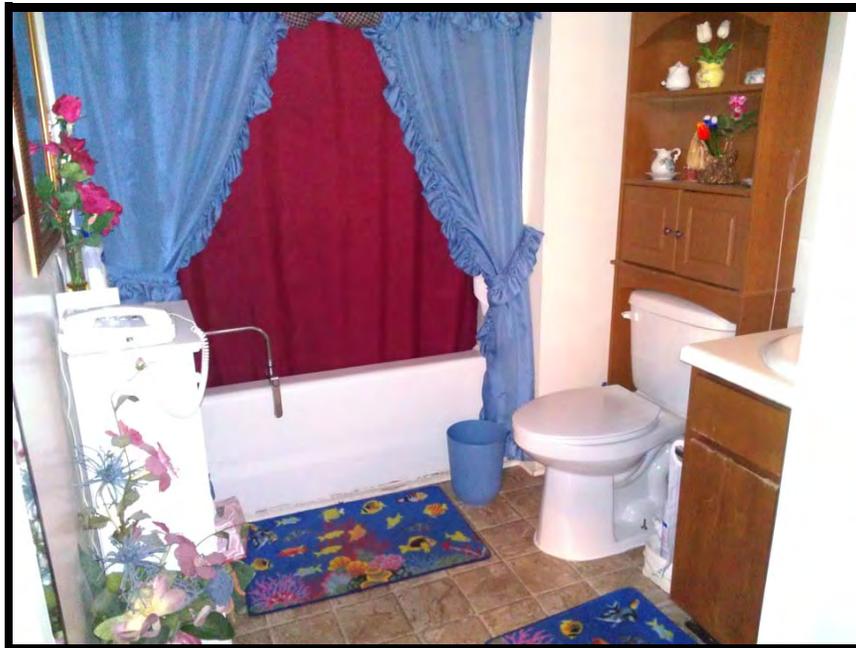
Typical Site Kitchen



Typical Site Bedroom



Typical Site Bedroom



Typical Site Bathroom

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

While the site is served by a variety of community services, we have identified the closest and most relevant of these and detailed them in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highway	Roosevelt Highway (State Route 41)	0.2 West
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Piggly Wiggly Warm Springs Medical Center	1.5 Southeast 3.7 Northwest
Convenience Store	Manchester BP Gilson Minit Mart Circle K	0.3 Northwest 1.4 Southeast 1.5 Southeast
Grocery	Piggly Wiggly	1.5 Southeast
Discount Department Store	Dollar General Fred's Store Maxway	0.2 Southwest 0.2 Southwest 0.2 Southwest
Shopping Center/Mall	Town and Country Plaza Lagrange Mall	0.2 Southwest 30.6 Northwest
Hospital	Smith-Lambert Health Clinic Warm Springs Medical Center	0.9 Northwest 3.7 Northwest
Police	Manchester Police Department	1.9 Southeast
Fire	Manchester Fire Department	1.6 Southeast
Post Office	U.S. Post Office	1.5 Southeast
Bank	Southcrest	1.5 Southeast
Senior Center	Manchester Senior Citizen Center	1.5 Southeast
Recreational Facilities	Pebblebrooke Golf Course	5.4 Northeast
Gas Station	Manchester BP Quick Stop	0.3 Northwest 1.4 Southeast
Pharmacy	Fred's Pharmacy Rite Aid	0.2 Southwest 1.6 Southeast
Restaurant	New China Huddle House Subway	0.2 West 1.0 Southeast 1.5 Southeast
Library	Manchester Public Library	1.4 Southeast
Church	Greentown Heights Church Of Christ	0.9 South

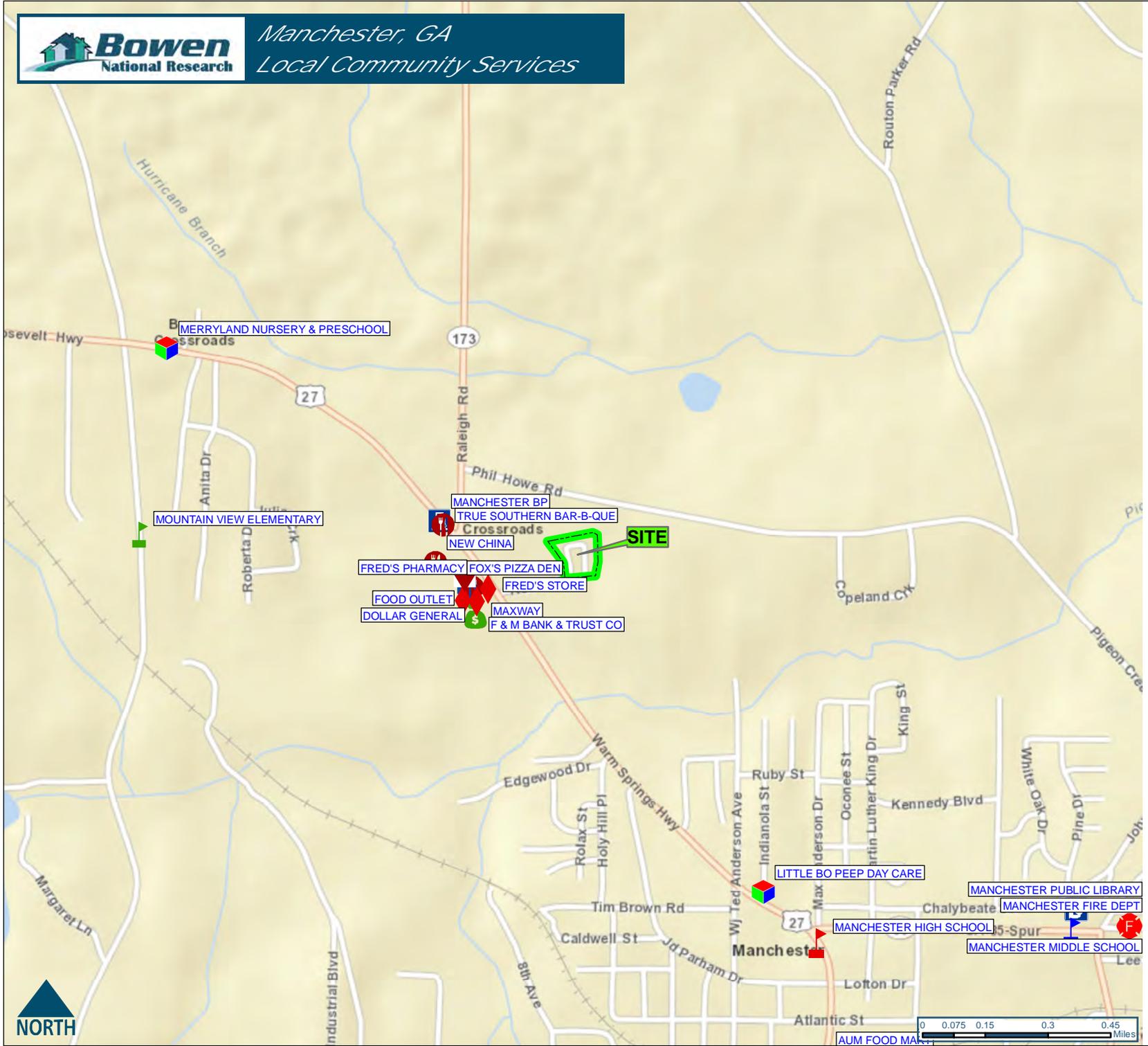
N/A – Not Available

The subject site is within walking distance of several community services including the Town and Country Plaza which contains a Food Outlet, Dollar General, New China restaurant, Fox's Pizza Den and Maxway. Also within walking distance are Fred's Store, and BP Gas Station. There are two pharmacies within 1.6 miles of the site including Fred's Pharmacy and Rite Aid. A Piggly Wiggly Store is located within 1.5 miles of the site. Essential senior community services including the Manchester Senior Center and the Warm Springs Medical Center are also within close proximity of the site. The nearest major shopping area is the Lagrange Mall located 30.6 miles northwest of the site. The mall includes anchors such as Belk and J.C. Penney. Other community services with

proximity of the site include banks, gas stations, a library, restaurants and a post office.

Overall, the site's proximity to community to services will continue to contribute to the marketability of the site.

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



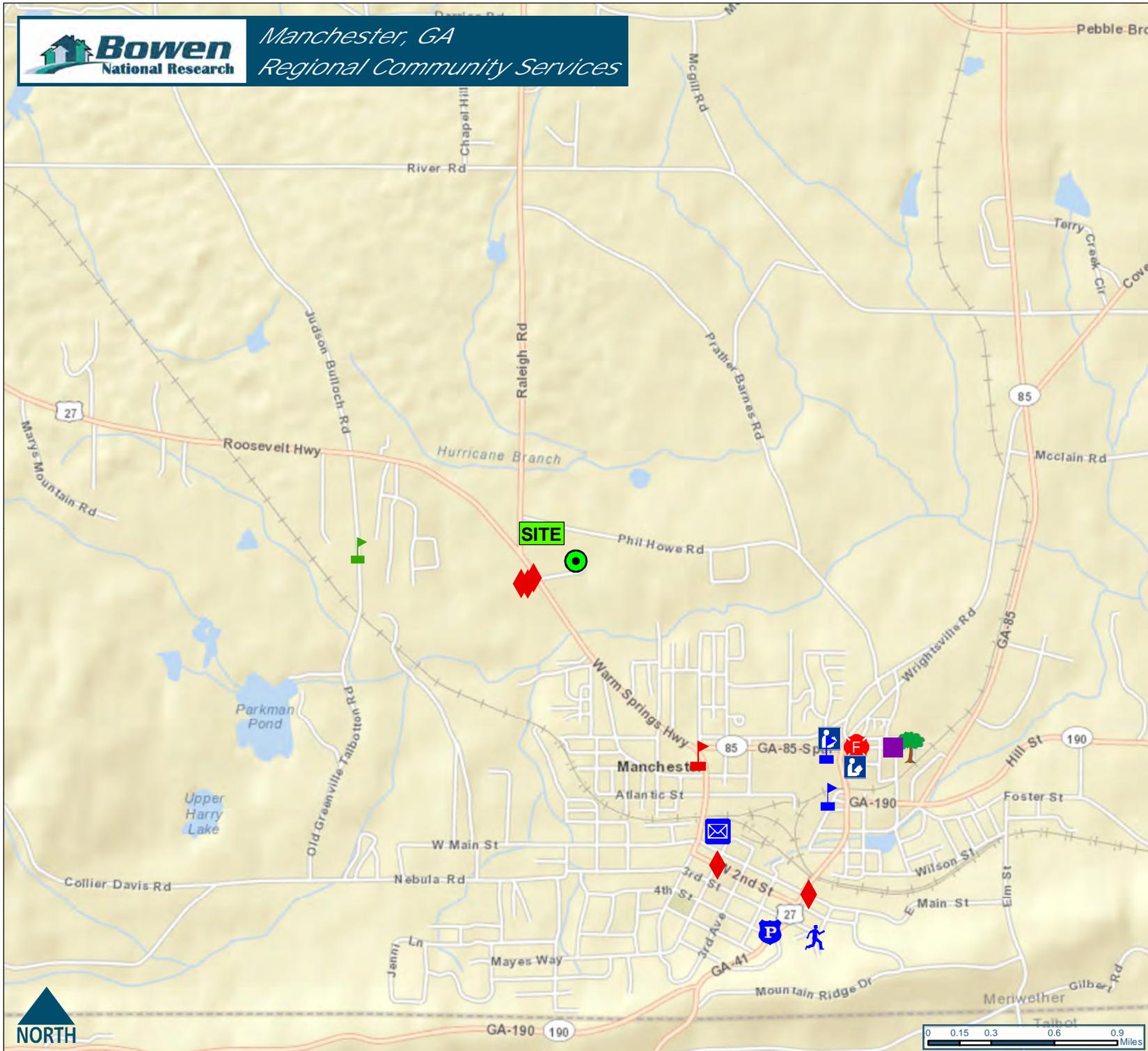
Legend

-  Site Area
-  bank
-  child care
-  elementary school
-  fire
-  gas
-  grocery
-  high school
-  library
-  middle school
-  pharmacy
-  restaurant
-  shopping



Legend

-  Site
-  elementary school
-  fire
-  fitness center
-  high school
-  library
-  middle school
-  park
-  police
-  post office
-  senior services
-  shopping



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 (75) for the Site PMA is below the national average with an overall personal crime index of 66 and a property crime index of 73. Total crime risk (68) for Meriwether County is below the national average with indexes for personal and property crime of 59 and 67, respectively.

	Crime Risk Index	
	Site PMA	Meriwether County
Total Crime	75	68
Personal Crime	66	59
Murder	135	127
Rape	48	49
Robbery	27	20
Assault	73	58
Property Crime	73	67
Burglary	101	89
Larceny	73	65
Motor Vehicle Theft	50	51

Source: Applied Geographic Solutions

The low crime risks for both the Site PMA and Meriwether County should continue to positively enhance marketability of the subject site, as evidenced by the subject project's 100.0% occupancy and wait list. The fact that nearly all existing rentals identified and surveyed within the Site PMA are maintaining high occupancy rates further provides evidence that the relatively low crime rates have had a positive impact on the marketability of existing projects. Overall, we do not believe crime will be an issue in the continued marketability of the subject site.

A map illustrating crime risk is on the following page.



