



A MARKET VALUATION OF
HITCH PHASE II
220 McAlister Street
Savannah, Chatham County, Georgia 31401

Effective Date: March 23, 2015

Report Date: May 20, 2015

Prepared For

Mr. Evan Bilton
Hunt Companies
1020 19th Street NW, Suite 420
Washington, District of Columbia 20036

Prepared By

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May 20, 2015

Mr. Evan Bilton
Hunt Companies
1020 19th Street NW, Suite 420
Washington, District of Columbia 20036

Re: Appraisal of Hitch Phase II
220 McAlister Street, Savannah, Chatham County, Georgia

Dear Mr. Bilton:

We are pleased to present our findings with respect to the value of the above-referenced property, Hitch Phase II (“Subject”). The Subject is a proposed new construction 100-unit low-income tax credit (LIHTC) project, where 80 units will be restricted to households earning 60 percent of area median income (AMI) or less and 20 units will be unrestricted. Of the 80 restricted units, there will be 36 units that will operate with subsidy through the Rental Assistance Demonstration (RAD) and 10 units that will operate with an Annual Contributions Contract (ACC). As requested, we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value “As Is”.
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at loan maturity.
- Valuation of Tax Credits.
- Favorable Financing.

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

Our valuation report is for use by the client and their advisors for possible loan collateral purposes. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without the express written consent of Novogradac and Company LLP (“Novogradac”).

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate

the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP.

Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

This report complies with FIRREA (1989) regulations.

As Is” Land Value

The Subject’s indicated restricted “Land Value”, as of March 23, 2015 is:

EIGHT HUNDRED THOUSAND DOLLARS
(\$800,000)

Upon Completion Assuming Restricted Rents

The Subject’s hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of March 23, 2015, is:

FOUR MILLION SEVEN HUNDRED THOUSAND
(\$4,700,000)

Upon Completion Assuming Unrestricted Rents

The Subject’s hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of March 23, 2015, is:

TEN MILLION TWO HUNDRED THOUSAND
(\$10,200,000)

¹ 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990

As Complete and Stabilized Restricted

The Subject's estimated market value "As Complete and Stabilized" assuming proposed restricted rental rates, as of March 23, 2015, is:

**FOUR MILLION NINE HUNDRED THOUSAND
(\$4,900,000)**

As Complete and Stabilized Unrestricted

The Subject's estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of March 23, 2015, is:

**TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)**

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2044, as of March 23, 2015, is:

**SIX MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$6,500,000)**

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2044, as of March 23, 2015, is:

**THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$13,900,000)**

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of March 23, 2015, is:

Federal
**NINE MILLION DOLLARS
(\$9,000,000)**

State
**FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$4,100,000)**

Favorable Financing

The estimated present value of the favorable financing, as of March 23, 2015, is

**ONE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$1,500,000)**

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the Uniform Standards of Professional Appraisal Practice (USPAP).

Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility for updating this report due to events and circumstances occurring after the date of inspection.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

Hitch Phase II Appraisal
May 2015

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,



Rebecca S. Arthur, MAI
Partner



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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

PROPERTY SUMMARY OF SUBJECT

Property Appraised:

The Subject (Hitch Phase II) is a proposed 100-unit LIHTC project, where 80 units will be restricted to households earning 60 percent of AMI or less and 20 units will be unrestricted. Of the 80 restricted units, 36 units that will operate with subsidy through the Rental Assistance Demonstration (RAD) program and 10 will will operate with an Annual Contributions Contract (ACC). The Subject will consist of four, three-story, walk-up, garden-style buildings. Additionally there will be ground floor community space that will include a community room, meeting room, computer center, management office, and exercise facility. Additional community amenities will include a playground and picnic area.

The Subject will be the second phase of the Hitch development. Hitch Phase I is a proposed LIHTC development that will offer 72 one, two, and three-bedroom units that will include 34 units that will operate through the RAD program as well as 15 unrestricted market rate units. Hitch Phase I will be located adjacent to the west of the Subject site and is scheduled to be completed in 2016. Notably, phases I and II will have separate community amenities.

Tax Map ID:

The Subject is a portion of Tax Map # 85063.

Land Area:

The Subject site is approximately 3.25 acres (125,453 square feet).

Legal Interest Appraised:

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable for each value estimate.

Unit Mix: The following tables summarize the Subject’s proposed unit mix and unit sizes.

PROPOSED RENTS

Unit Type	Unit Size	Number of Units	Asking Rents	Utility Allowance (1)	Gross Asking Rents	2015 LIHTC Maximum Allowable Rent	Contract Rents
<i>60% AMI (ACC)</i>							
1BR/1BA	700	1	N/Ap	N/Ap	N/Ap	\$690	N/Ap
2BR/2BA	1,000	5	N/Ap	N/Ap	N/Ap	\$828	N/Ap
3BR/2BA	1,140	3	N/Ap	N/Ap	N/Ap	\$957	N/Ap
4BR/2BA	1,250	1	N/Ap	N/Ap	N/Ap	\$1,068	N/Ap
<i>60% AMI (RAD)</i>							
1BR/1BA	700	6	\$470	\$77	\$547	\$690	\$470
2BR/2BA	1,000	16	\$476	\$82	\$558	\$828	\$476
3BR/2BA	1,140	10	\$695	\$87	\$782	\$957	\$695
4BR/2BA	1,250	4	\$717	\$90	\$807	\$1,068	\$717
<i>60% AMI</i>							
1BR/1BA	700	4	\$550	\$125	\$675	\$690	N/A
2BR/2BA	1,000	24	\$635	\$147	\$782	\$828	N/A
3BR/2BA	1,140	5	\$730	\$185	\$915	\$957	N/A
4BR/2BA	1,250	1	\$800	\$226	\$1,026	\$1,068	N/A
<i>Market Rate</i>							
1BR/1BA	700	1	\$680	\$0	\$680	N/A	N/A
2BR/2BA	1,000	11	\$780	\$0	\$780	N/A	N/A
3BR/2BA	1,140	8	\$860	\$0	\$860	N/A	N/A
Total		100					

Notes (1) Source is RAD and LIHTC unit utility allowances are HUD and Housing Authority of Savannah, respectively

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	12	700	8,400
2BR/2BA	56	1,000	56,000
3BR/2BA	26	1,140	29,640
4BR/2BA	6	1,250	7,500
Total	100		101,540

Ownership History of the Subject:

Ownership of the Subject is vested in the Housing Authority of Savannah. There have been no transfers of the Subject property over the past three years. We are unaware of any pending purchase agreement.

**Highest and Best Use
“As Is”:**

The highest and best use for the property as is would be to construct a multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

INDICATIONS OF VALUE

AS IS VACANT LAND			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	100	\$8,000	\$800,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"			
Scenario	Loss To Lease	Indicated Value (Rounded)	
As Complete Restricted	\$170,423	\$4,700,000	
As Complete Unrestricted	\$491,417	\$10,200,000	

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	5.75%	\$283,097	\$4,900,000
As Proposed Unrestricted	5.75%	\$616,733	\$10,700,000

EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	6.5	\$731,530	\$4,800,000
As Proposed Unrestricted	9.5	\$1,097,630	\$10,400,000

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	100	\$49,000	\$4,900,000
As Proposed Unrestricted	100	\$107,000	\$10,700,000

VALUE AT LOAN MATURITY - RESTRICTED		
	Year	Indicated Value (Rounded)
Restricted	30 years	\$6,500,000

VALUE AT LOAN MATURITY - UNRESTRICTED		
	Year	Indicated Value (Rounded)
Unrestricted	30 years	\$13,900,000

TAX CREDIT VALUATION			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$9,068,989	0.99	\$9,000,000
State LIHTC	\$9,068,989	0.45	\$4,100,000

FAVORABLE FINANCING VALUATION	
	Indicated Value (Rounded)
Restricted & Unrestricted	\$1,500,000

Exposure Time: Nine – 12 Months

Marketing Period: Nine – 12 Months

FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

APPRAISAL ASSIGNMENT AND VALUATION APPROACH

As requested, the appraisers provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value “As Is”.
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
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- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
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In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value.

In the cost approach to value, the value of the land is estimated. Next, the cost of the improvements as if new is estimated. Accrued depreciation is deducted from the estimated cost new to estimate the value of the Subject property in its current condition. The resultant figure indicates the value of the whole property based on cost. Generally, land value is obtained through comparable land sales. Replacement or reproduction costs, as appropriate, are taken from cost manuals, unless actual current cost figures are available. The cost approach is not developed since most investors and developers do not utilize this method.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings potential of the property is carefully estimated and converted into an estimate of the property's market value. The Subject was valued using the Direct Capitalization Approach.

Property Identification

The Subject site is located on Randolph Street in Savannah, Chatham County, Georgia. The Subject is part of Tax Map # 85063.

Intended Use and Intended User

Hunt Companies is the client in this engagement. We understand that they will use this document to assist in funding and loan/investment underwriting. As our client, Hunt Companies owns this report

and permission must be granted from them before another third party can use this document. Hunt Companies is the intended user. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

The property interest appraised is fee simple, subject to any and all encumbrances, if applicable for each value estimate.

Date of Inspection and Effective Date of Appraisal

The site was inspected on March 23, 2015. In general, we have prepared this report based on our analysis of current market conditions relative to the Subject.

Scope of the Appraisal

For the purposes of this appraisal, the appraiser visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. Additional scope of work items are discussed in various sections throughout this report.

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisals competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the subject property was available to the appraisers.

Furniture, Fixtures, and Equipment

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included; which may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

Ownership and History of Subject

Ownership of the Subject is vested in the Housing Authority of Savannah. There have been no transfers of the Subject property over the past three years. We are unaware of any pending purchase agreement.

REGIONAL AND LOCAL AREA ANALYSIS

REGIONAL AND LOCAL AREA ANALYSIS

ECONOMIC ANALYSIS

The Savannah MSA is comprised of Bryan, Chatham, and Effingham Counties, and is the third largest metropolitan area in the state of Georgia. Savannah is located approximately 20 miles inland from the Atlantic Ocean and immediately south of Georgia/South Carolina border. The city is home to the headquarters of JCB Inc., a manufacturer of heavy construction and agricultural equipment, and Gulfstream Aerospace Corporation, a manufacturer of business aircraft. Savannah's location on the Atlantic coast provides for both a thriving tourism industry as well as the fourth largest port in the United States. According to the Savannah Area Chamber of Commerce, the Port of Savannah is the fastest growing port in the United States. The Savannah Harbor Expansion Project will further expand the port enabling it to accommodate larger shipping vessels. Working with the U.S. Army Corps of Engineers, the Savannah Harbor Expansion Project received the last of all required federal and state regulatory approvals in 2013 and is under construction. In addition to the port, both Norfolk Southern Railroad and CSX Transportation have terminals in Savannah providing the city with both port and rail capabilities. Savannah also has excellent access to major interstates, including Interstate 95, which runs south to Miami, Florida and north to the Maine-Canada border.

Major Employers

The following table is a list of the top employers in Savannah, Georgia. Note that exact employment numbers, rather than ranges, were not available from the Savannah Area Chamber of Commerce.

MAJOR EMPLOYERS Savannah GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	10,126
2	Memorial University Medical Center	Healthcare	5,000
3	Savannah-Chatham County Board Of Education	Education	4,808
4	Ft. Stewart/Hunter Army Airfield	Government	4,637
5	St. Joseph's/Candler Health System	Healthcare	3,304
6	City of Savannah	Government	2,795
7	Chatham County	Government	1,600
8	Savannah College of Art and Design	Education	1,590
9	Georgia Ports Authority	Shipping Authority	988
10	Armstrong Atlantic State University	Education	602

Source: Savannah Economic Development Authority, 12/2014; Novogradac & Company LLP 4/2015

As indicated in the table above, the major employers in Savannah are varied and represent a wide range of industries. The largest public sector employer is Savannah-Chatham County Board of Education, which employs 4,808 people. Gulfstream Aerospace Corporation is the largest employer in the area with more than 10,100 employees. Local employment seems to be concentrated in the health care and education sectors. With Savannah being a port city, several companies involving cargo handling are also significant employers in the region.

Chatham County is also home to the Hunter Army Air Field. Currently, Hunter Army Airfield has approximately 5,000 soldiers, airmen and coast guardsmen on station. It is home of the aviation units

of the 3rd Infantry Division (Mechanized) headquartered at Fort Stewart. There are also a number of non-divisional units assigned to Hunter as well. The Coast Guard Air Station Savannah is also located on Hunter Army Airfield, and provides search and rescue coverage of the coastal areas of Georgia and South Carolina. The Hunter Army Airfield is located approximately seven miles south of the Subject.

It is also important to mention that Fort Stewart, the largest Army installation east of the Mississippi River, is located approximately 13 miles southwest of the Subject. As of the census of 2000, there were 11,205 people, 1,849 households, and 1,791 families residing at the base.

The tourism industry plays a major role in the Savannah area. The Savannah Convention and Visitor’s Bureau reported approximately 12.4 million visitors in 2012, up 2.5 percent from 2011. Approximately 7.0 million were overnight visitors with the rest being day-trippers. Hotel room and occupancy rates were up from the previous year. Visitor spending was approximately \$2 billion in 2012 and the area’s lodging, dining, entertainment, and visitor-related transportation sectors employed over 17,000 people.

BRAC Impact

According to the 2005 BRAC report, the Home Station Training Site moved from the 188th Fighter Wing, Fort Smith Air Guard Station (AGS), Arkansas to Savannah, Georgia.

Expansions/Contractions

The following table illustrates business closures and layoffs within the city of Savannah from January 2013 to March 2015, according to the Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings.

SAVANNAH, GEORGIA LAYOFFS/CLOSURES 2010-YTD 2015

Effective Date	Company	City	Layoff/Closure	Number Affected
3/20/2015	L-3 Army Sustainment Division	Savannah	Layoff	82
9/1/2014	United Arab Shipping Company	Savannah	Layoff	20
4/5/2013	Veolia Transportation	Savannah	Closure	205
1/4/2013	Roadlink Workforce Solutions	Savannah	Layoff	42
Total				349

Source: Georgia Department of Labor, March 2015

As illustrated in the previous table, the city of Savannah experienced four WARN filings from 2013 to YTD 2015 for a total of 349 jobs affected.

Savannah Economic Development Authority

According to Leia Dedic, Economic Research Manager at the Savannah Economic Development Authority, 2013 and 2014 were positive years in terms of job growth and expansions in the Savannah area. In 2014, there were 15 new projects that created approximately 668 new jobs and have brought over \$305 million in investment to the Savannah Area. Here are few upcoming job creating expansions that have been announced since January 2015.

- OA Logistics, a distribution company based in Pooler, GA announced in February that it would be expanding its east coast operations by constructing a new \$1.1 million distribution center in Savannah. The expansion is projected to bring 200 to 300 jobs over the next 16 to 18 months.
- PolyCase Ammunition, an ammunition manufacturer announced in January it would be expanding its current operation by \$10 million, creating 100 new jobs in the Savannah area. No further details were available.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2001 to March 2015.

Year	Savannah, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	138,215	-	3.5%	-	136,933,000	-	4.7%	-
2002	142,209	2.9%	4.2%	0.7%	136,485,000	-0.3%	5.8%	1.1%
2003	145,054	2.0%	4.2%	0.0%	137,736,000	0.9%	6.0%	0.2%
2004	152,921	5.4%	4.1%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	158,112	3.4%	4.4%	0.3%	141,730,000	1.8%	5.1%	-0.4%
2006	164,431	4.0%	3.9%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	172,008	4.6%	3.8%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	170,941	-0.6%	5.5%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	161,731	-5.4%	8.5%	3.0%	139,877,000	-3.8%	9.3%	3.5%
2010	151,157	-6.5%	9.8%	1.3%	139,064,000	-0.6%	9.6%	0.3%
2011	153,212	1.4%	9.8%	0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	157,358	2.7%	8.9%	-0.9%	142,469,000	1.9%	8.1%	-0.8%
2013	159,129	1.1%	7.9%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	161,262	1.3%	7.0%	-0.9%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	162,349	0.7%	6.1%	-1.0%	147,101,667	0.5%	5.8%	-0.4%
Mar-2014	159,758	-	7.4%	-	145,090,000	-	6.8%	-
Mar-2015	163,325	2.2%	5.8%	-1.6%	147,635,000	1.8%	5.6%	-1.2%

Source: U.S. Bureau of Labor Statistics May 2015

*2015 data is through March

Total employment in the MSA increased from 2001 through 2007, but then experienced a decline between 2008 and 2010, when total employment decreased due to the recession. The decrease in total employment during 2008 was 0.7 percentage points more than the decrease experienced by the nation as a whole over the same time period. From March 2014 to March 2015, total employment in the MSA increased 2.2 percentage points, slightly above the reported 1.8 percent increase in the nation over the same time period. From March 2014 to March 2015, unemployment in the MSA decreased by 160 percentage basis points. Additionally, as of March 2015, the unemployment rate in the MSA was 20 percentage basis points above that of the nation during at the same time. Overall, it appears that the MSA was impacted by the recent national recession, and appears to still be recovering, as evidenced by the recent increase in unemployment rates and decreasing total employment. Total employment in the MSA is still not above pre-recession levels.

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2014.

2014 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,704	16.4%	10,849,114	7.6%
Health Care/Social Assistance	5,357	15.4%	20,080,547	14.0%
Retail Trade	4,059	11.7%	16,592,605	11.6%
Educational Services	3,945	11.4%	12,979,314	9.1%
Other Services (excl Publ Adm)	2,148	6.2%	7,850,739	5.5%
Construction	2,132	6.1%	8,291,595	5.8%
Manufacturing	1,623	4.7%	15,162,651	10.6%
Public Administration	1,597	4.6%	6,713,073	4.7%
Admin/Support/Waste Mgmt Svcs	1,543	4.4%	6,316,579	4.4%
Transportation/Warehousing	1,541	4.4%	5,898,791	4.1%
Prof/Scientific/Tech Services	1,359	3.9%	9,808,289	6.8%
Arts/Entertainment/Recreation	892	2.6%	3,151,821	2.2%
Wholesale Trade	763	2.2%	3,628,118	2.5%
Finance/Insurance	680	2.0%	6,884,133	4.8%
Information	602	1.7%	2,577,845	1.8%
Real Estate/Rental/Leasing	559	1.6%	2,627,562	1.8%
Utilities	188	0.5%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	58	0.2%	1,800,354	1.3%
Mining	0	0.0%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
Total Employment	34,750	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2015

The PMA's leading industries include accommodation/food services, health care/social assistance, retail trade, and educational services. Together, these four industries make up almost 55 percent of total employment in the PMA. The PMA is overly represented in sectors such as accommodation/food services and underrepresented in the manufacturing sector compared to the nation as a whole. A large portion of people in the PMA are employed by the health care/social assistance and educational services sectors, which are traditionally slightly more stable employment sectors. However, the PMA's first and third largest sectors, accommodation/food services and retail trade, have historically proven susceptible to job losses in times of economic recession, which could negatively affect the local market's economic base. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts.