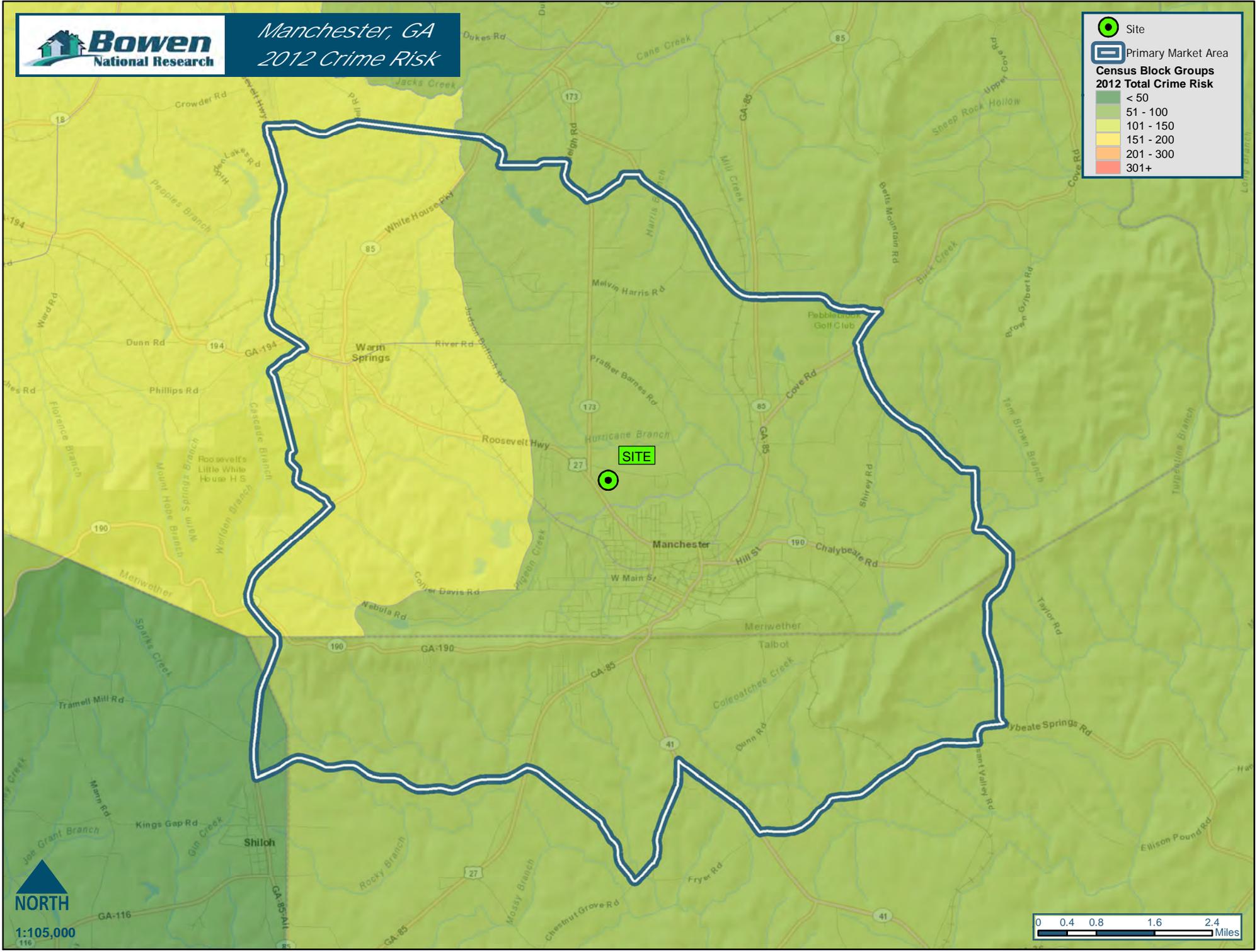
Manchester, GA
2012 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2012 Total Crime Risk

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



NORTH
1:105,000



7. OVERALL SITE EVALUATION

The subject project is currently 100.0% occupied, which is evidence that the subject site location has had a positive impact on its marketability. It is our opinion that following the subject project's renovations, the surrounding land uses will continue to have a positive impact on the marketability of the site. Visibility is considered adequate; however, access is considered good.

The site is close to shopping, employment, recreation, entertainment, and social services and public safety services are all within 4.0 miles of the site. The site has convenient access to major highways. Overall, we expect the site's proximity to community services to continue to have a positive impact on its marketability.

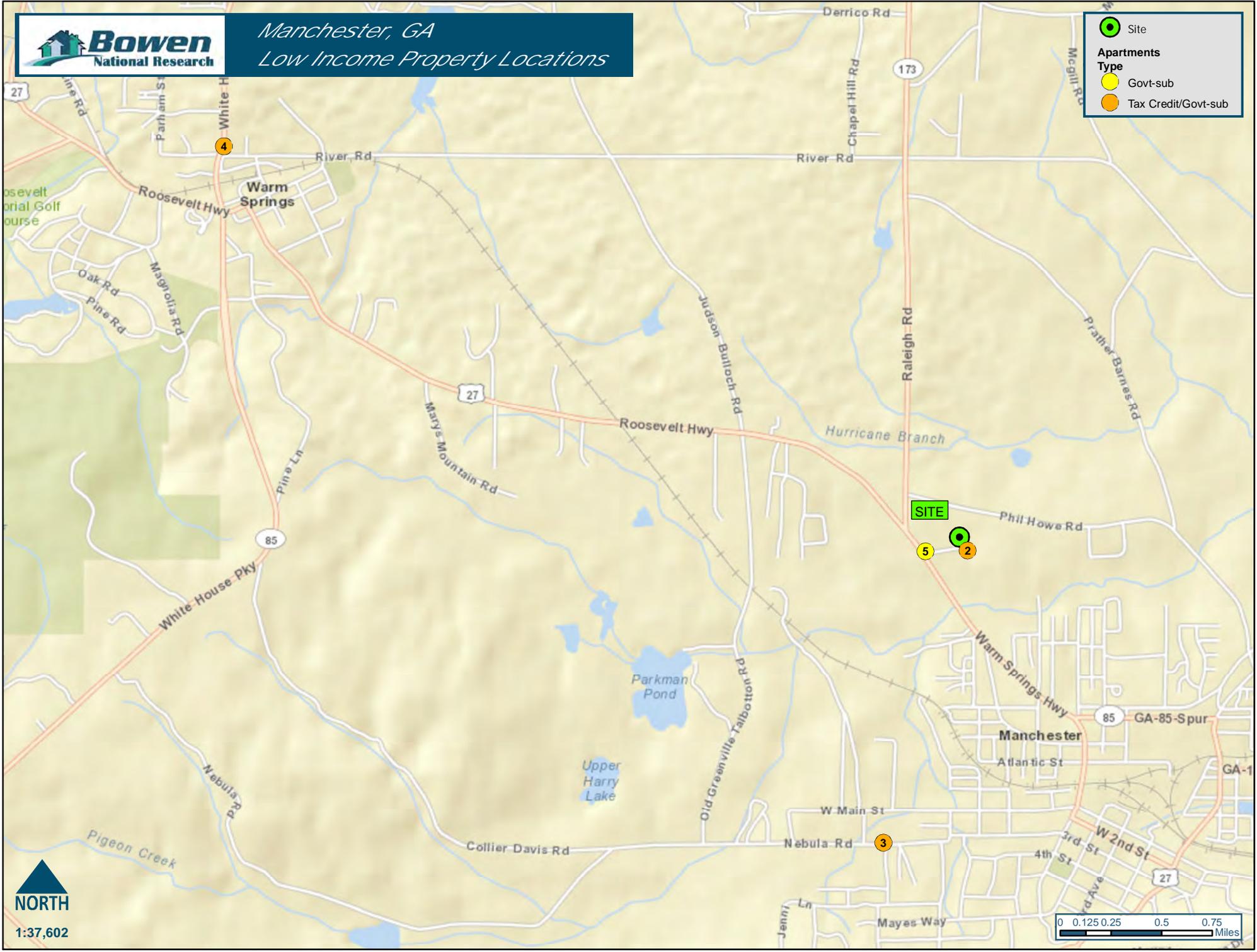
8. MAP OF LOW-INCOME RENTAL HOUSING

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.



*Manchester, GA
Low Income Property Locations*

● Site
● Apartments Type
● Govt-sub
● Tax Credit/Govt-sub



NORTH
1:37,602

SECTION D – PRIMARY MARKET AREA DELINEATION

The Site Primary Market Area (PMA) is the geographical area from which 85% of the support for the subject development is expected to continue to originate. The Manchester Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents 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.

The Manchester Site PMA includes the towns of Manchester and Warm Springs. Additionally, unincorporated areas of Meriwether County are also encompassed in the market area. Specifically, the boundaries of the Site PMA consist of Pebblebrook Road and Jessie Cole Road to the north; LL Revell Road, Mitchell Cove Road, Chalybeate Springs Road and Pleasant Valley Road to the east; Tax Road, Fryer Road, McCrary Road and Old Shiloh Road to the south; and State Route 85/U.S. Highway 27, the western city limits of Warm Springs and State Route /U.S. Highway 27 to the west. The Site PMA boundaries are within 4.4 to 6.8 miles from the subject site.

Sharon Jackson, Property Manager of Pigeon Creek Apartments (subject site), Pigeon Bluff Apartments and Hidden Creek Apartments, stated that the majority of her tenants originate from within the Manchester and Warm Springs area. After cross-referencing each of her residents' previous addresses, Ms. Jackson stated that the 31816 zip code represents at least 85% of the current tenants' previous addresses.

Crystal Johnson, Property Manager of the Warm Springs Apartments (Map I.D. 4), an affordable general-occupancy community, stated that the majority of the seniors residing at her general-occupancy project grew up in the area and prefer to stay in Manchester and Warm Springs, thus confirming the Site PMA. Ms. Johnson went on to say that Manchester and Warm Springs are less than three miles apart, which allows tenants to move freely between the two towns.

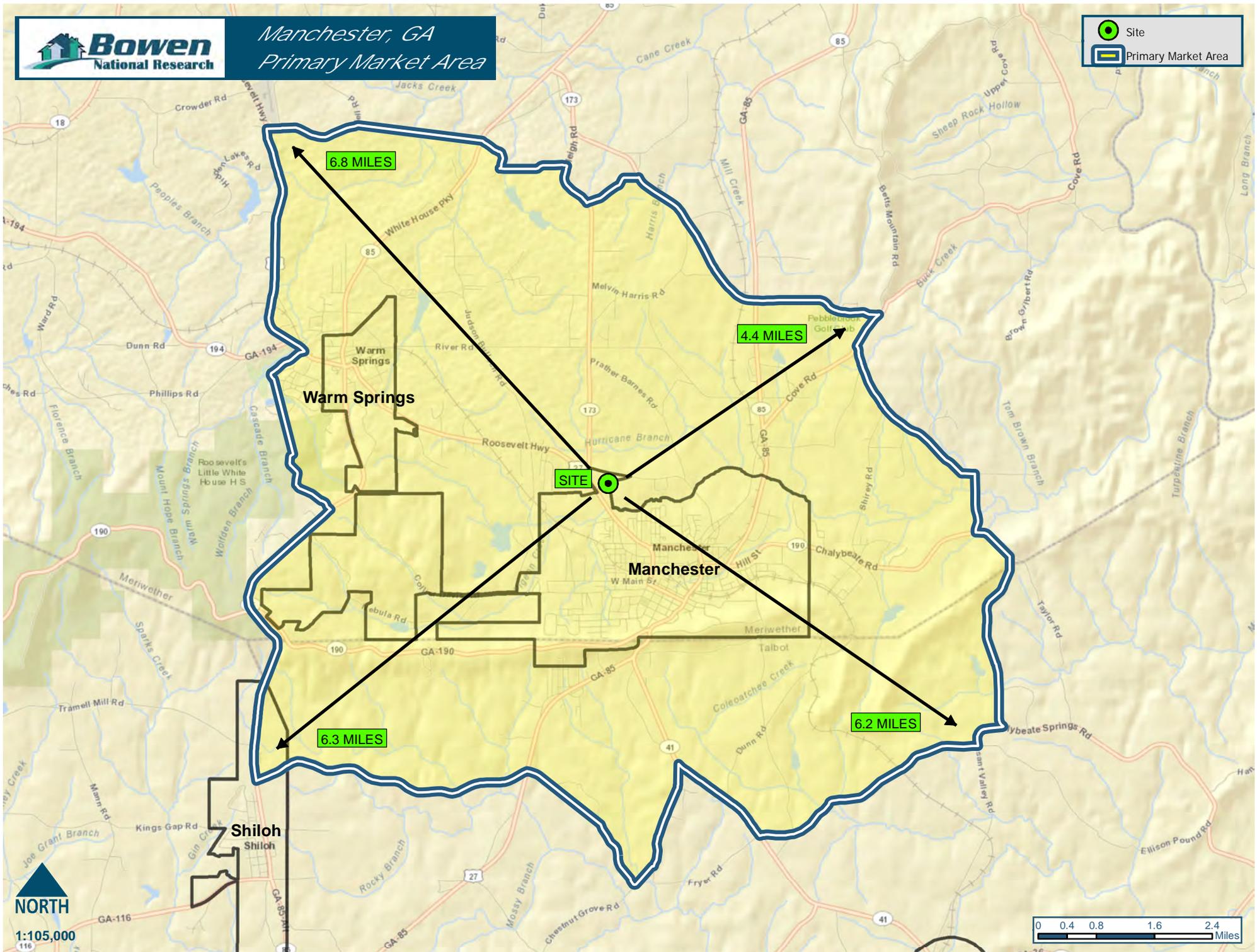
Although a small portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

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



*Manchester, GA
Primary Market Area*

● Site
▭ Primary Market Area



SECTION E - COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2015 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2015 projections do not vary more than 1.0%.

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	7,980	8,042	7,882	7,731
Population Change	-	62	-160	-151
Percent Change	-	0.8%	-2.0%	-1.9%

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

The Manchester Site PMA population base increased by 62 between 2000 and 2010. This represents a 0.8% increase from the 2000 population, or an annual rate of 0.08%. Between 2010 and 2013, the population declined by 160, or 2.0%. It is projected that the population will decline by 151, or 1.9%, 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	2,224	27.7%	2,122	26.9%	2,064	26.7%	-58	-2.7%
20 to 24	459	5.7%	445	5.7%	422	5.5%	-23	-5.2%
25 to 34	896	11.1%	888	11.3%	869	11.2%	-18	-2.1%
35 to 44	863	10.7%	814	10.3%	786	10.2%	-28	-3.4%
45 to 54	1,120	13.9%	1,044	13.2%	987	12.8%	-56	-5.4%
55 to 64	1,113	13.8%	1,142	14.5%	1,133	14.7%	-8	-0.7%
65 to 74	790	9.8%	853	10.8%	897	11.6%	44	5.2%
75 & Over	576	7.2%	574	7.3%	571	7.4%	-2	-0.4%
Total	8,042	100.0%	7,882	100.0%	7,731	100.0%	-151	-1.9%

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

All of the growth in the market is projected to be among those between the ages of 65 and 74, an increase of 44 person, or 5.2%. This growth will have a positive impact on the demand for senior housing in the market. This data also indicates that the population is aging within the market, which will bode well for the subject project.