Conclusion

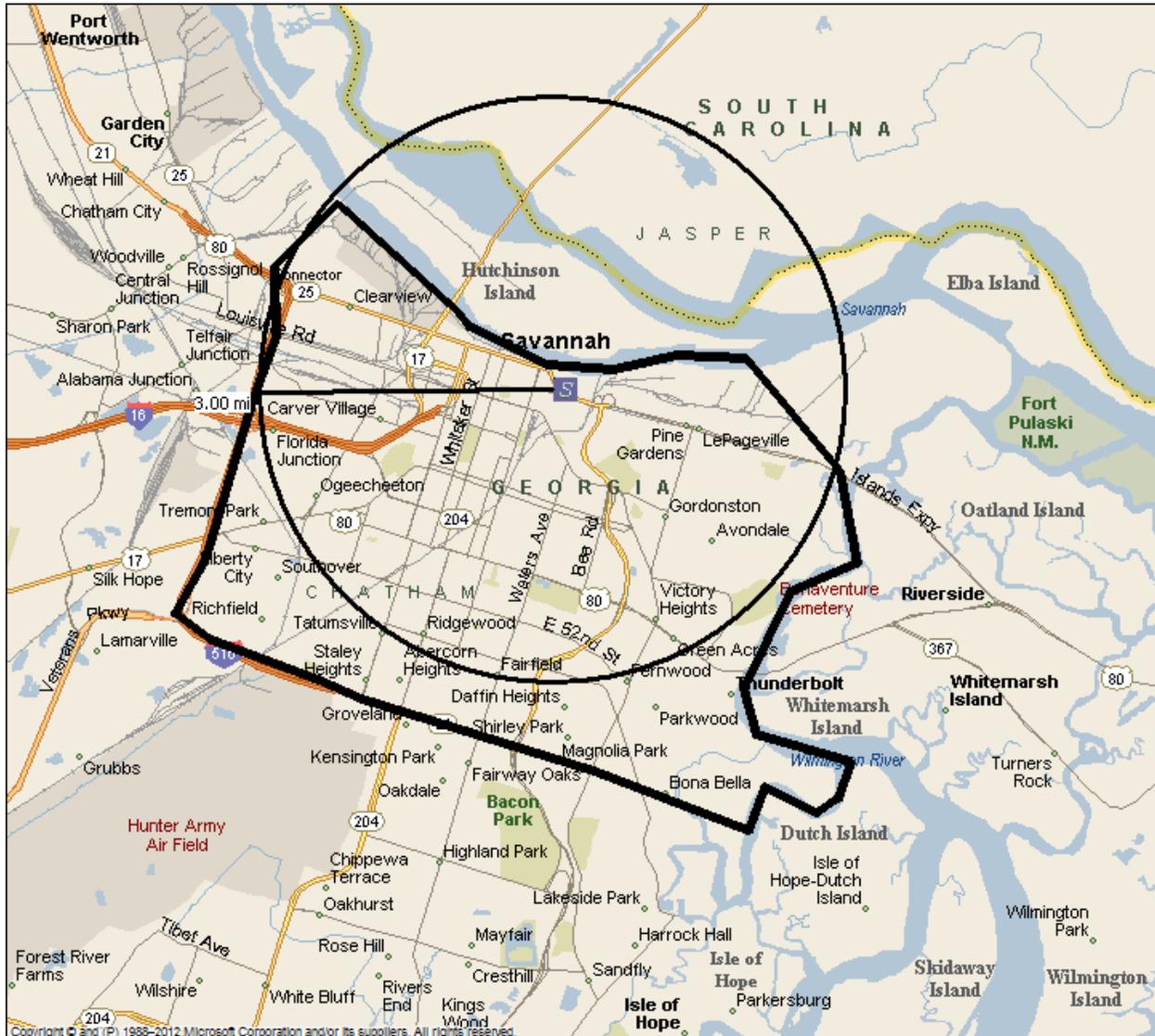
Total employment in the MSA increased from 2001 through 2007, but then experienced a decline between 2008 and 2010, when total employment decreased due to the recession. The decrease in total employment during 2008 was 0.7 percentage points more than the decrease experienced by the nation as a whole over the same time period. From March 2014 to March 2015, total employment in the MSA increased 2.2 percentage points, slightly above the reported 1.8 percent increase in the nation over the same time period. From March 2014 to March 2015, unemployment in the MSA

decreased by 160 percentage basis points. Additionally, as of March 2015, the unemployment rate in the MSA was 20 percentage basis points above that of the nation during at the same time.

The PMA's leading industries include accommodation/food services, health care/social assistance, retail trade, and educational services. Together, these four industries make up almost 55 percent of total employment in the PMA. The PMA is overly represented in sectors such as accommodation/food services and underrepresented in the manufacturing sector compared to the nation as a whole. Overall, the mix of industries in the local economy indicates a relatively diversified work force that is somewhat susceptible to cyclical employment shifts. Note that the demand for affordable housing in Savannah has remained high through the recession and during this recent recovery period.

According to Leia Dedic, Economic Research Manager at the Savannah Economic Development Authority, 2013 and 2014 were positive years in terms of job growth and expansions in the Savannah area. In 2014, there were 15 new projects that created approximately 668 new jobs and have brought over \$305 million in investment to the Savannah Area. Thus far in 2015, there have been two major job announcements that could bring 300 to 400 new jobs to the region.

Primary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The Savannah, GA MSA is comprised of Bryan, Chatham, and Effingham counties.

The boundaries of the PMA are as follows:

- North – Savannah River
- South- Derenne Avenue/Highway 21
- East- Wilmington River
- West- Interstate 516/Highway 17

This area includes the majority of the City of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon

our site inspection, the Subject site is located in the historic district of the Savannah area that consists of predominantly older uses. This area differs in character to the southern Savannah area, which is more suburban in nature. Many property managers indicated that a significant portion of their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, the Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2015 market study guidelines, GA DCA does not take into account leakage from the PMA.

Population Trends

The following table depicts population trends for the PMA.

TOTAL POPULATION						
Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	84,059	-	292,995	-	281,421,906	-
2010	82,967	-0.1%	347,611	1.9%	308,745,538	1.0%
2014	85,229	0.6%	366,935	1.3%	314,467,933	0.4%
Projected Mkt Entry Aug 2017	87,147	0.7%	382,307	1.4%	321,483,035	0.7%
2019	88,340	0.7%	391,863	1.4%	325,843,774	0.7%

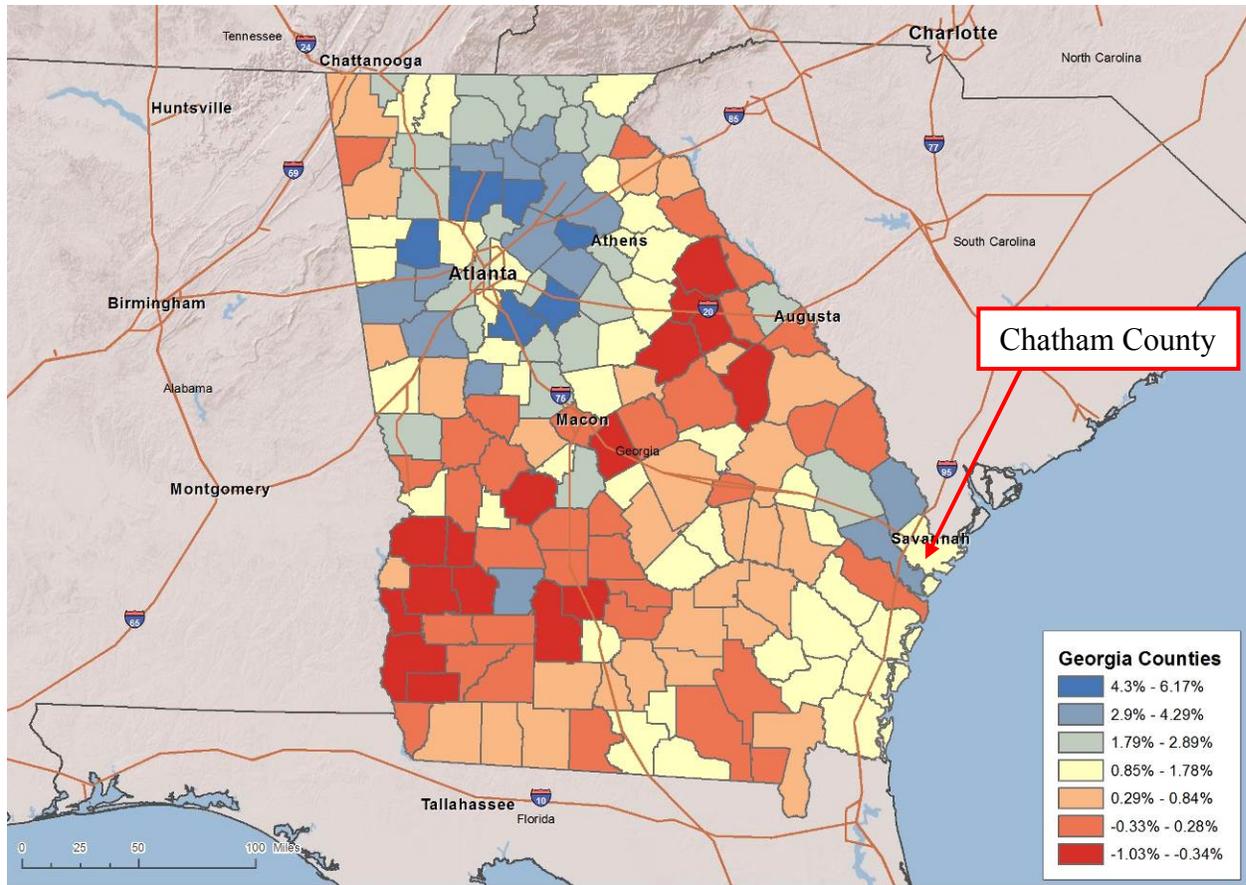
Source: ESRI Demographics 2014, Novogradac & Company LLP, April 2015

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2014	Projected Mkt Entry Aug 2017	2019
0-4	5,844	5,724	5,623	5,764	5,851
5-9	6,373	4,992	5,174	5,157	5,146
10-14	6,324	4,499	4,695	4,837	4,925
15-19	6,760	7,623	7,071	7,202	7,283
20-24	7,534	10,454	10,701	10,235	9,946
25-29	6,088	6,629	6,841	6,943	7,007
30-34	5,348	5,215	5,640	5,816	5,925
35-39	5,604	4,307	4,473	4,809	5,018
40-44	5,635	4,361	4,367	4,343	4,328
45-49	5,269	4,934	4,453	4,443	4,437
50-54	4,861	5,206	5,082	4,792	4,611
55-59	3,683	4,749	5,176	5,232	5,266
60-64	3,172	4,299	4,623	4,937	5,132
65-69	2,885	3,051	3,856	4,135	4,309
70-74	2,847	2,246	2,673	3,264	3,632
75-79	2,547	1,805	1,861	2,199	2,409
80-84	1,804	1,433	1,384	1,456	1,501
85+	1,480	1,440	1,536	1,584	1,614
Total	84,058	82,967	85,229	87,147	88,340

Source: ESRI Demographics 2014, Novogradac & Company LLP, April 2015

Total population in the PMA is projected to increase at a 0.7 percent annual rate from 2014 to 2019, a growth rate below that of the Savannah, GA MSA yet similar to the nation as a whole during the same time period. In 2014, approximately 39 percent of the PMA's population is 24 years old or younger. The PMA demonstrates a larger 15 to 24 age population when compared to other age cohorts. The presence of a younger population in the PMA is likely due to the draw of Savannah College of Art & Design (SCAD), Savannah Technical College, and Savannah State University. The projected PMA population growth is expected to outpace the national population growth but lag the MSA population growth.