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2013 (Estimated)	2015 (Projected)
Elderly (Age 62+)	1,702	1,776	1,817
Non-Elderly	6,340	6,106	5,914
Total	8,042	7,882	7,731

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

The elderly population is projected to increase by 41, or 2.3%, between 2013 and 2015. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	3,075	3,173	3,087	3,043
Household Change	-	98	-86	-43
Percent Change	-	3.2%	-2.7%	-1.4%
Household Size	2.60	2.53	2.51	2.49

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

Within the Manchester Site PMA, households increased by 98 (3.2%) between 2000 and 2010. Between 2010 and 2013, households declined by 86 or 2.7%. By 2015, there will be 3,043 households, a decline of 43 households, or 1.4% from 2013. This is a decline of approximately 21.6 households annually over the next two years.

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	110	3.4%	101	3.3%	94	3.1%	-6	-6.3%
25 to 34	403	12.5%	383	12.4%	375	12.3%	-8	-2.0%
35 to 44	460	14.3%	413	13.4%	398	13.1%	-15	-3.7%
45 to 54	638	19.8%	566	18.3%	535	17.6%	-32	-5.6%
55 to 64	674	20.9%	685	22.2%	679	22.3%	-6	-0.9%
65 to 74	528	16.4%	542	17.6%	569	18.7%	27	4.9%
75 to 84	305	9.5%	306	9.9%	294	9.7%	-12	-3.9%
85 & Over	102	3.2%	90	2.9%	99	3.3%	9	10.2%
Total	3,220	100.0%	3,087	100.0%	3,043	100.0%	-43	-1.4%

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

Between 2013 and 2015, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74, as well as households ages 85 and older, an increase of 36 households, or 5.7%. This growth, although minimal, indicates an increasing need for senior housing in the market. Similar to population trends, these age groups are the only age groups projected to experience growth through 2015. This further illustrates the increasing need for age-restricted housing.

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)	1,189	37.5%	1,070	34.7%	1,030	33.8%
Owner-Occupied (Age 62+)	901	28.4%	939	30.4%	960	31.5%
Renter-Occupied (<Age 62)	843	26.6%	892	28.9%	863	28.3%
Renter-Occupied (Age 62+)	240	7.6%	186	6.0%	191	6.3%
Total	3,173	100.0%	3,087	100.0%	3,043	100.0%

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

Currently, 6.0% of all occupied housing units within the Site PMA are occupied by renters age 62 and older. Renters age 62 and older are projected to increase, although minimal, by five households, or 2.7%.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,090	65.9%	2,009	65.1%	1,990	65.4%
Renter-Occupied	1,083	34.1%	1,078	34.9%	1,054	34.6%
Total	3,173	100.0%	3,087	100.0%	3,043	100.0%

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

In 2013, homeowners occupied 65.1% of all occupied housing units, while the remaining 34.9% were occupied by renters.

Households by tenure for those age 62 and older in 2010, 2013 (estimated) and 2015 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	901	79.0%	939	83.5%	960	83.4%
Renter-Occupied	240	21.0%	186	16.5%	191	16.6%
Total	1,141	100.0%	1,125	100.0%	1,151	100.0%

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

A total of 186 (16.5%) of all households age 62 and older within the Site PMA were renters in 2013.

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2013 estimates and 2015 projections, were distributed as follows:

Persons Per Renter Household Age 62+	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	156	84.1%	160	83.8%	3	2.2%
2 Persons	28	15.1%	28	14.9%	0	1.1%
3 Persons	0	0.0%	0	0.0%	0	57.4%
4 Persons	0	0.1%	1	0.3%	0	161.5%
5 Persons+	1	0.7%	2	0.9%	1	42.6%
Total	186	100.0%	191	100.0%	5	2.5%

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

Persons Per Owner Household Age 62+	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	346	36.9%	355	37.0%	9	2.5%
2 Persons	523	55.7%	531	55.3%	8	1.5%
3 Persons	48	5.1%	51	5.3%	2	5.0%
4 Persons	13	1.4%	13	1.4%	1	4.2%
5 Persons+	9	1.0%	10	1.1%	1	12.8%
Total	939	100.0%	960	100.0%	21	2.2%

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

The subject site targets one- to two-person households, which comprise nearly all of the Site PMA's renter households age 62 and older. As such, the subject project will continue to accommodate nearly all of the senior renter households within the Site PMA based on size.

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

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	303	9.5%	310	10.0%	300	9.9%
\$10,000 to \$19,999	661	20.8%	666	21.6%	647	21.3%
\$20,000 to \$29,999	480	15.1%	474	15.4%	462	15.2%
\$30,000 to \$39,999	317	10.0%	368	11.9%	358	11.8%
\$40,000 to \$49,999	283	8.9%	228	7.4%	229	7.5%
\$50,000 to \$59,999	287	9.0%	265	8.6%	255	8.4%
\$60,000 to \$74,999	330	10.4%	328	10.6%	323	10.6%
\$75,000 to \$99,999	263	8.3%	230	7.5%	238	7.8%
\$100,000 to \$124,999	148	4.7%	133	4.3%	137	4.5%
\$125,000 to \$149,999	56	1.8%	44	1.4%	50	1.6%
\$150,000 to \$199,999	31	1.0%	29	0.9%	30	1.0%
\$200,000 & Over	15	0.5%	11	0.4%	13	0.4%
Total	3,173	100.0%	3,087	100.0%	3,043	100.0%
Median Income	\$34,499		\$32,525		\$33,138	

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

In 2010, the median household income was \$34,499. This declined by 5.7% to \$32,525 in 2013. By 2015, it is projected that the median household income will be \$33,138, an increase of 1.9% from 2013.

The distribution of households by income age 62 and older within the Manchester Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	121	10.6%	113	10.1%	115	10.0%
\$10,000 to \$19,999	296	25.9%	275	24.5%	275	23.9%
\$20,000 to \$29,999	166	14.6%	175	15.5%	177	15.4%
\$30,000 to \$39,999	119	10.4%	143	12.7%	145	12.6%
\$40,000 to \$49,999	87	7.6%	68	6.1%	74	6.4%
\$50,000 to \$59,999	88	7.7%	83	7.4%	82	7.1%
\$60,000 to \$74,999	96	8.4%	106	9.4%	108	9.4%
\$75,000 to \$99,999	89	7.8%	84	7.5%	88	7.7%
\$100,000 to \$124,999	53	4.7%	54	4.8%	58	5.1%
\$125,000 to \$149,999	24	2.1%	20	1.8%	21	1.9%
\$150,000 to \$199,999	2	0.2%	4	0.4%	5	0.5%
\$200,000 & Over	0	0.0%	0	0.0%	1	0.1%
Total	1,141	100.0%	1,125	100.0%	1,151	100.0%
Median Income	\$29,286		\$29,964		\$30,545	

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

In 2010, the median household income for households age 62 and older was \$29,286. This increased by 2.3% to \$29,964 in 2013. By 2015, it is projected that the median household income will be \$30,545, an increase of 1.9% from 2013.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	63	65	6	30	6	169
\$10,000 to \$19,999	166	11	113	0	66	356
\$20,000 to \$29,999	73	73	7	5	3	162
\$30,000 to \$39,999	32	14	25	43	0	114
\$40,000 to \$49,999	11	41	0	2	12	67
\$50,000 to \$59,999	11	9	0	9	5	35
\$60,000 to \$74,999	14	45	11	25	19	114
\$75,000 to \$99,999	2	11	1	24	1	40
\$100,000 to \$124,999	7	0	0	0	0	8
\$125,000 to \$149,999	1	0	0	0	0	2
\$150,000 to \$199,999	2	2	3	0	0	7
\$200,000 & Over	1	7	1	0	0	9
Total	386	278	168	138	113	1,083

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	59	71	6	29	6	171
\$10,000 to \$19,999	185	6	115	0	64	369
\$20,000 to \$29,999	61	73	8	7	2	151
\$30,000 to \$39,999	36	17	25	44	0	122
\$40,000 to \$49,999	9	32	0	1	9	52
\$50,000 to \$59,999	13	8	0	9	7	36
\$60,000 to \$74,999	14	44	12	24	19	113
\$75,000 to \$99,999	2	12	1	20	0	34
\$100,000 to \$124,999	11	1	0	0	0	12
\$125,000 to \$149,999	0	0	0	0	0	1
\$150,000 to \$199,999	0	4	2	0	1	7
\$200,000 & Over	0	7	0	1	0	8
Total	392	275	168	135	109	1,078

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	58	69	7	26	7	166
\$10,000 to \$19,999	181	6	112	0	60	360
\$20,000 to \$29,999	57	71	7	6	3	144
\$30,000 to \$39,999	36	16	24	42	0	118
\$40,000 to \$49,999	9	32	0	2	8	51
\$50,000 to \$59,999	14	8	0	9	5	37
\$60,000 to \$74,999	14	42	11	24	20	111
\$75,000 to \$99,999	2	12	1	21	0	37
\$100,000 to \$124,999	11	1	0	1	0	13
\$125,000 to \$149,999	1	0	0	0	0	2
\$150,000 to \$199,999	1	4	1	0	1	6
\$200,000 & Over	0	8	0	0	0	9
Total	386	268	164	131	105	1,054

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2013 and 2015 for the Manchester Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	46	7	0	0	0	53
\$10,000 to \$19,999	90	15	0	0	1	105
\$20,000 to \$29,999	0	0	0	0	0	1
\$30,000 to \$39,999	14	8	0	0	0	23
\$40,000 to \$49,999	14	0	0	0	0	15
\$50,000 to \$59,999	12	0	0	0	0	12
\$60,000 to \$74,999	18	0	0	0	0	18
\$75,000 to \$99,999	3	0	0	0	0	3
\$100,000 to \$124,999	8	0	0	0	0	9
\$125,000 to \$149,999	0	1	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	205	31	0	0	4	240

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	30	11	0	0	0	41
\$10,000 to \$19,999	74	5	0	0	0	79
\$20,000 to \$29,999	0	0	0	0	0	0
\$30,000 to \$39,999	12	11	0	0	0	23
\$40,000 to \$49,999	7	0	0	0	0	7
\$50,000 to \$59,999	9	0	0	0	0	9
\$60,000 to \$74,999	13	0	0	0	0	13
\$75,000 to \$99,999	2	0	0	0	0	2
\$100,000 to \$124,999	9	1	0	0	0	10
\$125,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	1	1
\$200,000 & Over	0	0	0	0	0	0
Total	156	28	0	0	1	186

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	30	11	0	0	0	42
\$10,000 to \$19,999	76	6	0	0	0	82
\$20,000 to \$29,999	0	0	0	0	0	0
\$30,000 to \$39,999	12	11	0	0	0	23
\$40,000 to \$49,999	7	0	0	0	0	7
\$50,000 to \$59,999	9	0	0	0	0	10
\$60,000 to \$74,999	13	0	0	0	0	13
\$75,000 to \$99,999	2	0	0	0	0	3
\$100,000 to \$124,999	9	1	0	0	0	10
\$125,000 to \$149,999	1	0	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	1	1
\$200,000 & Over	0	0	0	0	0	0
Total	160	28	0	1	2	191

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2013 and 2015 for the Manchester Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	43	17	7	0	0	68
\$10,000 to \$19,999	96	90	0	4	0	190
\$20,000 to \$29,999	73	87	5	0	0	165
\$30,000 to \$39,999	27	61	5	0	2	96
\$40,000 to \$49,999	26	42	3	0	1	72
\$50,000 to \$59,999	5	65	0	5	1	75
\$60,000 to \$74,999	42	24	11	0	2	79
\$75,000 to \$99,999	9	72	1	0	4	86
\$100,000 to \$124,999	17	24	2	0	0	45
\$125,000 to \$149,999	6	17	0	0	0	23
\$150,000 to \$199,999	1	0	0	0	0	2
\$200,000 & Over	0	0	0	0	0	0
Total	346	499	34	10	13	901

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	49	14	8	1	0	72
\$10,000 to \$19,999	93	98	0	5	0	196
\$20,000 to \$29,999	72	94	8	0	0	175
\$30,000 to \$39,999	29	76	12	1	2	120
\$40,000 to \$49,999	19	39	3	0	0	61
\$50,000 to \$59,999	3	65	0	5	2	74
\$60,000 to \$74,999	51	27	12	0	2	92
\$75,000 to \$99,999	8	69	1	0	3	82
\$100,000 to \$124,999	16	25	3	0	0	44
\$125,000 to \$149,999	4	15	0	0	0	20
\$150,000 to \$199,999	2	1	0	0	0	3
\$200,000 & Over	0	0	0	0	0	0
Total	346	523	48	13	9	939

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	50	14	8	1	0	73
\$10,000 to \$19,999	93	96	0	5	0	193
\$20,000 to \$29,999	72	95	9	1	0	177
\$30,000 to \$39,999	31	77	11	1	2	122
\$40,000 to \$49,999	21	41	3	0	1	66
\$50,000 to \$59,999	3	64	0	5	2	73
\$60,000 to \$74,999	52	28	13	0	2	95
\$75,000 to \$99,999	9	72	1	1	3	86
\$100,000 to \$124,999	18	26	4	0	0	48
\$125,000 to \$149,999	4	16	0	0	0	20
\$150,000 to \$199,999	3	2	0	0	0	5
\$200,000 & Over	0	1	0	0	0	1
Total	355	531	51	13	10	960

Source: Ribbon Demographics; ESRI; Urban Decision Group

Overall population and households have experienced negative growth between 2010 and 2013. The trends are projected to remain negative through 2015. Despite the overall decline in population and household growth, population and households between the ages of 65 and 74 are projected to increase by 5.2% and 4.9%, respectively, between 2013 and 2015. This growth indicates an increasing need for senior housing in the market through 2015. In addition, the subject project will continue to target one- to two-person households which comprise nearly all of the senior renter households within the Site PMA. As such, the project will continue to accommodate the majority of the Site PMA's senior renter households based on size. The preceding factors will have a positive impact on the continued marketability of the subject site.