2000 - 2010 Population Annual Growth Rate



Household Trends

The following table depicts households in 2014, market entry date, and 2019 for the PMA.

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	33,510	-	111,910	-	105,991,193	-
2010	31,760	-0.5%	131,868	1.8%	116,716,292	1.0%
2014	32,722	0.7%	139,752	1.4%	118,979,182	0.5%
Projected Mkt Entry Aug 2017	33,593	0.9%	145,940	1.4%	121,745,372	0.8%
2019	34,134	0.9%	149,787	1.4%	123,464,895	0.8%

Source: ESRI Demographics 2014, Novogradac & Company LLP, April 2015

As the previous table illustrates, the PMA was an area with a declining number of households from 2000 through 2014. However, the number of households in the PMA is projected to increase through the projected market entry date and through 2019. The number of households in the PMA is expected to grow at a slower rate than the MSA but at a faster rate than the nation as a whole. The increasing number of households in the PMA bodes well for the Subject's proposed unit mix.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Savannah, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.44	-	2.54	-	2.58	-
2010	2.42	-0.1%	2.53	0.0%	2.58	0.0%
2014	2.41	-0.1%	2.52	-0.1%	2.58	0.0%
Projected Mkt Entry Aug 2017	2.40	-0.1%	2.52	0.0%	2.57	0.0%
2019	2.40	-0.1%	2.52	0.0%	2.57	0.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, April 2015

The average household size in the PMA, at 2.41, is slightly smaller than the average household sizes in the MSA and nation. The Subject will offer one, two, three, and four-bedroom units targeted to singles, couples, and families. The average household size in the PMA bodes well for the Subject's proposed unit mix.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2019.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	16,315	48.7%	17,195	51.3%
2010	14,569	45.9%	17,191	54.1%
2014	14,022	42.9%	18,700	57.1%
Projected Mkt Entry Aug 2017	14,357	42.74%	19,236	57.3%
2019	14,565	42.7%	19,569	57.3%

Source: ESRI Demographics 2014, Novogradac & Company LLP, April 2015

The percentage of renter-occupied housing units increased significantly from 2000 to 2014. Between 2014 and 2019, the percentage of renter-occupied housing units is expected to increase slightly. The percentage of renter-occupied households is and will remain higher than the national average. Nationally, approximately two-thirds of households are homeowners and one-third are renters. This bodes well for the Subject.

Households by Income

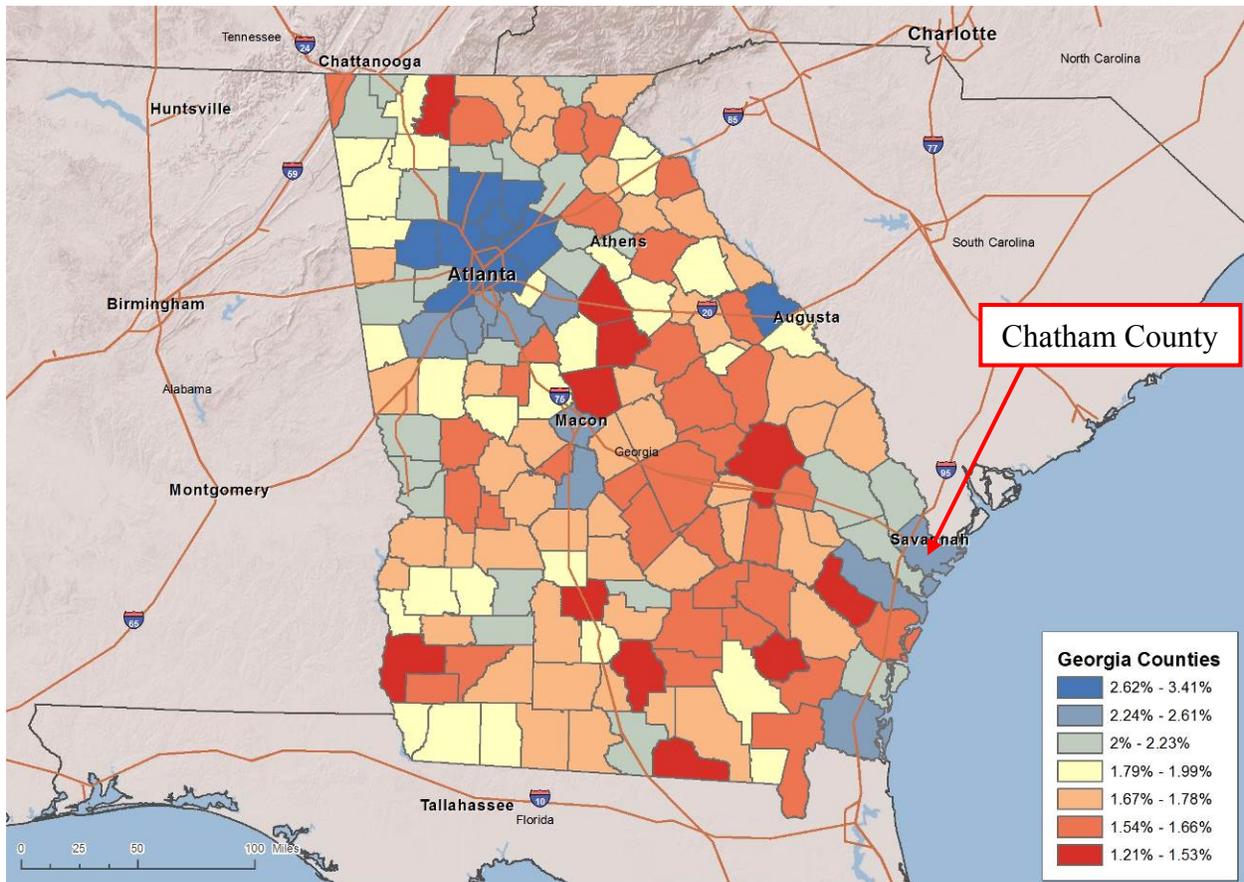
The following table depicts household income in 2014, market entry date, and 2019 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2014		Projected Mkt Entry Aug 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,697	17.9%	6,508	19.9%	6,750	20.1%
\$10,000-19,999	5,846	18.4%	6,474	19.8%	6,712	20.0%
\$20,000-29,999	4,848	15.3%	5,325	16.3%	5,480	16.3%
\$30,000-39,999	3,581	11.3%	3,718	11.4%	3,806	11.3%
\$40,000-49,999	2,625	8.3%	2,615	8.0%	2,671	8.0%
\$50,000-59,999	2,280	7.2%	2,176	6.7%	2,213	6.6%
\$60,000-74,999	2,140	6.7%	1,937	5.9%	1,958	5.8%
\$75,000-99,999	2,031	6.4%	1,660	5.1%	1,677	5.0%
\$100,000-124,999	1,075	3.4%	982	3.0%	984	2.9%
\$125,000-149,999	648	2.0%	545	1.7%	550	1.6%
\$150,000-199,999	459	1.4%	374	1.1%	378	1.1%
\$200,000+	529	1.7%	408	1.2%	415	1.2%
Total	31,760	100.0%	32,722	100.0%	33,593	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, April 2015

The three lowest income cohorts have the highest number of households within the PMA. As of 2014, approximately 55.9 percent of households in the PMA earn less than \$29,999. This percentage is expected to increase through 2019. Incomes at the Subject will range from \$0 to \$42,720 (for the 60 percent AMI units with ACC/RAD subsidy), \$23,143 to \$42,720 (for the 60 percent AMI restricted units), and from generally \$27,600 to \$92,820 (for the unrestricted units based on an estimated income ceiling of 140 percent AMI). The large percentage of households in this income cohort is a positive indication of demand for the Subject's units.



2000 - 2010 MHI Annual Growth Rate



CONCLUSION

The PMA has experienced increasing population and household growth since 2010. The population and number of households in the PMA are projected to increase through the projected market entry date and through 2019. The expected increase in population and number of households bodes well for the Subject. Based on the low vacancy rates and waiting lists experienced by many of the rental properties in the market, and the *Demand Analysis* illustrated later in this report, there appears to be adequate demand for the Subject’s affordable units.

NEIGHBORHOOD ANALYSIS

Date of Site Visit and

Name of Site Inspector:

Ed Mitchell visited the site on March 23, 2015.

Physical Features of the Site:

Frontage:

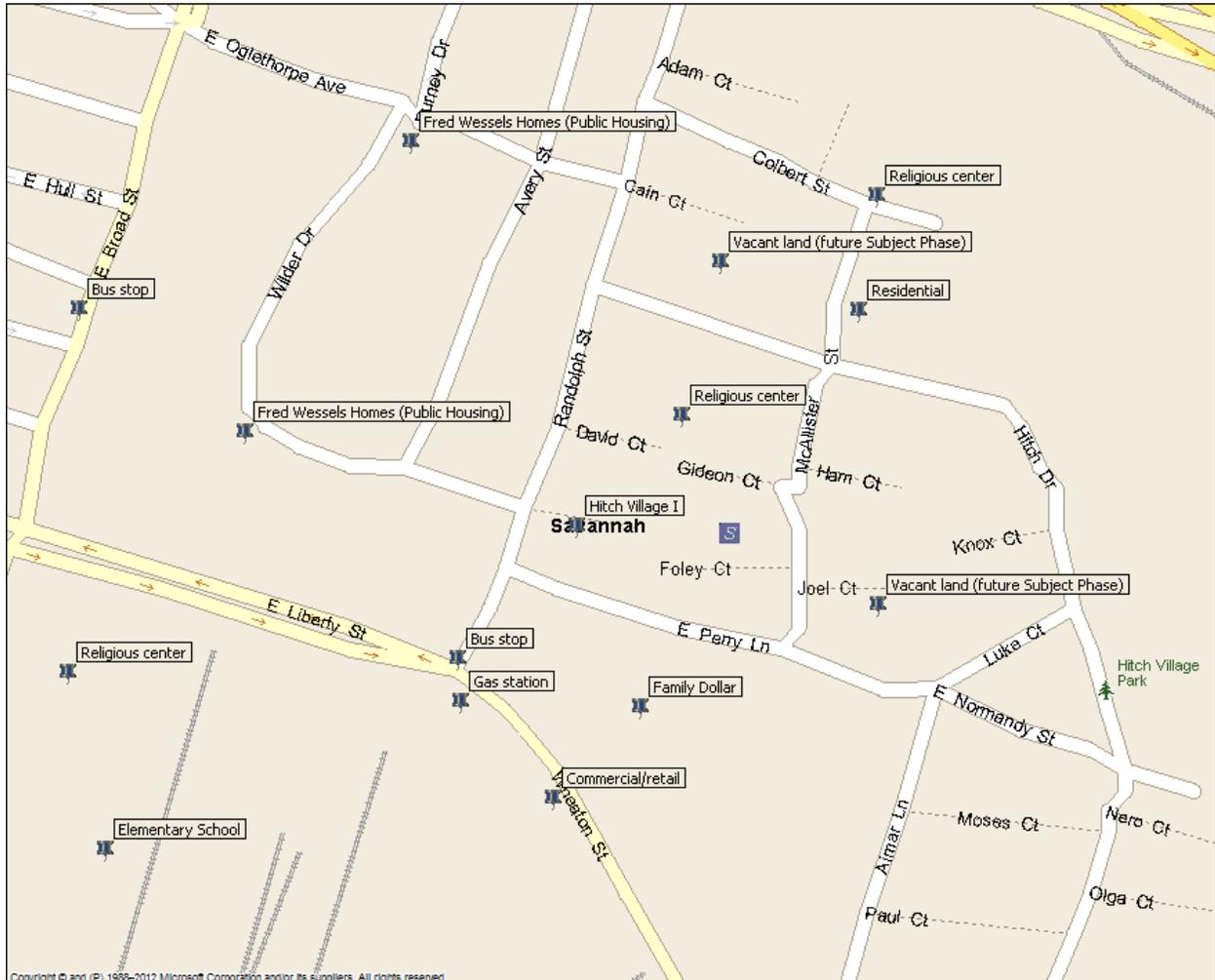
The Subject site has frontage along the east side McAlister Street and west side of a yet to be determined future residential road.

Visibility/Views:

The Subject will have good visibility from McAlister Street. Views from the Subject site will be of multifamily developments, vacant land, religious centers, and various retail developments. Overall, views are considered good.

Surrounding Uses:

The following map illustrates the surrounding land uses.



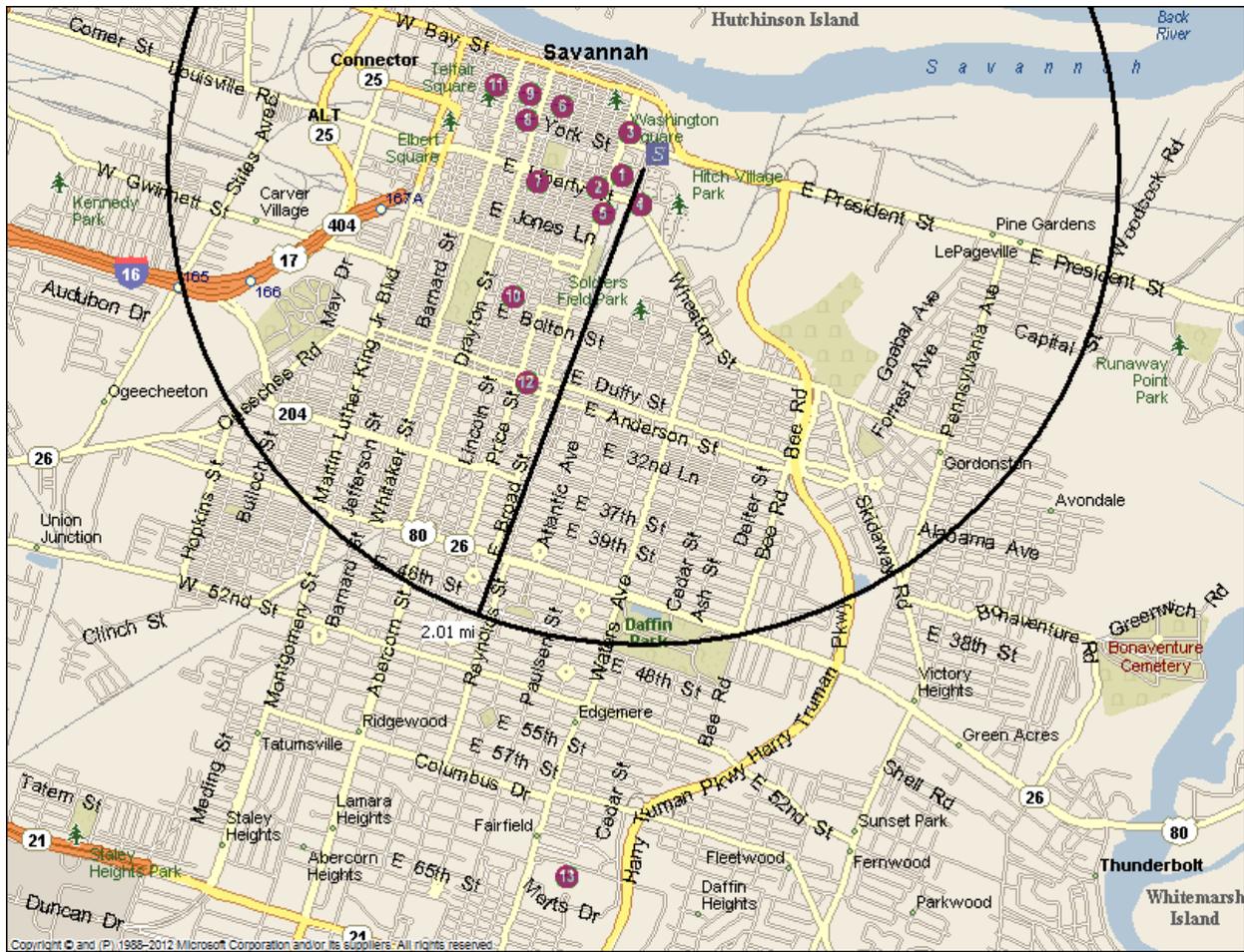
Surrounding uses consist of vacant land, commercial/retail

developments and multifamily properties. To the immediate north are vacant land (for future phases of the Subject) and a religious center. To the immediate east are vacant land (for future phases of the Subject). To the immediate south are a religious center, Wheaton Street Investors, Family Dollar, and a bus stop. To the immediate west is vacant land (Phase I of the Subject). Further west is Fred Wessels Homes (250 Public Housing units). Overall, the Subject's immediate neighborhood is mixed in nature. The Subject site is located in the northeastern quadrant of the Central Business District. There are numerous commercial/retail uses in the Subject's neighborhood. Commercial occupancy in the Subject's neighborhood appeared to be 95 percent. Overall, the Subject has a desirable location for multifamily housing.

Positive/Negative Attributes of Site: The Subject has good proximity to retail and other services. We did not witness any negative attributes during our field work.

Proximity to Locational Amenities:

The table on the following page details the Subject's distance from key locational amenities.



LOCATIONAL AMENITIES

#	Service	Distance
1	Savannah Police Department	Adjacent
2	Chatham Area Transit (Routes 10, 27, 28, and 31)	Adjacent
3	Curtis V. Cooper Primary Health Care	Adjacent
4	3G Gas Station	0.1 miles
5	East Broad Street School (Elementary & Junior High Schools)	0.3 miles
6	Urgent Care of Historic Savannah	0.4 miles
7	St. Vincents High School	0.4 miles
8	Wells Fargo Bank	0.6 miles
9	CVS Pharmacy	0.7 miles
10	Kroger Supermarket & Pharmacy	1.0 miles
11	US Post Office	1.0 miles
12	Live Oak Public Library	0.1 miles
13	Memorial University Medical Center	2.9 miles

Description of Land Uses:

Surrounding uses consist of vacant land, commercial/retail developments and multifamily properties. To the immediate north are vacant land (for future phases of the Subject) and a religious center. To the immediate east are vacant land (for future phases of the Subject). To the immediate south are a

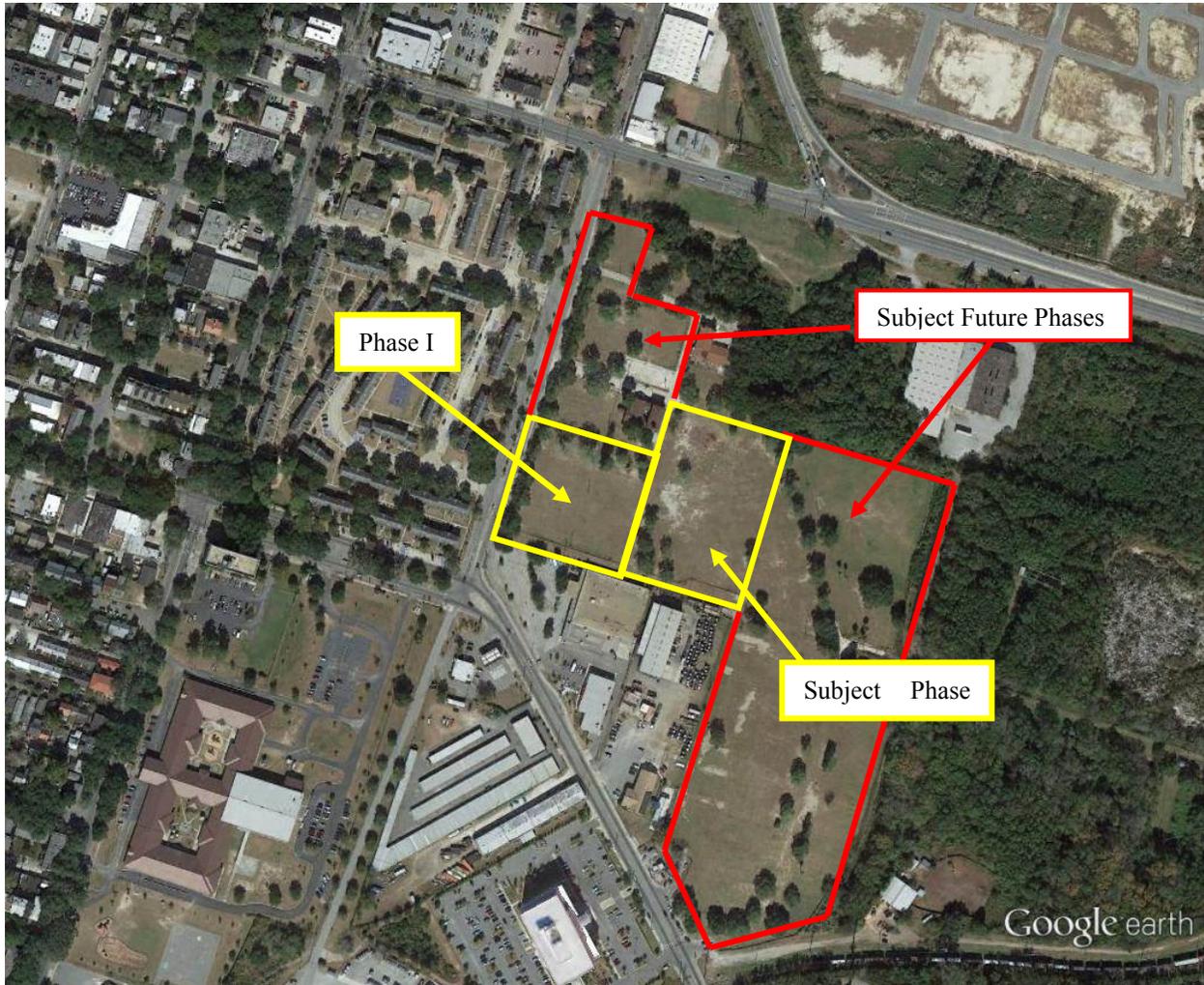
religious center, Wheaton Street Investors, Family Dollar, and a bus stop. To the immediate west is vacant land (Phase I of the Subject). Further west is Fred Wessels Homes (250 Public Housing units). Overall, the Subject's immediate neighborhood is mixed in nature. The Subject site is located in the northeastern quadrant of the Central Business District. There are numerous commercial/retail uses in the Subject's neighborhood. Commercial occupancy in the Subject's neighborhood appeared to be 95 percent. Overall, the Subject has a desirable location for multifamily housing.