SECTION F - ECONOMIC TRENDS

1. LABOR FORCE PROFILE

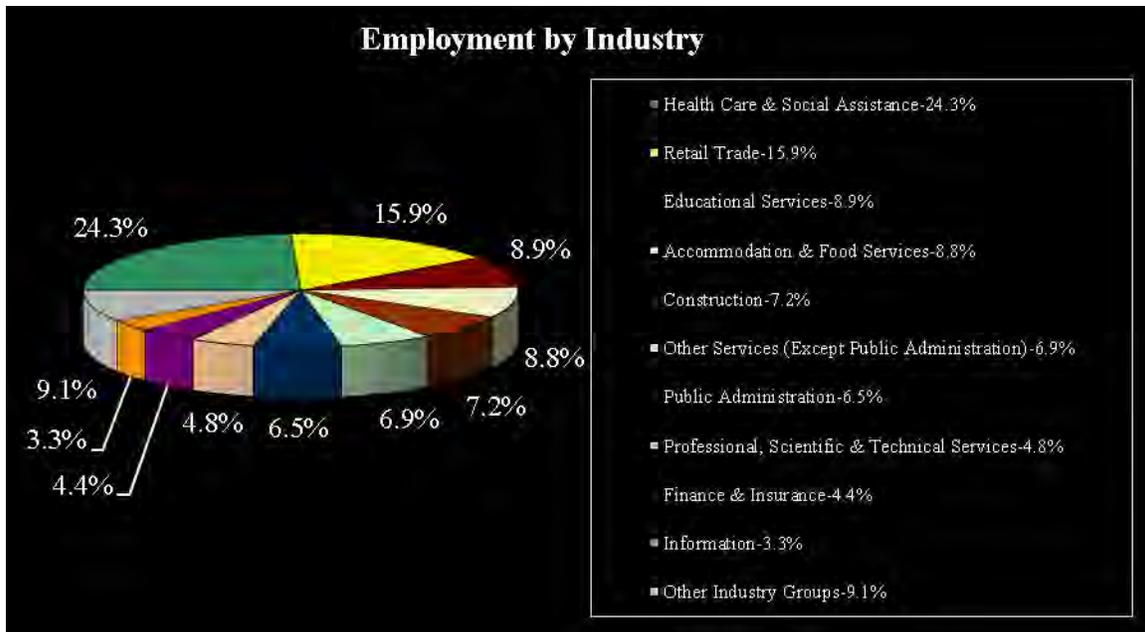
The labor force within the Manchester Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 24.3%) and Retail Trade comprise over 40% of the Site PMA labor force. Employment in the Manchester Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	0.6%	6	0.2%	3.0
Mining	0	0.0%	0	0.0%	0.0
Utilities	1	0.3%	23	0.9%	23.0
Construction	20	6.5%	190	7.2%	9.5
Manufacturing	10	3.2%	40	1.5%	4.0
Wholesale Trade	2	0.6%	20	0.8%	10.0
Retail Trade	63	20.5%	418	15.9%	6.6
Transportation & Warehousing	7	2.3%	36	1.4%	5.1
Information	11	3.6%	86	3.3%	7.8
Finance & Insurance	18	5.8%	116	4.4%	6.4
Real Estate & Rental & Leasing	15	4.9%	35	1.3%	2.3
Professional, Scientific & Technical Services	10	3.2%	125	4.8%	12.5
Management of Companies & Enterprises	1	0.3%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	8	2.6%	41	1.6%	5.1
Educational Services	5	1.6%	233	8.9%	46.6
Health Care & Social Assistance	20	6.5%	638	24.3%	31.9
Arts, Entertainment & Recreation	3	1.0%	21	0.8%	7.0
Accommodation & Food Services	29	9.4%	230	8.8%	7.9
Other Services (Except Public Administration)	62	20.1%	182	6.9%	2.9
Public Administration	16	5.2%	170	6.5%	10.6
Nonclassifiable	5	1.6%	16	0.6%	3.2
Total	308	100.0%	2,626	100.0%	8.5

*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 Atlanta-Sandy Springs-Marietta Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Atlanta-Sandy Springs-Marietta MSA	Georgia
Management Occupations	\$114,140	\$106,520
Business and Financial Occupations	\$72,750	\$69,720
Computer and Mathematical Occupations	\$78,360	\$76,060
Architecture and Engineering Occupations	\$75,490	\$73,630
Community and Social Service Occupations	\$45,220	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$49,950	\$48,400
Healthcare Practitioners and Technical Occupations	\$73,720	\$69,400
Healthcare Support Occupations	\$28,190	\$26,160
Protective Service Occupations	\$34,390	\$33,690
Food Preparation and Serving Related Occupations	\$20,340	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$24,840	\$23,550
Personal Care and Service Occupations	\$23,090	\$22,160
Sales and Related Occupations	\$39,920	\$35,520
Office and Administrative Support Occupations	\$34,920	\$33,110
Construction and Extraction Occupations	\$40,390	\$38,120
Installation, Maintenance and Repair Occupations	\$43,430	\$41,750
Production Occupations	\$32,030	\$31,340
Transportation and Moving Occupations	\$37,260	\$34,260

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

Most annual blue-collar salaries range from \$20,340 to \$49,950 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$82,892. It is important to note that most occupational types within the MSA have higher typical wages than the State of Georgia's typical wages. While the subject project targets senior households, many of which are likely retired, there appears to a sufficient base of wage-appropriate jobs in the market from which seniors seeking employment could choose.

2. MAJOR EMPLOYERS

The ten largest employers within the Meriwether County area comprise a total of 2,389 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Meriwether County School System	Education	550
Roosevelt Institute Rehab	Healthcare	450
Georgia Pacific	Manufacturing	335
Dongwon	Auto Manufacturing	288
Meriwether County	Government	186
Warm Springs Hospital	Healthcare	180
Angio Dynamics	Surgical Appliances	140
Mando Corporation	Automobile Parts	100
McCoy Grading	Construction	90
Complete Truck Bodies Inc	Refrigeration Equipment	70
Total		2,389

Source: Meriwether County Industrial Development Authority (October 2013)

According to a representative with the Meriwether County Industrial Development Authority, the county's economy is stable.

The county has had at least five new restaurants open in the past 12 months. A new CVS Pharmacy is currently under construction. The Meriwether Park area has seen the most development due to its open land and close proximity to I-85 and is currently making infrastructure improvements by adding water and sewer lines to help aid in the future growth of the area.

In 2011 Korean auto supplier Mando Corporation opened their manufacturing operation in Meriwether County. The company invested \$200 million in the facility that created more than 100 jobs. The company announced in December 2012 it is now investing another \$80 million to build a 317,000-square-foot facility to correlate with the processes of its current plant. This new facility will build electric power steering gears and electronic stability control modules for automakers General Motors and Kia. Once both facilities are in full operation, the company will be the county's largest employer with an anticipated 1,000 jobs by 2020. The

recent need for the Mando Corporations expansion is a result of the Kia Motor’s Corporation major economic upturn at their plant in West Point in a neighboring county.

The county has seen some job loss due to the impact of the national recession causing employers to downsize. Federal and State budget cuts have caused the schools to cutback funding to programs; however, they are adapting to the changes without much difficulty.

There are no known layoffs or closures, according to a representative with the Meriwether County Industrial Development Authority. Further, no WARN notices of large-scale layoffs or closures have been posted for Meriwether County since January 2012.

3. EMPLOYMENT TRENDS

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

Excluding 2013, the employment base has declined by 8.2% over the past five years in Meriwether County, more than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Meriwether County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	9,077	-	4,173,787	-	137,936,674	-
2004	9,063	-0.2%	4,249,007	1.8%	138,386,944	0.3%
2005	9,175	1.2%	4,375,178	3.0%	139,988,842	1.2%
2006	9,048	-1.4%	4,500,150	2.9%	142,328,023	1.7%
2007	8,993	-0.6%	4,587,739	1.9%	144,990,053	1.9%
2008	8,778	-2.4%	4,540,706	-1.0%	146,397,529	1.0%
2009	8,106	-7.7%	4,289,819	-5.5%	146,068,824	-0.2%
2010	8,035	-0.9%	4,241,718	-1.1%	140,721,369	-3.7%
2011	7,877	-2.0%	4,295,113	1.3%	140,483,185	-0.2%
2012	8,058	2.3%	4,371,608	1.8%	141,748,955	0.9%
2013*	8,163	1.3%	4,399,866	0.6%	141,772,241	0.0%

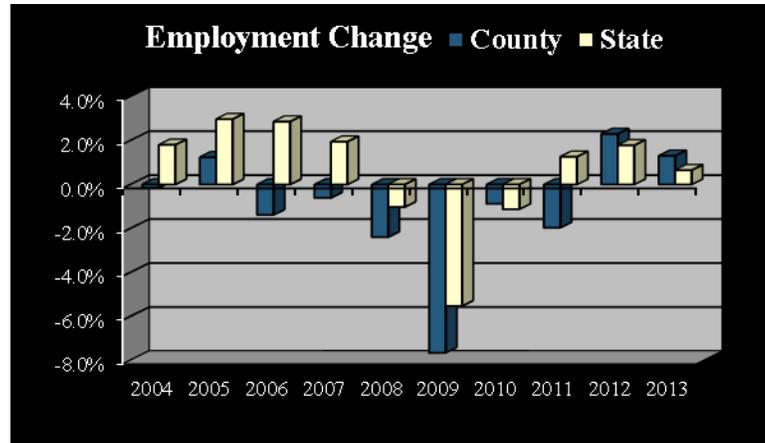
Source: Department of Labor; Bureau of Labor Statistics

*Through August

As the preceding illustrates, the Meriwether County employment base has declined by 1,019 employees since 2003. It is important to note, that much of this decline occurred between 2007 and 2009, a reduction of 887

employees, or 9.9%. The decline in the employment base is consistent with economies throughout the nation that were impacted by the national recession. On a positive note, the employment base has been experiencing growth since 2011, increasing by 286 employees, or 3.6%. Thus, indicating that the county's economy is well within the stages of recovery.

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

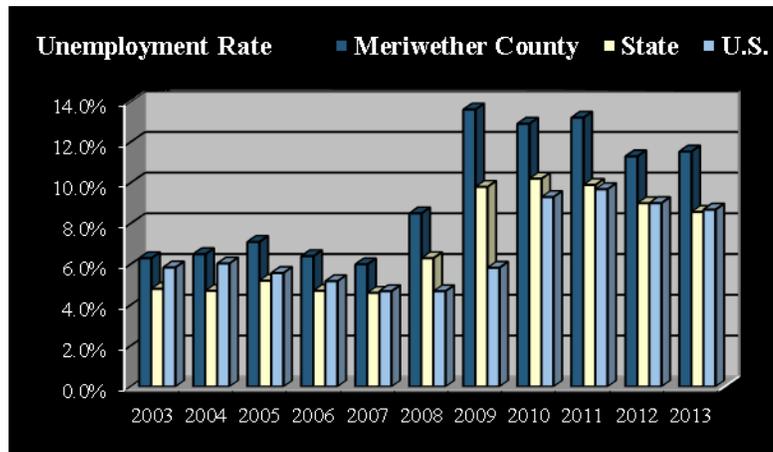


Unemployment rates for Meriwether County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Meriwether County	Georgia	United States
2003	6.3%	4.8%	5.8%
2004	6.5%	4.7%	6.0%
2005	7.1%	5.2%	5.6%
2006	6.4%	4.7%	5.2%
2007	6.0%	4.6%	4.7%
2008	8.5%	6.3%	4.7%
2009	13.6%	9.8%	5.8%
2010	12.9%	10.2%	9.3%
2011	13.2%	9.9%	9.7%
2012	11.3%	9.0%	9.0%
2013*	11.5%	8.6%	8.7%

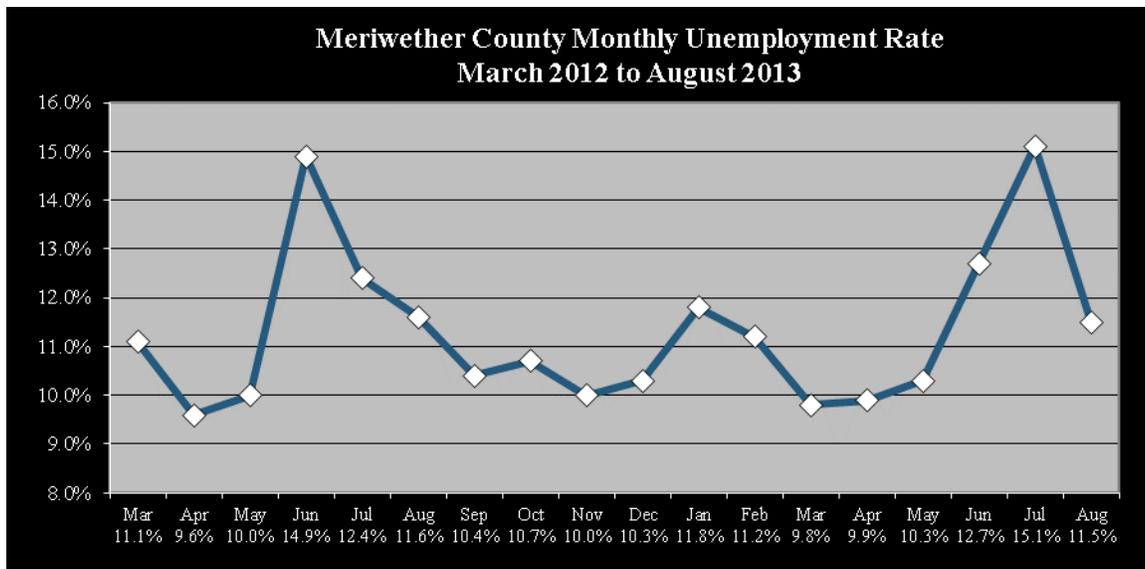
Source: Department of Labor, Bureau of Labor Statistics

*Through August



The unemployment rate in Meriwether County has ranged between 6.0% and 13.6%, well above both the state and national averages since 2003. It should be noted that the unemployment rate increased by over seven percentage points between 2007 and 2009, which is consistent with trends experienced by much of the nation associated with the national recession. Since 2009, the unemployment rate has generally declined; however, it is still high at 11.5% through August 2013.

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



The unemployment rate in Meriwether County has fluctuated from a high of 15.1% in July of 2013 to a low of 9.6% in April of 2012. As of August, the unemployment rate is 11.5%, nearly identical to what was reported in August 2012.

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 Meriwether County.

In-Place Employment Meriwether County			
Year	Employment	Change	Percent Change
2003	5,647	-	-
2004	5,247	-400	-7.1%
2005	5,248	1	0.0%
2006	4,908	-340	-6.5%
2007	4,720	-188	-3.8%
2008	4,714	-6	-0.1%
2009	4,668	-46	-1.0%
2010	4,508	-160	-3.4%
2011	4,466	-42	-0.9%
2012	4,384	-82	-1.8%
2013*	4,238	-146	-3.3%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Meriwether County to be 54.4% of the total Meriwether County employment. This means that Meriwether County has nearly an equal amount of employed persons leaving the county for daytime employment than those who work in the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs. However, since the subject project is age-restricted, this is not expected to be a significant factor on the subject's continued marketability.

4. ECONOMIC FORECAST

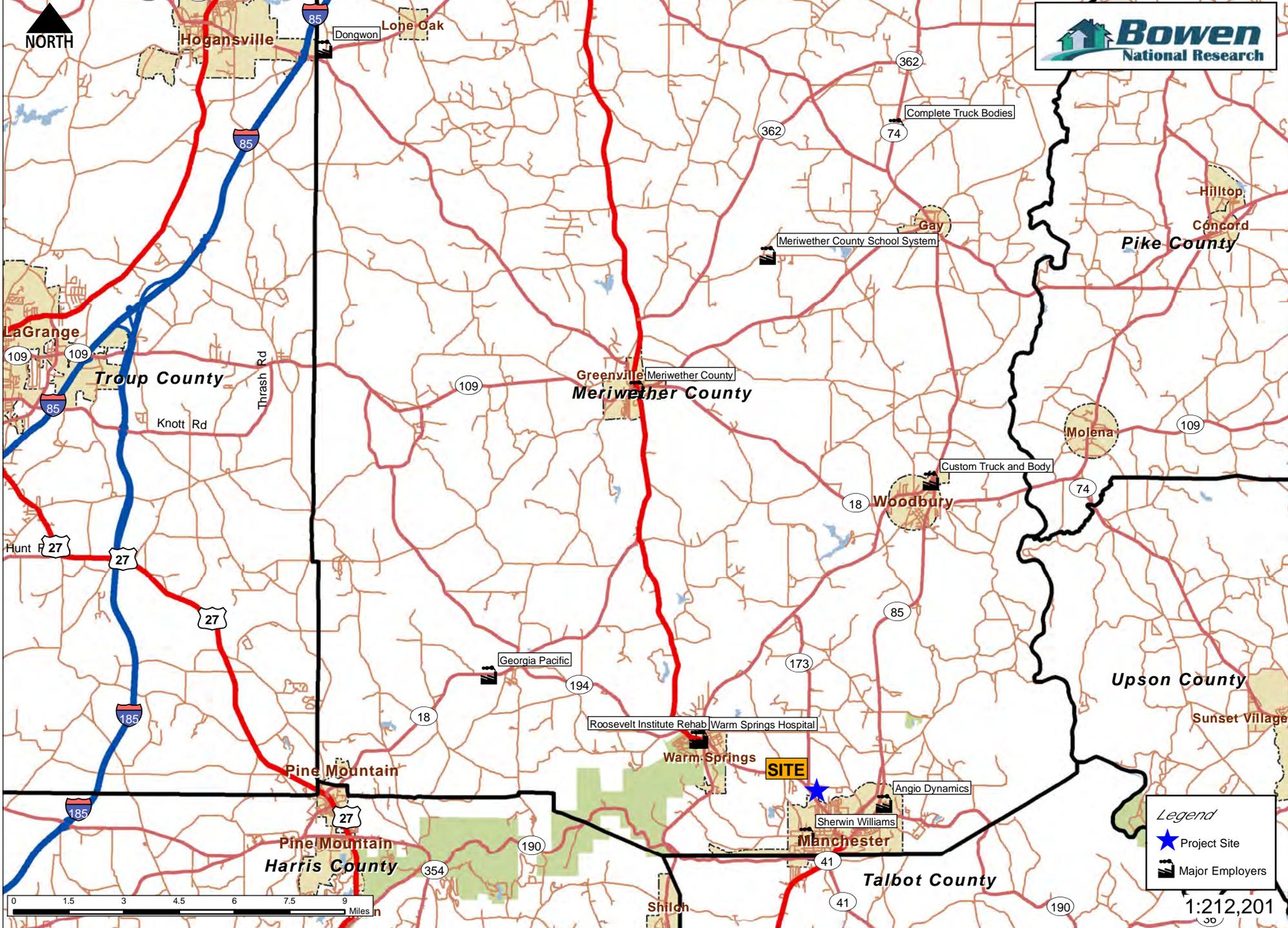
According to industrial development representatives and based on ESRI data and employment data from the Bureau of Labor Statistics, the Meriwether County economy has been experiencing growth within the past two years. Notably, Mando Corporation recently opened their manufacturing facility, a \$200 million investment, which created more than 100 jobs. Mando Corporation is investing an additional \$80 million to construct a second facility, and once both facilities are fully operational, it is anticipated to create a total of 1,000 jobs by 2020.

It should be noted that the unemployment rate is high (11.5% through August 2013), however it has generally declined over the preceding five-year period. In addition, the employment base experienced a significant decrease between 2007 and 2009, a decline of 887 employees, or 9.9%, which is consistent with economies throughout the nation that were impacted by the national recession. The employment base has experienced growth since 2011, increasing by 286 employees, or 3.6%.

Considering the double digit unemployment rate, the need for affordable housing has remained strong, as evidenced by the typically high occupancies of the affordable housing projects in the Site PMA. In addition, a high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will continue to provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

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

Manchester, GA: Major Employers



Legend

- ★ Project Site
- 🏢 Major Employers

1:212,201

SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within Meriwether County, Georgia HUD Metro FMR Area, which has a four-person median household income of \$50,100 for 2013. The subject property will be restricted to senior households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size:

Household Size	Maximum Allowable Income
	60%
One-Person	\$21,060
Two-Person	\$24,060

a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to two-person households. As such, the maximum allowable income at the subject site is **\$24,060**.

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.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$564. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,768.

Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$16,920**.

The subject project is anticipated to retain RA on the 42 units post LIHTC renovations. Therefore, tenants will only be required to pay up to 30% of their adjusted gross income towards housing costs. As such, the subject project will effectively target households with as little as no income.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required for residency at the subject project are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
RD 515 (Limited To 60% Of AMHI) with RA	\$0	\$24,060
RD 515 (Limited To 60% Of AMHI) without RA	\$16,920	\$24,060
Overall as Proposed	\$0	\$24,060
Tax Credit (Limited To 60% Of AMHI)	\$16,920	\$24,060

RA – Rental Assistance

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 53.7% to 55.0% (depending upon the targeted income level) of senior households within the market 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, 5.4% of all senior households in the market 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 2% must be based on actual market conditions, as documented in the study.*

- 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).

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2011 to current). As such, a Competitive Analysis Chart was not prepared and no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income			
	RD 515 60% AMHI with RA (age 62+) (\$0 - \$24,060)	RD 515 60% AMHI no RA (age 62+) (\$16,920 - \$24,060)	Overall As Proposed (age 62+) (\$0 - \$24,060)	Tax Credit Only (Age 55+) (\$16,920 - \$24,060)
Demand From New Households (Age- And Income-Appropriate)	124 - 121 = 3	25 - 24 = 1	124 - 121 = 3	43 - 42 = 1
+				
Demand From Existing Households (Rent Overburdened)	121 X 53.7% = 65	24 X 55.0% = 13	121 X 53.7% = 65	42 X 55.0% = 23
+				
Demand From Existing Households (Renters In Substandard Housing)	121 X 5.4% = 7	24 X 5.4% = 1	121 X 5.4% = 7	42 X 5.4% = 2
=				
Demand Subtotal	75	15	75	26
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	1	0	1	0
=				
Total Demand	76	15	76	26
-				
Supply (Current vacant units, under construction and/or newly constructed in the past two years)	0	0	0	0
=				
Net Demand	76	15	76	26
Subject Units	42	1	1*	43
Capture Rate	= 55.3% (0.0%*)	= 6.7%	= 1.3%*	= 165.4%

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

Given that the subject project is currently 100.0% occupied and all current tenants are anticipated to income-qualify post renovations, the subject project's effective capture rate is 1.3%. This is based on the retention of RA on the 42 units as proposed.

In the unlikely event that the subject project was to lose RA and all units had to operate exclusively under the Tax Credit program, it is conservatively estimated that none of the current residents would qualify to reside at the subject project. In this scenario, the 43 units would have a required capture rate of 165.4%. This capture rate is considered high and illustrates that there will be a limited number of households to draw support from if RA were not retained. In such a case, the subject project would have to be successful in attracting Voucher holders in order to reach a stabilized occupancy.

Based on our survey of conventional apartments within the Manchester Site PMA, as well as the distribution of bedroom types in most rural markets, the estimated share of demand by bedroom type for apartments is distributed as follows:

Estimated Demand By Bedroom (Senior-Restricted)	
Bedroom Type	Percent
One-Bedroom	75%
Two-Bedroom	25%
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 (75%)	60%	0*	57	0	57	0.0%*	N/A	N/A	\$517
RD 515 Two-Bedroom (25%)	60%	1*	19	0	19	5.3%*	1 to 2 Months	\$600	\$582
Tax Credit Only One-Bedroom (75%)	60%	40	20	0	20	200.0%	> 18 Months	N/A	\$517
Tax Credit Only Two-Bedroom (25%)	60%	2	6	0	6	33.3%	3 Months	\$600	\$582

*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 (Note that there were no non-subsidized one-bedroom units identified within the market).

N/A-Not Applicable

The effective capture rates by bedroom type with the preservation of Rental Assistance on the 42 units ranges from 0.0% to 5.3%, given that all units with RA are currently occupied and the current 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 range from 33.3% to 200.0%. These capture rates are considered moderate to high and illustrate that there will be a limited number of households to draw support from if RA were not retained. In reality, any vacancies that do occur at the subject site will result from typical monthly turnover (1-2 units per month), which should not be difficult to fill at the proposed LIHTC rent levels, particularly if the project is successful in attracting voucher holders.

SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Manchester 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	3,173	85.2%	3,087	83.3%
Owner-Occupied	2,090	65.9%	2,009	65.1%
Renter-Occupied	1,083	34.1%	1,078	34.9%
Vacant	553	14.8%	618	16.7%
Total	3,726	100.0%	3,705	100.0%

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

Based on a 2013 update of the 2010 Census, of the 3,705 total housing units in the market, 16.7% were vacant. This is a significant increase over the 2010 vacancy rate of 14.8% and could indicate a softening housing market; however, the vacancy status of the 618 units is estimated in the following table and illustrates that most vacant units are not long-term rentals:

Vacancy Status	Percent of Vacant Units
For Rent	23.7%
For Sale Only	11.3%
Rented/Sold, Not Occupied	2.3%
For Seasonal, recreational, or occasional use	12.9%
Other Vacant	49.8%

Source: U.S. Census Bureau, 2006-2010 American Community Survey (ACS)

As reported in the 2006-2010 ACS, 23.7% of the vacant housing units are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as "Other Vacant", which likely encompasses abandoned housing and possibly mobile home units which are prevalent in Meriwether County. Regardless, in order to determine if the overall vacancy rate increase is the reflection of a decline in long-term rental housing, we conducted a field survey of area apartments.

In addition, while we acknowledge that there are 1,078 renter-occupied units in the market, we believe that most of these rentals are located in non-conventional rental housing units including single-family/mobile home rentals, duplex, etc.

The estimated distribution of occupied housing by units in a structure and tenure is detailed in the following table:

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	1,659	82.6%	549	50.9%
1, Attached	14	0.7%	20	1.9%
2 to 4	0	0.0%	122	11.3%
5 to 9	0	0.0%	153	14.2%
10 or more	0	0.0%	66	6.1%
Mobile Homes	336	16.7%	168	15.6%
Boat, RV, Vans	0	0.0%	0	0.0%
Total	2,009	100.0%	1,078	100.0%

Source: U.S. Census Bureau, 2006-2010 American Community Survey (ACS)

As the preceding table illustrates, nearly 80% of renter-occupied housing consists of single-family/mobile home and two to four-unit rentals, whereas only 6.1% consist of structures with 10 or more units. As such, this demonstrates that there is limited conventional rental housing units in the market. Therefore, the subject project will continue to provide a rental housing alternative that is currently lacking in the market.

Because of the rural nature of the market, we only identified and personally surveyed nine conventional housing projects containing a total of 191 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 96.9%, a good rate for rental housing. Among these projects, four are non-subsidized (market-rate and Tax Credit) projects containing 10 units. These non-subsidized units are 100.0% occupied. The remaining five projects contain 181 government-subsidized units, which are 96.7% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	4	10	0	100.0%
Tax Credit/Government-Subsidized	4	131	1	99.2%
Government-Subsidized	1	50	5	90.0%
Total	9	191	6	96.9%

As illustrated in the preceding table, the combined occupancy of rental projects surveyed in the market is 96.9%, a good rate for rental housing. As no rental housing segment is performing below a 90.0% occupancy, there appears to be no significant deficiencies that exist within the market.

2. SUMMARY OF ASSISTED PROJECTS

There are a total of five federally subsidized and/or Tax Credit apartment developments (including the subject project) in the Manchester Site PMA. These projects were surveyed in October 2013. They are summarized as follows.

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)		
						One-Br.	Two-Br.	Three-Br.
1	Pigeon Creek Apts. (Site)	TAX & RD 515	1992	42	100.0%	\$536 - \$679 (40)	\$587 - \$738 (2)	-
2	Pigeon Bluff Apts.	TAX & RD 515	1993	18	100.0%	\$620 - \$764 (4)	\$686 - \$873 (12)	\$756 - \$964 (2)
3	Hidden Creek Apts.	TAX & RD 515	1990	49	100.0%	\$570 - \$748 (7)	\$651 - \$816 (37)	\$721 - \$881 (5)
4	Warm Springs Apts.	TAX & RD 515	1993	22	95.5%	\$600 - \$766 (4)	\$686 - \$836 (16)	\$751 - \$901 (2)
5	Cross Creeks Apts.	RD 515	1987 / 2007	50	90.0%	\$570 - \$740 (16)	\$651 - \$866 (34)	-
Total				181	96.7%			

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

RD - Rural Development

The overall occupancy is 96.7% for these projects, a good rate for affordable housing. Over half of these projects are 100.0% occupied and maintain wait lists, which likely indicates that the demand is strong for affordable housing within the market.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there were no multifamily projects planned for the area.

Building Permit Data

The table on the following page illustrates single-family and multifamily building permits issued within the city of Manchester and Meriwether County for the past ten years.