Conclusion:

The neighborhood surrounding the Subject site consists primarily of commercial/retail space and multifamily apartments. The Subject site is located in the northeastern quadrant of the Central Business District. Overall, the Subject is expected to be compatible with the surrounding uses and it is a desirable location for multifamily housing.

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues and traffic flow.



Size: The Subject site encompasses approximately 3.25 acres.

Shape: The site is generally rectangular in shape. A copy of the site plan is located at the end of this section.

Frontage: The Subject site has frontage along the east side of McAlister Street.

Topography: The site is generally level.

Visibility/Views: The Subject will have good visibility from McAlister Street. Views from the Subject site will be of multifamily

developments, vacant land, religious centers, and various commercial/retail developments. Overall, views are considered good.

Access and Traffic Flow:

The Subject will be accessed via McAlister Street, a two-lane secondary road. McAlister Street is off of Hitch Drive, which connects to Randolph Street a moderately traveled four lane road. Interstates 516 and 16 are accessible approximately 2.8 and 4.1 miles from the Subject, respectively. Interstate 16 is an east-west highway that runs for approximately 167 miles. Both Interstates 516 and 16 provide access to Interstate 95. Interstate 95 is a north-south highway that extends from Florida to New England, passing through Georgia. The Subject site is located approximately 9.7 miles east of Interstate 95.

Drainage:

Appears adequate; however, no specific tests were performed.

Soil and Subsoil Conditions:

We were not provided with soil surveys, but the existing improvements suggest that the soils are adequate.

Flood Plain:

According to www.floodinsights.com, the Subject is located in Zone X (community map number 135163 panel number 0154F dated September 26, 2008) and is located outside the 100 and 500-year flood plains. The Subject site is not located within 250 feet of multiple flood zones.

Environmental:

We were not provided with an environmental assessment. Novogradac and Company LLP are not experts in this field and cannot opine.

Detrimental Influences:

No detrimental influences were identified.

Conclusion:

The Subject will be compatible with the existing surroundings. No detrimental influences were identified in the immediate neighborhood. The Subject is physically capable of supporting a variety of legally permissible uses, and is considered an adequate building site.

Description of Improvements

Hitch Village II	
Comp #	Subject
Location	220 Mcalister Street Savannah, GA 31401 Chatham County
Distance	n/a
Units	100
Vacant Units	N/A
Vacancy Rate	N/A
Type	Garden (3 stories)
Year Built / Renovated	2017 / n/a



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

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (3 stories)	4	700	\$550	\$0	@60%	n/a	N/A	N/A	no
1	1	Garden (3 stories)	1	700	N/A	\$0	@60% (ACC)	n/a	N/A	N/A	N/A
1	1	Garden (3 stories)	6	700	\$470	\$0	@60% (RAD)	n/a	N/A	N/A	N/A
1	1	Garden (3 stories)	1	700	\$680	\$0	Market	n/a	N/A	N/A	N/A
2	2	Garden (3 stories)	24	1,000	\$635	\$0	@60%	n/a	N/A	N/A	no
2	2	Garden (3 stories)	5	1,000	N/A	\$0	@60% (ACC)	n/a	N/A	N/A	N/A
2	2	Garden (3 stories)	16	1,000	\$476	\$0	@60% (RAD)	n/a	N/A	N/A	N/A
2	2	Garden (3 stories)	11	1,000	\$780	\$0	Market	n/a	N/A	N/A	N/A
3	2	Garden (3 stories)	5	1,140	\$730	\$0	@60%	n/a	N/A	N/A	no
3	2	Garden (3 stories)	3	1,140	N/A	\$0	@60% (ACC)	n/a	N/A	N/A	N/A
3	2	Garden (3 stories)	10	1,140	\$695	\$0	@60% (RAD)	n/a	N/A	N/A	N/A
3	2	Garden (3 stories)	8	1,140	\$860	\$0	Market	n/a	N/A	N/A	N/A
4	2	Garden (3 stories)	1	1,250	\$800	\$0	@60%	n/a	N/A	N/A	no
4	2	Garden (3 stories)	1	1,250	N/A	\$0	@60% (ACC)	n/a	N/A	N/A	N/A
4	2	Garden (3 stories)	4	1,250	\$717	\$0	@60% (RAD)	n/a	N/A	N/A	N/A

Amenities			
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer Washer/Dryer hookup Walk-in closet Patio/Balcony	Security	Intercom (Buzzer) Limited Access
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Off-Street Parking On-Site Management Picnic Area Playground	Premium	none
Services	none	Other	none

Unit Layout: We have reviewed the proposed floor plans for the Subject and they appear market-oriented and functional.

NLA (residential space): Approximately 101,540 square feet.

Americans With Disabilities Act of 1990: As new construction, we assume that the property will not have any violations of the Americans With Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance: It is assumed that the Subject will be constructed in a timely manner consistent with the information provided, using average-quality materials in a professional manner.

Scope of Renovations: The Subject will be new construction.

Proposed Rents: The following table illustrates the Subject’s proposed rents.

PROPOSED RENTS							
Unit Type	Unit Size	Number of Units	Asking Rents	Utility Allowance (1)	Gross Asking Rents	2015 LIHTC Maximum Allowable Rent	Contract Rents
<i>60% AMI (ACC)</i>							
1BR/1BA	700	1	N/Ap	N/Ap	N/Ap	\$690	N/Ap
2BR/2BA	1,000	5	N/Ap	N/Ap	N/Ap	\$828	N/Ap
3BR/2BA	1,140	3	N/Ap	N/Ap	N/Ap	\$957	N/Ap
4BR/2BA	1,250	1	N/Ap	N/Ap	N/Ap	\$1,068	N/Ap
<i>60% AMI (RAD)</i>							
1BR/1BA	700	6	\$470	\$77	\$547	\$690	\$470
2BR/2BA	1,000	16	\$476	\$82	\$558	\$828	\$476
3BR/2BA	1,140	10	\$695	\$87	\$782	\$957	\$695
4BR/2BA	1,250	4	\$717	\$90	\$807	\$1,068	\$717
<i>60% AMI</i>							
1BR/1BA	700	4	\$550	\$125	\$675	\$690	N/A
2BR/2BA	1,000	24	\$635	\$147	\$782	\$828	N/A
3BR/2BA	1,140	5	\$730	\$185	\$915	\$957	N/A
4BR/2BA	1,250	1	\$800	\$225	\$1,025	\$1,068	N/A
<i>Market Rate</i>							
1BR/1BA	700	1	\$680	\$0	\$680	N/A	N/A
2BR/2BA	1,000	11	\$780	\$0	\$780	N/A	N/A
3BR/2BA	1,140	8	\$860	\$0	\$860	N/A	N/A
Total		100					

Notes (1) Source is RAD and LIHTC unit utility allowances are HUD and Housing Authority of Savannah, respectively

Current Occupancy: The Subject will be new construction and therefore there is no current occupancy to report.

Current Tenant Income: The Subject will be new construction and therefore there are no current tenant incomes to report.

Functional Obsolescence: The Subject will be newly constructed. We have inspected the Subject's site plans and floor plans and determined the proposed development to be market-oriented and functional. We assume the Subject will not suffer from functional obsolescence.

Conclusion: The Subject will be an excellent-quality apartment complex, comparable or superior to most of the inventory in the area. The proposed Subject appears to be market-oriented and functional.

REAL ESTATE ASSESSMENT AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

The Subject site is located within the Chatham County real estate taxing jurisdiction. Real estate taxes for a property located in Chatham County are based upon a property's assessed valuation. Market values are assessed predominantly using the income approach for multifamily rental properties. Real estate taxes in Chatham County are based upon 40 percent of the market value. According to the Chatham County Tax Commissioner, the millage rate for the Subject is \$41.419 per \$1,000 for the combined county and city taxes.