Housing Unit Building Permits for Meriwether County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	36	0	0	0	0	0	0	0	0	0
Single-Family Permits	142	172	143	130	131	53	32	29	21	23
Total Units	178	172	143	130	131	53	32	29	21	23

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

Housing Unit Building Permits for Manchester, GA:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	6	4	5	5	3	5	5	0	4	3
Total Units	6	4	5	5	3	5	5	0	4	3

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

As the preceding tables indicate, there have been no multifamily building permits issued within the city of Manchester or Meriwether County since 2004, which is not considered unusual within rural markets. Given that nearly all rental projects identified and surveyed in the market are 100.0% occupied and based on the limited number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Given the lack of age-restricted LIHTC housing in the market, we have identified and surveyed two age-restricted projects that offer at least some units that operate under the LIHTC program outside of the Site PMA, but within the region. These two projects target senior households with incomes of up to 50% of AMHI and are considered comparable. It should be noted that these projects are not considered competitive as they derive demographic support from a different geographical area. As such, these properties have been included for comparison purposes only.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Pigeon Creek Apartments	1992 / 2014	43	100.0%	-	5 H.H.	Seniors 62+; 60% AMHI & RD 515
901	Ashton Court Apts.	2002	56*	100.0%	32.0 Miles	100 H.H.	Seniors 55+; 50% AMHI
905	Lafayette Village	2002	44*	100.0%	32.2 Miles	30 H.H.	Seniors 55+; 50% AMHI

OCC. - Occupancy

H.H. - Households

*Tax Credit units only

900 series Map IDs located outside of Site PMA

The two LIHTC projects have a combined occupancy rate of 100.0%, indicating very strong demand for age-restricted affordable housing in the region. Both of these projects have waiting lists.

As noted previously, there are no age-restricted LIHTC projects within the market. As such, this will continue to provide the subject property with a competitive edge in the Site PMA.

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

The gross rents for the competing 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.	
Site	Pigeon Creek Apartments	\$564/60% (40/0)	\$676/60% (3/0)	-
901	Ashton Court Apts.	\$558/50% (28/0)	\$682/50% (28/0)	None
905	Lafayette Village	\$465/50% (22/0)	\$515/50% (22/0)	None

900 series Map IDs located outside of Site PMA

The proposed subject gross rents, ranging from \$564 to \$676, are generally similar to the gross rents being achieved at the comparable LIHTC projects within the region. In fact, considering that the comparable LIHTC projects only offer units set aside at 50% of AMHI, the subject project is able to accommodate households with higher incomes and would likely be able to charge higher rents, as the subject project targets households with incomes up to 60% of AMHI. Regardless, the subject project is anticipated to retain RA on 42 of the 43 total units, requiring tenants to pay 30% of their adjusted gross incomes towards housing costs. As such, the subject project will continue to represent a substantial value in the market. This is also based on the fact that there are no age-restricted affordable housing communities within the Manchester Site PMA.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs-Rental Assistance Division-Middle-Eastman Office, there are approximately 26 Housing Choice Voucher holders within Meriwether County, and no households currently on the waiting list for additional Vouchers. The waiting list is closed indefinitely. Annual turnover of households in the Voucher program is estimated at four households. This reflects the continuing need for Housing Choice Voucher assistance.

It should be noted that there were no non-subsidized LIHTC comparable projects identified within the market. As such, we identified and surveyed two non-subsidized LIHTC projects outside of the Site PMA, but within the region. All comparable properties accept Housing Choice Vouchers. The table on the following page identifies the properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers.

Map I.D.	Project Name	Total Units	Occupancy Rate	Number of Vouchers
901	Ashton Court Apts.	56*	100.0%	18
905	Lafayette Village	44*	100.0%	13
Total		100	100.0%	31

900 series Map IDs located outside of Site PMA

*Tax Credit units only

As the preceding table illustrates, approximately 31 units are occupied by Voucher holders out of 100 units, comprising 31.0% of the total comparable LIHTC units in the region. This indicates that 69.0% of the two comparable LIHTC projects in the region are occupied by tenants which are not currently receiving rental assistance. Given that these comparable LIHTC projects are 100.0% occupied, illustrate that the gross rents being charged at these projects are achievable.

The following table outlines the HUD 2013 Fair Market Rents for the Meriwether County, GA HUD Metro FMR Area:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$543	\$564
Two-Bedroom	\$644	\$676

As the preceding table illustrates, the proposed gross rents are slightly above the current Fair Market Rents. Therefore, the subject project will be able to accommodate Voucher holders if tenants were willing to pay the difference between the current Fair Market Rents and the proposed gross rents in the unlikely event the subject project had to operate exclusively under LIHTC guidelines. Nonetheless, the subject project is expected to retain RA on 42 of the 43 total units and will continue to represent a substantial value within the market. This has been considered in our absorption estimates.

The following table illustrates the weighted average collected rents of the two comparable LIHTC projects by bedroom type. As noted, there were no non-subsidized LIHTC projects within the market. As such, the weighted average collected rents of the comparable LIHTC units are those of the comparable age-restricted LIHTC projects located outside of the Site PMA, but within the region. Therefore, these average rents may not accurately reflect the achievable rents within the market, but provide a regional perspective.

Weighted Average Collected Rent Of Comparable LIHTC Units	
One-Br. (AMHI)	Two-Br. (AMHI)
\$415 (50%)	\$479 (50%)

The rent advantage for the proposed 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.	\$415 (50%)	- \$517 (60%)	-\$102	/ \$517 (60%)	-19.7%
Two-Br.	\$479 (50%)	- \$582 (60%)	-\$103	/ \$582 (60%)	-17.7%

As the preceding table illustrates, the subject's proposed rents represent no rent advantage. Regardless, as noted throughout this report, the subject project is anticipated to retain RA on 42 of the total 43 units, requiring tenants to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject project will continue to represent a substantial value within the market.

Please note that these are weighted averages of *collected* rents 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 subject 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.
Site	Pigeon Creek Apartments	650	798
901	Ashton Court Apts.	827	1,065
905	Lafayette Village	813	921

Map I.D.	Project Name	One-Br.	Two-Br.
901	Ashton Court Apts.	1.0	2.0
905	Lafayette Village	1.0	1.0

900 series Map IDs located outside of Site PMA

The subject site units are smaller, in terms of square footage and number of bathrooms offered, than the comparable affordable housing units in the region. However, the small unit sizes have not had an adverse impact on the site's marketability, as evident by its 100.0% rate and wait list.

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

COMPARABLE PROPERTIES AMENITIES - MANCHESTER, 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			X		C		X	X				B	X	S	Exterior Storage
◆ 901	X	X		X	X		X		C		X	X				B	X	S	
◆ 905	X	X		X	X		X		C	X	X	S				B	S	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		X											X			
◆ 901		X	X		X	X						X		X		X	X		
◆ 905		X	X		X											X			Walking Trail

◆ 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	

Once renovations are complete and additions are made, the subject amenity package will be generally similar to comparable LIHTC projects within the region. In regards to unit amenities, all comparable LIHTC projects offer a garbage disposal, which is lacking at the subject project. In regards to project amenities, the subject project does not seem to lack any amenities that would have an adverse impact on the marketability of a senior project. This is further evidenced by the subject's 100.0% occupancy and wait list. It should be noted that the subject project will be the only age-restricted LIHTC project in the market. As such, the subject project will continue to provide a rental housing alternative to low-income seniors which is currently underserved in the market. This will provide the subject with a market advantage.

Based on our analysis of the proposed 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. Further, 42 of the 43 total units are anticipated to retain RA, requiring residents to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject units will remain a substantial value within the market. This has been considered in our absorption projections.

Considering that the two comparable LIHTC projects are located outside of the market, the subject project will not have an impact on the comparable LIHTC project's occupancy.

One page profiles of the Comparable 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 \$78,606. At an estimated interest rate of 4.3% and a 30-year term (and 95% LTV), the monthly mortgage for a \$78,606 home is \$460, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$78,606
Mortgaged Value = 95% of Median Home Price	\$74,676
Interest Rate - Bankrate.com	4.3%
Term	30
Monthly Principal & Interest	\$368
Estimated Taxes and Insurance*	\$92
Estimated Monthly Mortgage Payment	\$460

*Estimated at 25% of principal and interest

In comparison, the Rental Assistance in place at the subject project will require tenants to only pay up to 30% of their adjusted gross household income towards housing costs. Considering the subject project targets low-income senior households, the estimated monthly mortgage payment of \$460 is likely considerably higher than most prospective tenants would be able to afford. Further, as the subject project targets seniors, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance free housing alternative. Therefore, we do not anticipate any competitive impact on of from the homebuyer market.

SECTION I – ABSORPTION & STABILIZATION RATES

According to management, the subject project is currently 100.0% occupied and maintains a collective wait list of up to five households for the next available unit. Current residents will be relocated temporarily; however, 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 42 of the 43 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 42 units). 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 43 units at the subject site will reach a stabilized occupancy of 93.0% within approximately eight months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five 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 on 42 of the 43 total units will be maintained. It should be noted that even though the capture rate for the project as proposed is considered high at 56.6% ($43/76 = 56.6\%$) it is believed to be achievable given that there are no age-restricted affordable housing projects within the Site PMA. As such, the subject project will continue to provide an affordable housing alternative for senior households that is currently lacking in the market.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 43 units at the subject site would likely have an extended absorption period beyond 18 months if all units were vacated simultaneously and had to be re-rented. This absorption projection is based on the fact that there is limited demographic support for the subject project to operate exclusively under the LIHTC program, as the capture rate would be 165.4% in this scenario. 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 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:

Jane Fryer, Executive Director of Economic Development for the Meriwether County Industrial Development Authority, stated that when she is out in the community, she hears all the time that there is not enough affordable housing in Meriwether County. Though Ms. Fryer did not have actual statistics in need of housing in the area, she believed it was a rather significant number especially amongst the senior community of the county.

Felicia Warren, Director of the Manchester Housing Authority, explained that she feels that there is a need for more affordable housing in the area, especially for seniors. This is particularly true due to the constant lack of availability at senior properties within the county. Ms. Warren also has approximately eight families on her waiting list for rental-assisted housing.

Kathy Johnson, Social Worker with the Warm Springs Medical Center, believes that there is a need for additional age-restricted, affordable studio and one-bedroom units within the Manchester and Warm Springs area. It should be noted that only one age-restricted, affordable housing project (subject site) was surveyed within the market and is, according to management, 100.0% occupied with a wait list. This further provides evidence that demand is strong for senior housing within the Site PMA.

Dr. Frederick D. Jenkins, Senior Pastor with the Grace Tabernacle Church of God in Christ, stated that there is a need for additional affordable housing in general within the Manchester area. Dr. Jenkins noted that the area had been experiencing economic trouble ever since various manufacturing plants closed down. Dr. Jenkins also explained that the affordable housing projects that do exist are either maintaining long wait lists or are in tremendous need of upkeep. Any affordable housing that came into the area would be greatly needed.

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 43-unit Pigeon Creek Apartments, assuming it is renovated as detailed in this report. Changes in the project's scope of renovations or renovation completion date may alter these findings.

The subject project is currently 100.0% occupied with a collective wait list of up to five households. As 42 of the 43 total units are anticipated to retain Rental Assistance, we expect all current tenants to remain at the subject project following Tax Credit renovations. As such, the "effective" capture rate for the subject development is 1.3%. With the preservation of Rental Assistance, the project will remain a substantial value within the market.

Given that nearly all rental communities identified and surveyed within the market (including the subject site) are 100.0% occupied, illustrates that the subject project will continue to offer an affordable housing alternative to low-income senior households that is in high demand within the Manchester Site PMA. Further, the subject project is the only age-restricted LIHTC project in the market. This will continue to provide the subject with a marketing advantage, as it will continue to provide an affordable housing alternative to low-income senior households that is currently lacking in the market.

In the unlikely event Rental Assistance is lost and the subject project had to operate exclusively under the LIHTC program, the subject project would likely experience an absorption period beyond 18 months. This is based on the fact that the subject's capture rate will be 165.4% in this unlikely scenario. In reality, we do not believe the subject project will have difficulty in attracting a sufficient number of qualified residents to fill vacancies that may originate from typical monthly turnover (1-2 units per month).

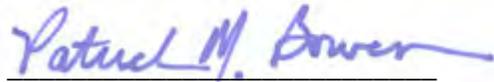
Regardless, the subject project is anticipated to retain RA on all units which will continue to require tenants to pay up to 30% of their adjusted gross income towards housing costs. Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

SECTION L - SIGNED STATEMENT

This certifies that Greg Gray, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the subject site in Manchester, Georgia in January of 2013. Note that this is a telephone update of the original market study completed by Bowen National Research in January, 2013, and we did not revisit the site for this analysis. Further, the information contained in this report is true and accurate as of November 6, 2013.

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.

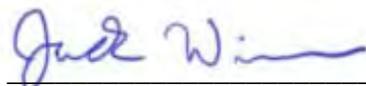
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Date: November 6, 2013

SECTION M – MARKET STUDY REPRESENTATION

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

SECTION N - QUALIFICATIONS

The Company

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

The Staff

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDENDUM A: PHONE SURVEY OF CONVENTIONAL RENTALS

MANCHESTER, GEORGIA

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

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

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

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

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

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

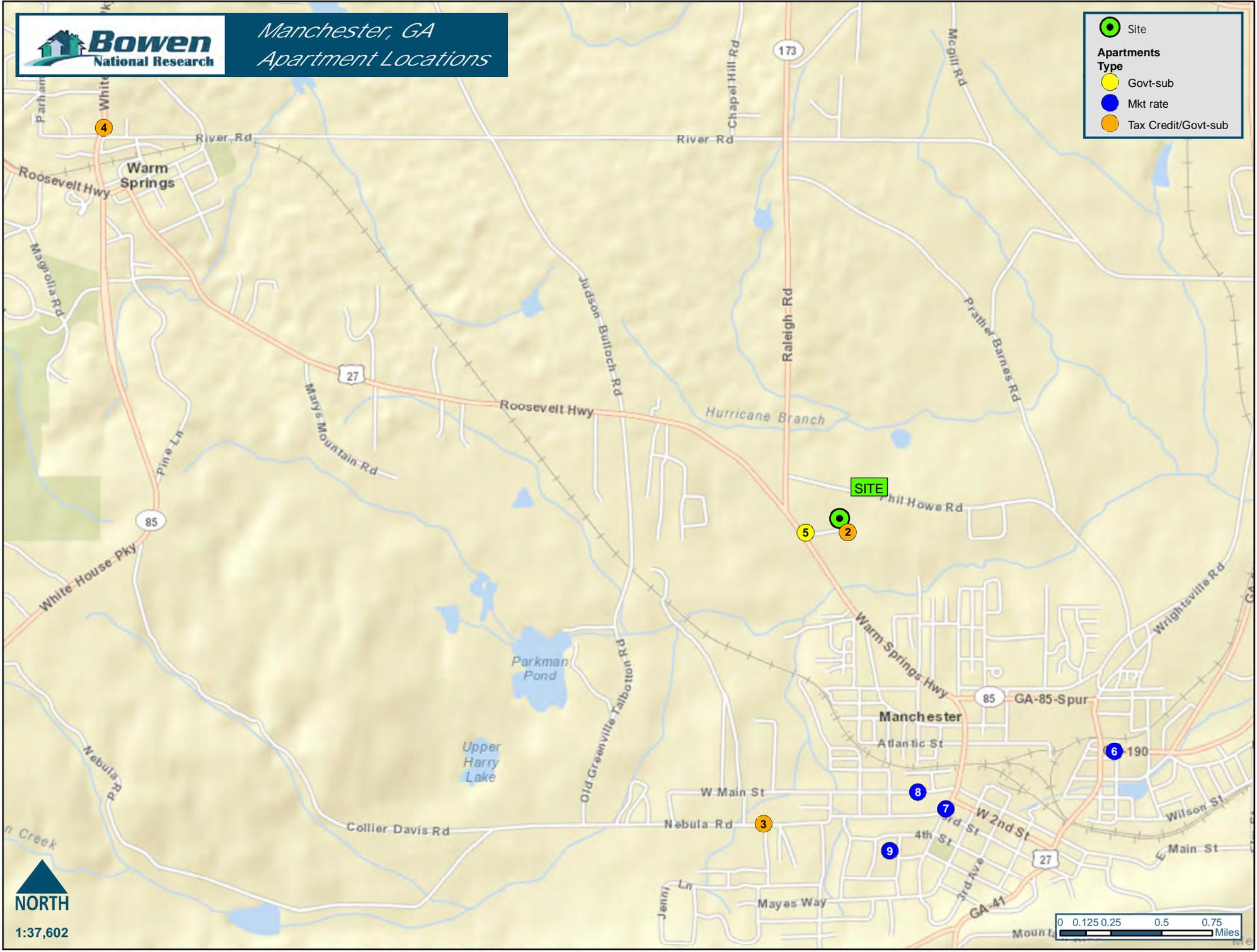


Manchester, GA Apartment Locations

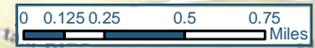
Site
● Site

Apartments Type

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



1:37,602



MAP IDENTIFICATION LIST - MANCHESTER, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Pigeon Creek Apts. (Site)	TGS	B	1992	42	0	100.0%	-
2	Pigeon Bluff Apts.	TGS	B	1993	18	0	100.0%	0.2
3	Hidden Creek Apts.	TGS	B-	1990	49	0	100.0%	2.5
4	Warm Springs Apts.	TGS	B-	1993	22	1	95.5%	4.2
5	Cross Creeks Apts.	GSS	C	1987	50	5	90.0%	0.5
6	1 & 3 Foster St.	MRR	B+	1998	2	0	100.0%	2.1
7	502-506 3rd St.	MRR	B+	2001	4	0	100.0%	1.7
8	537 W. Main St.	MRR	A	2000	2	0	100.0%	1.8
9	999 W. Main St.	MRR	A-	2001	2	0	100.0%	2.0

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	4	10	0	100.0%	0
TGS	4	131	1	99.2%	0
GSS	1	50	5	90.0%	0

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

* - Drive Distance (Miles)

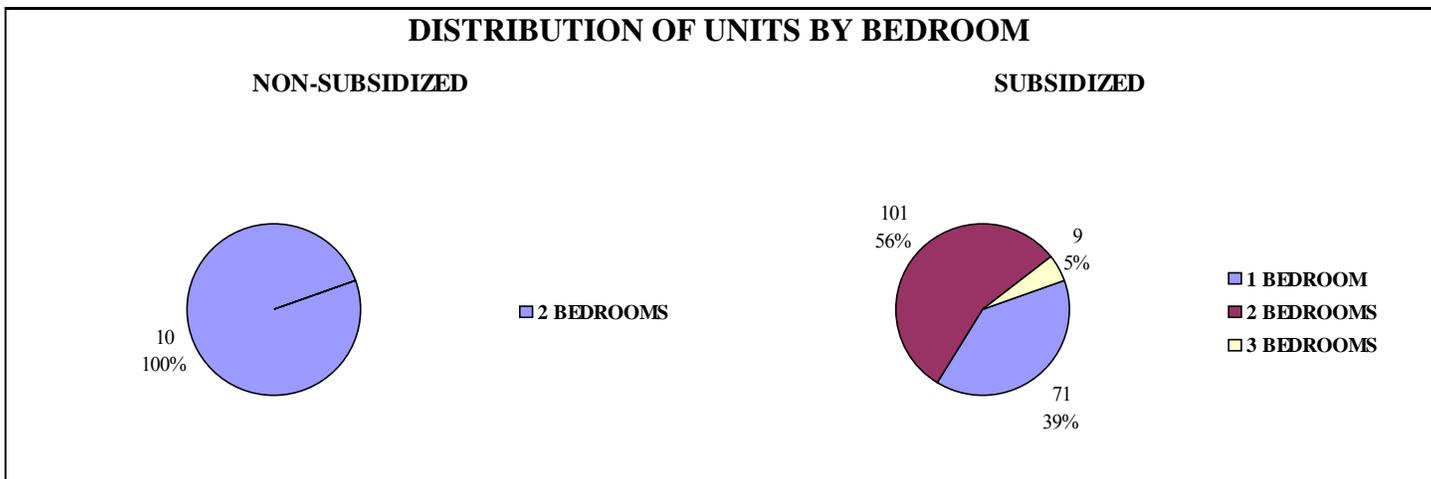
Survey Date: October 2013

DISTRIBUTION OF UNITS - MANCHESTER, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1.5	6	60.0%	0	0.0%	\$861
2	2	4	40.0%	0	0.0%	\$861
TOTAL		10	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	55	42.0%	1	1.8%	N.A.
2	1	2	1.5%	0	0.0%	N.A.
2	1.5	65	49.6%	0	0.0%	N.A.
3	1.5	9	6.9%	0	0.0%	N.A.
TOTAL		131	100.0%	1	0.8%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	16	32.0%	3	18.8%	N.A.
2	1	34	68.0%	2	5.9%	N.A.
TOTAL		50	100.0%	5	10.0%	
GRAND TOTAL		191	-	6	3.1%	



SURVEY OF PROPERTIES - MANCHESTER, GEORGIA

1 Pigeon Creek Apts. (Site)			
	Address 43 Rose Ct. Manchester, GA 31816	Phone (706) 846-3073 (Contact by phone)	Total Units 42
	Year Built 1992 Comments 60% AMHI; RD 515, has RA (42 units)	Contact Sharon	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List 5 households
2 Pigeon Bluff Apts.			
	Address 1135 Warm Springs Hwy. Manchester, GA 31816	Phone (706) 846-3073 (Contact by phone)	Total Units 18
	Year Built 1993 Comments 60% AMHI; RD 515, has RA (14 units); Accepts HCV (0 currently)	Contact Sharon	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B Waiting List 2 households
3 Hidden Creek Apts.			
	Address 1000 Nebula Rd. Manchester, GA 31816	Phone (706) 846-9370 (Contact by phone)	Total Units 49
	Year Built 1990 Comments 60% AMHI; RD 515, has RA (45 units); Accepts HCV (0 currently)	Contact Sharon	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B- Waiting List 3-br: 2 households
4 Warm Springs Apts.			
	Address 4161 White House Pkwy. Warm Springs, GA 31830	Phone (706) 655-3450 (Contact by phone)	Total Units 22
	Year Built 1993 Comments 60% AMHI; RD 515, has RA (10 units); Accepts HCV (0 currently)	Contact Myra	Vacancies 1 Occupied 95.5% Floors 1,2 Quality Rating B- Waiting List 2-br: 3 households
5 Cross Creeks Apts.			
	Address 1129 Warm Springs Hwy. Manchester, GA 31816	Phone (706) 846-2997 (Contact by phone)	Total Units 50
	Year Built 1987 Renovated 2007 Comments RD 515, has RA (27 units); HCV (5 units); Former Tax Credit property; Vacancies due to previous management & age of property; One 2-br manager unit not included in total; 2-br units have storage; Sqaure footage estimated	Contact Margie	Vacancies 5 Occupied 90.0% Floors 1,2 Quality Rating C 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: October 2013

SURVEY OF PROPERTIES - MANCHESTER, GEORGIA

6 1 & 3 Foster St.			
	Address 1 & 3 Foster St. Manchester, GA 31816	Phone (706) 656-6228 (Contact by phone)	Total Units 2
	Year Built 1998 Comments Duplex; Year built estimated	Contact Pete	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+
Waiting List None			
7 502-506 3rd St.			
	Address 502-506 3rd St. Manchester, GA 31816	Phone (706) 656-6228 (Contact by phone)	Total Units 4
	Year Built 2001 Comments Duplexes; Year built estimated	Contact Pete	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+
Waiting List None			
8 537 W. Main St.			
	Address 537 W. Main St. Manchester, GA 31816	Phone (706) 656-6228 (Contact by phone)	Total Units 2
	Year Built 2000 Comments Duplex	Contact Pete	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating A
Waiting List None			
9 999 W. Main St.			
	Address 999 W. Main St. Manchester, GA 31816	Phone (706) 656-6228 (Contact by phone)	Total Units 2
	Year Built 2001 Comments Duplex; Year built estimated	Contact Pete	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating A-
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: October 2013

COLLECTED RENTS - MANCHESTER, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
6			\$600						
7			\$600						
8			\$600						
9			\$600						

◆	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: October 2013

PRICE PER SQUARE FOOT - MANCHESTER, GEORGIA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
6	1 & 3 Foster St.	1.5	790	\$841	\$1.06
7	502-506 3rd St.	1.5	890	\$861	\$0.97
8	537 W. Main St.	2	900	\$861	\$0.96
9	999 W. Main St.	2	875	\$861	\$0.98

◆	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: October 2013

AVERAGE GROSS RENT PER SQUARE FOOT - MANCHESTER, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.99	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

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

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.99	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - MANCHESTER, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Hidden Creek Apts.	7	650	1	60%	\$360 - \$538
4	Warm Springs Apts.	4	643	1	60%	\$390 - \$556
◆ 1	Pigeon Creek Apts. (Site)	40	650	1	60%	\$405 - \$548
2	Pigeon Bluff Apts.	4	637	1	60%	\$410 - \$554
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Hidden Creek Apts.	37	909	1.5	60%	\$390 - \$555
◆ 1	Pigeon Creek Apts. (Site)	2	798	1	60%	\$420 - \$571
2	Pigeon Bluff Apts.	12	925	1.5	60%	\$425 - \$612
4	Warm Springs Apts.	16	938	1.5	60%	\$425 - \$575
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Hidden Creek Apts.	5	920	1.5	60%	\$405 - \$565
4	Warm Springs Apts.	2	963	1.5	60%	\$435 - \$585
2	Pigeon Bluff Apts.	2	949	1.5	60%	\$440 - \$648

◆ - Senior Restricted

QUALITY RATING - MANCHESTER, GEORGIA

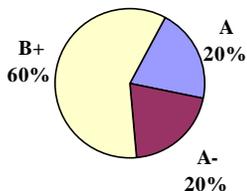
MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	2	0.0%			\$861		
A-	1	2	0.0%			\$861		
B+	2	6	0.0%			\$861		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS

TAX CREDIT UNITS



YEAR BUILT - MANCHESTER, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	2	0	0.0%	2	20.0%
2000 to 2005	3	8	0	0.0%	10	80.0%
2006	0	0	0	0.0%	10	0.0%
2007	0	0	0	0.0%	10	0.0%
2008	0	0	0	0.0%	10	0.0%
2009	0	0	0	0.0%	10	0.0%
2010	0	0	0	0.0%	10	0.0%
2011	0	0	0	0.0%	10	0.0%
2012	0	0	0	0.0%	10	0.0%
2013**	0	0	0	0.0%	10	0.0%
TOTAL	4	10	0	0.0%	10	100.0 %

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

** As of October 2013

Survey Date: October 2013

APPLIANCES AND UNIT AMENITIES - MANCHESTER, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	4	100.0%	10
REFRIGERATOR	4	100.0%	10
ICEMAKER	0	0.0%	
DISHWASHER	2	50.0%	4
DISPOSAL	4	100.0%	10
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	4	100.0%	10
AC - WINDOW	0	0.0%	
FLOOR COVERING	4	100.0%	10
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	4	100.0%	10
PATIO/DECK/BALCONY	4	100.0%	10
CEILING FAN	0	0.0%	
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	4	100.0%	10
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - MANCHESTER, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	0	0.0%	
LAUNDRY	0	0.0%	
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
COMPUTER LAB	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - MANCHESTER, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	9	191	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	9	191	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	9	191	100.0%
			100.0%
ELECTRIC			
TENANT			
	9	191	100.0%
			100.0%
WATER			
LANDLORD	1	42	22.0%
TENANT	8	149	78.0%
			100.0%
SEWER			
LANDLORD	1	42	22.0%
TENANT	8	149	78.0%
TRASH PICK-UP			
LANDLORD	2	44	23.0%
TENANT	7	147	77.0%
			100.0%

UTILITY ALLOWANCE - MANCHESTER, GEORGIA

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

ADDENDUM B

COMPARABLE PROPERTY PROFILES

6 1 & 3 Foster St. 2.1 miles to site



Address	1 & 3 Foster St. Manchester, GA 31816		
Phone	(706) 656-6228	Contact	Pete
Total Units	2	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1998	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Duplex; Year built estimated		



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1.5	G	2	0	790	\$0.76	\$600



7 502-506 3rd St. 1.7 miles to site



Address	502-506 3rd St. Manchester, GA 31816		
Phone	(706) 656-6228	Contact	Pete
Total Units	4	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	2001	Floors	1
Concessions	No Rent Specials		
Parking	Attached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Duplexes; Year built estimated		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1.5	G	4	0	890	\$0.67	\$600



8 537 W. Main St.