2014 COMPARABLE ASSESSMENTS

Property	Property Type	Year Built	Number of Units	Total Value	Assessed Value	Assessed Value Per Unit
Savannah Gardens III	LIHTC/Market	2012	95	\$5,656,114	\$2,262,446	\$23,815
Savannah Gardens I	LIHTC/Market	2011	115	\$5,848,244	\$2,339,298	\$20,342
Montgomery Landing	LIHTC/Market	2005	144	\$5,676,470	\$2,270,588	\$15,768
Oaks at Brandlewood	LIHTC/Market	2003	300	\$13,694,000	\$5,477,600	\$18,259
Chelsea Apartments	Market	1947/1983	136	\$3,418,275	\$1,367,310	\$10,054
Jasmine Place	Market	1979/2005	112	\$6,110,200	\$2,444,080	\$21,822
Walden at Chatham Center	Market	2003	236	\$18,000,000	\$7,200,000	\$30,508

The above data indicates an assessed per unit range from \$10,054 to \$30,508 per unit for comparable multifamily properties located in the Subject's market. Per the assessor, unrestricted and restricted properties are similarly assessed via the income approach. As the previous table demonstrates, the market rate properties have similar assessed values per unit when compared to the LIHTC properties, despite illustrating considerably higher rents. The Subject will be a newly constructed property and will likely receive an assessment at the high end of the range, similar to the properties constructed between 2003 and 2012. Therefore, we have estimated an assessed value per unit of \$22,000 for the restricted scenario. We believe an assessed value of \$30,000 per unit is reasonable for unrestricted scenario given the higher achievable market rents. The following table summarizes our conclusions.

TAXES RESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$22,000	\$2,200,000	41.419	\$91,122	\$911

TAXES UNRESTRICTED SCENARIO

Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$30,000	\$3,000,000	41.419	\$124,257	\$1,243

Zoning**Current Zoning**

According to Charlotte Moore, Planner with Chatham County-Savannah Metropolitan Planning Commission, the Subject site is located within the Fred Wessels/Hitch Village Planned Unit Development (PUD) Master Plan District. According to the PUD Master Plan, the Subject is permitted to develop up to 110 multifamily units with a maximum height of three stories. Additionally, one parking space per unit is required. The Subject will be developed with 100 units, have buildings three stories in height, and offer 108 parking spaces. As such, the Subject appears to be a legal, conforming use.

Prospective Zoning Changes

We are not aware of any proposed zoning changes at this time.

COMPETITIVE RENTAL/DEMAND ANALYSIS

SUPPLY ANALYSIS**INTERVIEWS/DISCUSSION****Savannah's Assisted Housing Programs Department**

According to Lynn Coleman, Director of the Housing Authority of Savannah's Assisted Housing Programs Department, the Housing Authority is currently authorized to issue 2,795 vouchers. The Housing Choice Voucher waiting list is currently closed. Ms. Coleman reported that there are over 11,000 households on the waiting list. The following table illustrates the current payment standards.

Payment Standards	
1BR	\$795
2BR	\$886
3BR	\$1,175
4BR	\$1,238

The Subject's gross rents are below the payment standards.

LIHTC Competition / Recent and Proposed Construction

There are several under construction or proposed LIHTC projects in the development pipeline for the PMA. There are two mixed-income projects that are under construction, as well as two additional LIHTC projects planned, which are detailed as follows:

- Savannah Gardens IV, an LIHTC project allocated tax credits in 2012, is nearing construction completion, but has not yet received certificates of occupancy for most units. Management at Savannah Gardens stated the 18 townhouse units at Phase IV were completed in January 2015, with tenants moving in shortly thereafter. These are three-bedroom units targeting households earning 50 and 60 percent of AMI. Management estimated the property will be fully occupied by the end of summer 2015. We have not provided a calculation for this property's absorption given that delays in opening completed units are influencing the absorption process. We have utilized Savannah Gardens IV in our rents discussion, but have not included it in our vacancy discussion.
- Savannah Gardens V was allocated tax credits in 2013 and will also target families/general occupancy households. Savannah Gardens V will be located at 202 Crescent Drive in Savannah. Savannah Gardens V will offer a total of 76 market rate and LIHTC units. Mercy Housing is the development sponsor for Savannah Gardens V. Similar to the fourth phase, Savannah Gardens V will consist of one, two, and three-bedroom units restricted at 50 and 60 percent AMI. There will be 17 market rate or non-revenue units and 59 LIHTC units at Savannah Gardens V. Construction is underway and is expected to be complete by December 2015. The anticipated LIHTC rents for this property are \$445 to \$558 for one-bedroom LIHTC units, \$533 to \$668 for two-bedroom units, and \$604 to \$760 for three-bedroom units. The anticipated market rate rents range from \$675 for a one-bedroom unit to \$930 for a three-bedroom unit. The Subject will offer 60 percent AMI rents that are below the anticipated asking rents for 60 percent of AMI units at Savannah Gardens V. This should place the Subject at a competitive advantage in terms of cost, and the Subject will also

continue to target very low-income renters with the RAD program. The units at Savannah Gardens V will be of competitive size for the market at 860 square feet for one-bedroom units, 1,031 square feet for two-bedroom units, and 1,225 square feet for three-bedroom units. In terms of comparability to the Subject, Savannah Gardens V has significantly larger unit sizes for each bedroom type, giving it a market advantage over the Subject.

- Hitch Village Phase I, allocated tax credits in 2014, is a proposed new construction project at 280 Randolph Street that will replace a Public Housing property, and is situated within walking distance of the Subject site. This 72-unit project will offer six one-bedroom units, 42 two-bedroom units and 24 three-bedroom units. As proposed, there will be 57 LIHTC units and 15 conventional units. The developer for this project is Hunt Companies, which is also the applicant for the proposed Subject. The project will target families/general occupancy households.
- Sister's Court, allocated tax credits in 2014, is a proposed renovation and new construction project for older adults located at 222 East 37th Street at an existing LIHTC property. The proposed development will offer 78 units, including 77 LIHTC units. The project's plans call for 73 one-bedroom units and five two-bedroom units. There will be 16 units restricted to households earning 50 percent of AMI or less and the remaining 61 units will be restricted to households earning 60 percent of AMI or less. The developer of this project is National Church Residences. This property will continue to target senior households and will not compete with the Subject.

Planning

We spoke with Gary Plumbley, Development Services Planner with the Savannah Metropolitan Planning Commission, in regards to planned, proposed, or recently completed residential development in the Subject's neighborhood. Mr. Plumbley was unaware of any proposed or recently completed market rate multifamily or single-family developments in the Subject's neighborhood.

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 17 comparable properties containing 1,968 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

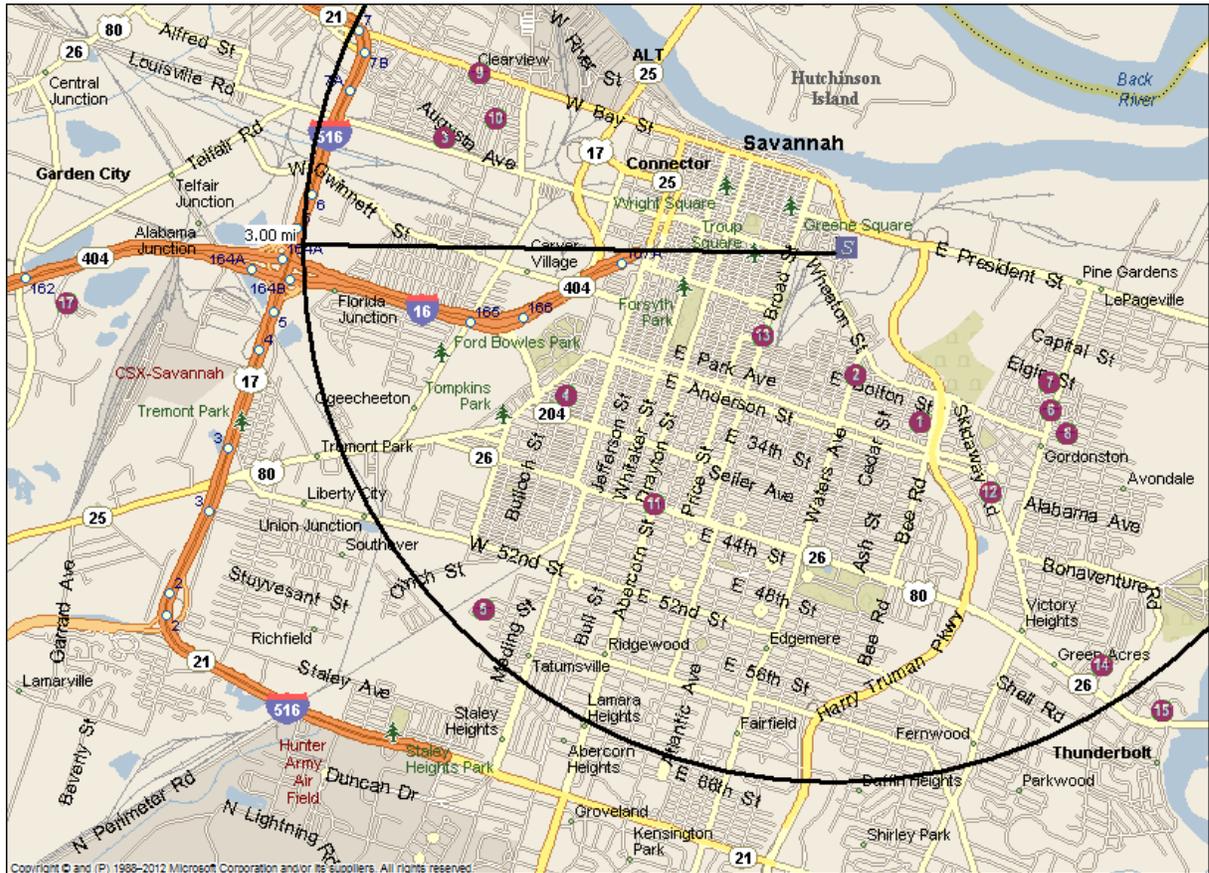
The availability of LIHTC data is considered excellent; there are several LIHTC properties in the PMA, nine of which we selected as “true” comparables. The availability of market rate data is considered good as there are a sufficient number of market rate properties that are located within the PMA. We have included seven market rate properties in the rental analysis, and all are located within Savannah, within less than 4.5 miles of the Subject. The comparable market rate properties were built between 1920 and 2003, and the oldest properties were renovated between 1983 and 2002. These projects offer a mix of one, two, three, and four-bedroom units.

The following table details properties that we have excluded from our analysis.