1.8 miles to site



Address 537 W. Main St.
Manchester, GA 31816

Phone (706) 656-6228 Contact Pete

Total Units 2 Vacancies 0 Percent Occupied 100.0%

Project Type Market-Rate

Year Open 2000 Floors 1

Concessions No Rent Specials

Parking Detached Garages, Surface Parking, Carports

Waiting List NONE

Quality Rating A Neighborhood Rating B

Remarks Duplex



Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	2	G	2	0	900	\$0.67	\$600

9

999 W. Main St.

2.0 miles to site



Address 999 W. Main St.
Manchester, GA 31816

Phone (706) 656-6228 **Contact** Pete

Total Units 2 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate

Year Open 2001 **Floors** 1

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating A- **Neighborhood Rating** B

Remarks Duplex; Year built estimated



Features and Utilities

Utilities No landlord paid utilities

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds

Project Amenities

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
2	2	G	2	0	875	\$0.69	\$600	

902 Autumn Ridge

31.5 miles to site



Address	1246 Mooty Bridge Rd. Lagrange, GA 30240		
Phone	(706) 247-7474	Contact	Sharon
Total Units	80	Vacancies	4
		Percent Occupied	95.0%
Project Type	Market-Rate		
Year Open	1978	Renovated	2012
		Floors	2
Concessions	\$100 off 1st three month's rent with 12 month lease		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	HCV (3 units); Rent range based on unit updates		

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, Ceiling Fan, Blinds, Storage
Project Amenities	Swimming Pool, On-site Management, Playground, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	16	0	750	\$0.64	\$480
2	1.5	G	48	2	950	\$0.58 - \$0.66	\$553 to \$628
3	2	G	16	2	1175	\$0.60	\$700

909 Woodland Trail

29.3 miles to site



Address	140 N. Davis Rd. Lagrange, GA 30241		
Phone	(706) 405-3982	Contact	Valerie
Total Units	236	Vacancies	5
		Percent Occupied	97.9%
Project Type	Market-Rate		
Year Open	2009	Floors	3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

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

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	24	2	850	\$0.93	\$790
1	1	G	22	1	770	\$1.00	\$770
2	2	G	141	1	1100	\$0.78	\$860
3	2	G	49	1	1200	\$0.80	\$960

911 Sunridge Apts.

30.0 miles to site



Address	1235 Hogansville Rd. Lagrange, GA 30241		
Phone	(706) 621-6935	Contact	Tiffany
Total Units	192	Vacancies	12
		Percent Occupied	93.8%
Project Type	Market-Rate		
Year Open	2000	Floors	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, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Lake, Car Wash Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	68	4	796	\$0.85	\$680
2	2	G	78	5	1084	\$0.71	\$765
3	2	G	46	3	1263	\$0.68	\$860

901 Ashton Court Apts.

32.0 miles to site



Address 125 Parker Pl.
LaGrange, GA 30240

Phone (706) 882-1400 **Contact** Linda

Total Units 70 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate & Tax Credit

Year Open 2002 **Floors** 2,3

Concessions No Rent Specials

Parking Surface Parking

Waiting List 100 households

Quality Rating A- **Neighborhood Rating** B

Remarks Market-rate (14 units); 50% AMHI (56 units); HCV (18 units)



Features and Utilities

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button
Project Amenities On-site Management, Laundry Facility, Meeting Room, Fitness Center, Elevator, Computer Lab, Picnic Area, Social Services

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	7	0	827	\$0.63	\$525	
1	1	G	28	0	827	\$0.45	\$375	50%
2	2	G	7	0	1065	\$0.54	\$575	
2	2	G	28	0	1065	\$0.42	\$450	50%

905 Lafayette Village

32.2 miles to site



Address 123 Old Airport Rd.
LaGrange, GA 30240

Phone (706) 884-0032 **Contact** Rita

Total Units 56 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate & Tax Credit

Year Open 2002 **Floors** 1

Concessions No Rent Specials

Parking Surface Parking

Waiting List 30 households

Quality Rating B **Neighborhood Rating** B

Remarks Market-rate (12 units); 50% AMHI (44 units); HCV (13 units); Two 1-br & two 2-br have e-call buttons



Features and Utilities

Utilities Landlord pays Electric, Electric Heat, Electric HotWater, for Cooking Heat, Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button
Project Amenities On-site Management, Laundry Facility, Meeting Room, Picnic Area, Walking Trail

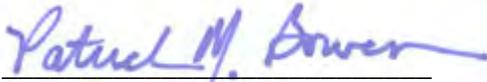
Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	813	\$0.80	\$650	
1	1	G	22	0	813	\$0.57	\$465	50%
2	1	G	6	0	921	\$0.75	\$695	
2	1	G	22	0	921	\$0.56	\$515	50%

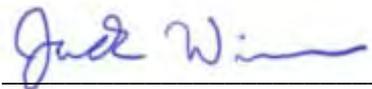
ADDENDUM C – Member Certification & Checklist

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.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

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

We identified four market-rate properties that offer two-bedroom units within the Manchester Site PMA that we consider comparable in terms of unit and project amenities to the subject development. Due to the lack of market-rate product offering one-bedroom units within the Site PMA, we identified and surveyed five additional market-rate projects located outside of the Site PMA offering such units in the city of LaGrange that we consider comparable to the subject development based on modern design and age. Note, adjustments for the differences between the Manchester market and LaGrange market have been made. These selected properties are used to derive market rent, or the *Conventional Rents for Comparable Units*, for a project with characteristics similar to the subject development. 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 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 nine selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Pigeon Creek Apartments	1992 / 2014	43	100.0%	40 (100.0%)	3 (100.0%)	-
6	1 & 3 Foster St.	1998	2	100.0%	-	2 (100.0%)	-
7	502-506 3rd St.	2001	4	100.0%	-	4 (100.0%)	-
8	537 W. Main St.	2000	2	100.0%	-	2 (100.0%)	-
9	999 W. Main St.	2001	2	100.0%	-	2 (100.0%)	-
901	Ashton Court Apts.	2002	14*	100.0%	7 (100.0%)	7 (100.0%)	-
902	Autumn Ridge	1978 / 2012	80	95.0%	16 (100.0%)	48 (95.8%)	16 (87.5%)
905	Lafayette Village	2002	12*	100.0%	6 (100.0%)	6 (100.0%)	-
909	Woodland Trail	2009	236	97.9%	46 (93.5%)	141 (99.3%)	49 (98.0%)
911	Sunridge Apts.	2000	192	93.8%	68 (94.1%)	78 (93.6%)	46 (93.5%)

*Market-rate units only

900 Series Map IDs are located outside of the Site PMA

The nine selected market-rate projects have a combined total of 544 units with an overall occupancy rate of 96.1%, a good rate for rental housing. As such, demonstrating that these comparable properties have been well received within the region and will serve as accurate benchmarks to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as 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	
Pigeon Creek Apartments		Ashton Court Apts.		Lafayette Village		Sunridge Apts.		Autumn Ridge		Woodland Trail	
43 Rose Court		125 Parker Pl.		123 Old Airport Rd.		1235 Hogansville Rd.		1246 Mooty Bridge Rd.		140 N. Davis Rd.	
Manchester, GA		LaGrange, GA		LaGrange, GA		LaGrange, GA		LaGrange, GA		LaGrange, GA	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$525		\$650		\$680		\$480		\$770	
2	Date Surveyed	Jan-13		Jan-13		Jan-13		Jan-13		Jan-13	
3	Rent Concessions	None		None		None		Yes		None	
4	Occupancy for Unit Type	100%		100%		94%		100%		95%	
5	Effective Rent & Rent/ sq. ft	\$525	0.63	\$650	0.80	\$680	0.85	\$480	0.64	\$770	1.00
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		R/1		WU/3	\$5	WU/2	\$5	WU/3	\$5
7	Yr. Built/Yr. Renovated	1992/2014		2002	\$1	2000	\$3	1978	\$25	2009	(\$6)
8	Condition /Street Appeal	G		E	(\$15)	G		E	(\$15)	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$53)	No	(\$65)	No	(\$68)	No	(\$48)	No	(\$77)
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.	650	(\$35)	827	(\$32)	796	(\$29)	750	(\$20)	770	(\$24)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y		N/Y		Y/Y	(\$5)	N/Y		N/Y	
18	Washer/Dryer	HU/L		HU/L	(\$25)	HU/L		HU	\$5	HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Emergency Call Buttons	Y		Y	\$5	N	\$5	N	\$5	N	\$5
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		N	\$5	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	Y		Y		Y		Y		Y	
26	Storage	Y	\$5	N	\$5	Y		Y		Y	
27	Clubhouse/ Meeting Rooms	N/Y		N/Y		Y/N		N/N	\$5	Y/N	
28	Pool/ Recreation Areas	N	(\$5)	F	(\$5)	S/WT	(\$6)	P/F/S/L	(\$21)	P	(\$10)
29	Business/Computer Center	N	(\$3)	Y	(\$3)	N		N		Y	(\$3)
30	Picnic Area	Y		Y		Y	\$3	Y		Y	
31	Library	N		N		N		N		N	
32	Social Services	N	(\$10)	Y	(\$10)	N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E	(\$33)	N/G		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	(\$9)	N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G	(\$29)	N/G		N/G		N/E	
37	Other Electric	N		N	(\$60)	Y		N		N	
38	Cold Water/ Sewer	Y/Y	\$59	N/N	\$59	Y/Y		N/N	\$59	Y/Y	
39	Trash /Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	7	4	5	5	6	5	4	2	6
41	Sum Adjustments B to D	\$6	(\$126)	\$16	(\$133)	\$21	(\$143)	\$45	(\$83)	\$10	(\$133)
42	Sum Utility Adjustments	\$59			(\$131)	\$59					
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$61)	\$191	(\$248)	\$280	(\$63)	\$223	(\$38)	\$128	(\$123)	\$143
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$464		\$402		\$617		\$442		\$647	
45	Adj Rent/Last rent		88%		62%		91%		92%		84%
46	Estimated Market Rent	\$495		\$0.76		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pigeon Creek Apartments		537 W. Main St.		502-506 3rd St.		1& 3 Foster St.		999 W. Main St.			
43 Rose Court		537 W. Main St.		502-506 3rd St.		1& 3 Foster St.		999 W. Main St.			
Manchester, GA		Manchester, GA		Manchester, GA		Manchester, GA		Manchester, GA			
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$600		\$600		\$600		\$600			
2	Date Surveyed	Jan-13		Jan-13		Jan-13		Jan-13			
3	Rent Concessions	None		None		None		None			
4	Occupancy for Unit Type	100%		100%		100%		100%			
5	Effective Rent & Rent/ sq. ft	\$600	0.67	\$600	0.67	\$600	0.76	\$600	0.69		
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		R/1		R/1		R/1			
7	Yr. Built/Yr. Renovated	1992/2014		2000	\$3	2001	\$2	1998	\$5	2001	\$2
8	Condition /Street Appeal	G		E	(\$15)	G		G		E	(\$15)
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2			
12	# Baths	1		2	(\$30)	1.5	(\$15)	1.5	(\$15)	2	(\$30)
13	Unit Interior Sq. Ft.	798		900	(\$18)	890	(\$16)	790	\$1	875	(\$13)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y		N/Y		N/N	\$10	N/N	\$10	N/Y	
18	Washer/Dryer	HU/L		HU	\$5	HU	\$5	HU	\$5	HU	\$5
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Emergency Call Buttons	Y		N	\$5	N	\$5	N	\$5	N	\$5
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		N	\$5	N	\$5	N	\$5	N	\$5
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		D-GAR	(\$40)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	N	\$5	N	\$5	N	\$5
26	Storage	Y		N	\$5	N	\$5	N	\$5	N	\$5
27	Clubhouse/ Meeting Rooms	N/Y		N/N	\$5	N/N	\$5	N/N	\$5	N/N	\$5
28	Pool/ Recreation Areas	N		N		N		N		N	
29	Business/Computer Center	N		N		N		N		N	
30	Picnic Area	Y		N	\$3	N	\$3	N	\$3	N	\$3
31	Library	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		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/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		N/N	\$74	N/N	\$74	N/N	\$74	N/N	\$74
39	Trash /Recycling	Y/N		N/N	\$20	N/N	\$20	N/N	\$20	N/N	\$20
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	8	5	9	3	10	2	8	4		
41	Sum Adjustments B to D	\$36	(\$108)	\$45	(\$36)	\$49	(\$20)	\$35	(\$63)		
42	Sum Utility Adjustments	\$94		\$94		\$94		\$94			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$22	\$238	\$103	\$175	\$123	\$163	\$66	\$192		
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$622		\$703		\$723		\$666			
45	Adj Rent/Last rent		104%		117%		121%		111%		
46	Estimated Market Rent	\$635		\$0.80		← 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 HUD Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development are \$495 for a one-bedroom unit and \$635 for a two-bedroom unit.

The following table compares the proposed collected Tax Credit rents at the subject site with achievable market rents (aka *Conventional Rents for Comparable Units* – CRCU) for selected units.

Bedroom Type	Proposed Collected Rent	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$517	\$495	-4.4%
Two-Bedroom	\$582	\$635	8.3%

Typically, Tax Credit rents should represent at least a 10% market rent advantage to ensure that the project will incur a sufficient flow of tenants. The proposed collected one-bedroom rent represent no rent advantage, whereas the two-bedroom rent represents a good rent advantage of 8.3%. Nonetheless, Rental Assistance will be retained on 42 of the 43 total units, allowing residents to pay up to 30% of their adjusted gross income towards housing costs. Therefore, the subject project will continue to represent an even greater value within the market.

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.

6. The subject development consists of one-story residential structures that are typically more appealing to the elderly population. We have made adjustments to reflect the differences in the project design between the subject project and the comparable properties.

7. Upon completion of renovations, the subject project will have an effective age of around 2003. The selected properties were built between 1978 and 2009. As such, we have adjusted the rents at the selected properties by \$1 per year to reflect the age of these properties. Note that one of the selected market-rate properties, Autumn Ridge, was built in 1978; however, extensively renovated in 2012. As such, this property has an effective age of 1995.
8. It is anticipated that the subject project will have an improved quality finished look and an attractive aesthetic appeal following renovations. We have made adjustments for those properties that we consider to have a superior quality to the subject development.
10. As previously stated, five of the nine selected properties are located outside of the Manchester Site PMA in LaGrange, which is approximately 36.0 miles northwest of Manchester. The LaGrange market is significantly larger than Manchester in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in LaGrange will not directly translate to the Manchester market. Therefore, we have adjusted each collected rent at these five comparable projects by approximately 10.0% to account for this market difference.
12. The number of bathrooms offered in the two-bedroom units at each of the selected properties varies. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site compared to the number of bathrooms offered at 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 25.0% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenities package generally similar to the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project offers a limited project amenities package. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.

33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

Addendum F:
RENT ROLL

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