EXCLUDED PROPERTIES						
Property Name	Type	Tenancy	Units	Occupancy	Waiting List	Reason for Exclusion
East Huntingdon Street Housing	LIHTC	Family	14	N/A	N/A	Only 14 units
Rose of Sharon	LIHTC/FHA	Elderly	206	97.6%	Yes, various by unit	Tenancy not comparable
Savannah Gardens II	HUD 202	Elderly	39	100%	Yes, various by unit	Subsidized; tenancy not comparable
Sustainable Fellwood III	LIHTC/PHA/Market	Elderly	210	99%	No	Tenancy not comparable
SNAP I	LIHTC/Section 8	Family	101	98%	Yes, 1 to 1.5 years	Subsidized
SNAP II	LIHTC/Section 8	Family	89	98%	Yes, 1 to 1.5 years	Subsidized
SNAP III	LIHTC/Section 8	Family	44	100%	Yes, 1 to 1.5 years	Subsidized
Telfair Arms	LIHTC/Section 8	Elderly	53	98%	Yes, a few months	Subsidized; tenancy not comparable
Drayton Tower	Market	Family	99	100%	Yes, 10 households	Could not obtain information.
Hampstead Oaks	Market	Family	87	N/A	N/A	Outside of PMA
Kingstown Apartments	Market	Family	130	N/A	N/A	Limited unit types
Oaks At Brandlewood	Market	Family	324	92%	No	Outside of PMA
Strathmore Estates	Market	Family	N/A	N/A	N/A	Market
Sunrise Villas	Market	Family	148	97%	Yes, 10 households	Market
The Fountains At Chatham Parkway	Market	Elderly	352	97%	No	Outside of PMA
Courtney Station Apartments	Market	Family	300	94%	No	Could not obtain information.
Veranda at Midtown	Market/PBRA	Elderly	100	98%	Yes, 2 to 3 years	Tenancy not comparable
Fred Wessels Homes	PHA	Family	250	N/A	N/A	Subsidized
Blackshear Homes	PHA	Family	100	N/A	N/A	Subsidized
Savannah Summit	Section 8	Family	138	N/A	N/A	Subsidized
Cars V Inc	Section 8	Disabled	N/A	N/A	N/A	Subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc I	Section 8	Disabled	11	N/A	N/A	Subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc II	Section 8	Disabled	13	N/A	N/A	Subsidized; tenancy not comparable
Georgia Infirmary A/ Habersham Place	Section 8	Disabled	N/A	N/A	N/A	Subsidized; tenancy not comparable
Georgia Infirmary B/ Hamilton Place	Section 8	Disabled	N/A	N/A	N/A	Subsidized; tenancy not comparable
Ponderosa Forest Apts	Section 8	Family	56	100%	Yes, a few months	Subsidized
Presidential Plaza I	Section 8	Family	132	100%	No	Subsidized
St. Johns Villa Apartments	Section 8	Elderly	19	N/A	N/A	Subsidized; tenancy not comparable
Presidential Plaza II	Section 8	Family	100	100%	No	Subsidized
Thomas Francis Williams Court Apts	Section 8	Elderly	151	100%	Yes, 6 - 8 months	Subsidized; tenancy not comparable

N/A - Not available

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashley Midtown Phase I	Savannah	LIHTC, Market, Subsidized	1.3 miles
2	Ashley Midtown Phase II	Savannah	LIHTC, Subsidized	0.8 miles
3	Heritage Corner & Heritage Row	Savannah	LIHTC	2.3 miles
4	Heritage Place	Savannah	LIHTC	2.3 miles
5	Montgomery Landing	Savannah	LIHTC, Market	3.6 miles
6	Savannah Gardens I	Savannah	LIHTC	2.0 miles
7	Savannah Gardens III	Savannah	LIHTC, Market	2.3 miles
8	Savannah Gardens IV	Savannah	LIHTC, Market	2.3 miles
9	Sustainable Fellwood I	Savannah	LIHTC, Market, Subsidized	2.6 miles
10	Sustainable Fellwood II	Savannah	LIHTC, Market, Subsidized	2.3 miles
11	Alhambra Apartments	Savannah	Market	4.1 miles
12	Chelsea At Five Points	Savannah	Market	1.8 miles
13	Green Growth I	Savannah	Market	0.7 miles
14	Jasmine Place	Savannah	Market	2.5 miles
15	River Crossing Apartments	Savannah	Market	2.7 miles
16	Royal Oaks	Savannah	Market	4.1 miles
17	Walden At Chatham Center	Savannah	Market	4.4 miles

SUMMARY MATRIX														
Comp #	Project	Distance	Type / Built / Renowned	Market / Subsidy	Units	#	%	Restriction	Rent (Adj)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Hitch Village II 220 McAllister Street Savannah, GA 31401 Chatham County County	n/a	Garden (3 stories) 2017 / n/a	@60%, @60% (ACC), @60% (RAD), Market	1BR / 1BA	4	4.00%	@60%	\$550	700	no		N/A	N/A
					1BR / 1BA	1	1.00%	@60%	N/A	700	n/a		N/A	N/A
					1BR / 1BA	6	6.00%	@60%	\$470	700	n/a		N/A	N/A
					1BR / 1BA	1	1.00%	Market	\$680	700	n/a		N/A	N/A
					2BR / 2BA	24	24.00%	@60%	\$635	1,000	no		N/A	N/A
					2BR / 2BA	5	5.00%	@60%	N/A	1,000	n/a		N/A	N/A
					2BR / 2BA	16	16.00%	@60%	\$476	1,000	n/a		N/A	N/A
					2BR / 2BA	11	11.00%	Market	\$780	1,000	n/a		N/A	N/A
					3BR / 2BA	5	5.00%	@60%	\$730	1,140	no		N/A	N/A
					3BR / 2BA	3	3.00%	@60%	N/A	1,140	n/a		N/A	N/A
					3BR / 2BA	10	10.00%	@60%	\$695	1,140	n/a		N/A	N/A
					3BR / 2BA	8	8.00%	Market	\$860	1,140	n/a		N/A	N/A
					4BR / 2BA	1	1.00%	@60%	\$800	1,250	no		N/A	N/A
					4BR / 2BA	1	1.00%	@60%	N/A	1,250	n/a		N/A	N/A
										4	4.00%	@60%	\$717	1,250
					100	100%							N/A	N/A
1	Ashley Midtown Phase I 1518 E Park Avenue Savannah, GA 31404 Chatham County	1.3 miles	Various (2 stories) 2004 / n/a	@30% (Public Housing), @50% (Public Housing), @60%, Market	2BR / 1BA (Garden)	7	4.20%	@30%	N/A	1,269	n/a	Yes	0	0.00%
					2BR / 1BA (Garden)	6	3.60%	@50%	N/A	1,276	n/a	Yes	0	0.00%
					2BR / 1BA (Garden)	13	7.70%	@60%	\$741	1,269	yes	Yes	0	0.00%
					2BR / 1BA (Garden)	6	3.60%	Market	\$1,136	1,411	n/a	No	0	0.00%
					2BR / 1.5BA (Townhouse)	17	10.10%	@30%	N/A	1,276	n/a	Yes	0	0.00%
					2BR / 1.5BA (Townhouse)	13	7.70%	@50%	N/A	1,254	n/a	Yes	0	0.00%
					2BR / 1.5BA (Townhouse)	33	19.60%	@60%	\$741	1,276	yes	Yes	0	0.00%
					2BR / 1.5BA (Townhouse)	17	10.10%	Market	\$1,136	1,146	n/a	No	0	0.00%
					3BR / 2BA (Garden)	2	1.20%	@30%	N/A	1,377	n/a	Yes	0	0.00%
					3BR / 2BA (Garden)	7	4.20%	@50%	N/A	1,377	n/a	Yes	0	0.00%
					3BR / 2BA (Garden)	4	2.40%	@60%	\$834	1,377	yes	Yes	0	0.00%
					3BR / 2BA (Garden)	3	1.80%	Market	\$1,196	1,200	n/a	No	0	0.00%
					3BR / 2.5BA (Townhouse)	6	3.60%	@30%	N/A	1,467	n/a	Yes	0	0.00%
					3BR / 2.5BA (Townhouse)	10	6.00%	@50%	N/A	1,467	n/a	Yes	0	0.00%
					3BR / 2.5BA (Townhouse)	15	8.90%	@60%	\$834	1,467	yes	Yes	0	0.00%
					9	5.40%	Market	\$1,196	1,300	n/a	No	0	0.00%	
					168	100%						0	0.00%	
2	Ashley Midtown Phase II 1110 Graydon Avenue Savannah, GA 31404 Chatham County	0.8 miles	Townhouse 2008 / n/a	@30% (Public Housing), @60%	2BR / 1BA	2	5.30%	@60%	\$734	1,214	yes	No	0	0.00%
					2BR / 1.5BA	10	26.30%	@30%	N/A	1,226	n/a	Yes	0	0.00%
					2BR / 1.5BA	6	15.80%	@60%	\$727	1,238	yes	No	0	0.00%
					3BR / 2BA	10	26.30%	@30%	N/A	1,407	n/a	Yes	0	0.00%
					3BR / 2BA	1	2.60%	@60%	\$831	1,340	yes	Yes	0	0.00%
					3BR / 2BA	8	21.10%	@60%	\$831	1,400	yes	No	0	0.00%
					3BR / 2BA	1	2.60%	@60%	\$831	1,482	yes	No	0	0.00%
										38	100%			
3	Heritage Corner & Heritage Row 642 W 41st Street & 824 West 35th Street Savannah, GA 31415 Chatham County	2.3 miles	Garden (2 stories) 2005/2006 / n/a	@30%, @50%, @60%	1BR / 1BA	4	5.70%	@30%	\$208	750	no	Yes	1	25.00%
					2BR / 2BA	32	45.70%	@50%	\$524	900	no	no	1	3.10%
					2BR / 2BA	17	24.30%	@60%	\$661	900	no	Yes	2	11.80%
					3BR / 2BA	13	18.60%	@50%	\$593	1,050	no	Yes	2	15.40%
					3BR / 2BA	4	5.70%	@60%	\$706	1,050	no	Yes	1	25.00%
										70	100%			
4	Heritage Place 700 W 35th Street Savannah, GA 31415 Chatham County	2.3 miles	Conversion (3 stories) 1930 / 2006	@50%, @60%, Non-Rental	1BR / 1BA	16	18.20%	@50%	\$409	750	no	Yes	2	12.50%
					1BR / 1BA	11	12.50%	@60%	\$489	750	no	Yes	1	9.10%
					2BR / 2BA	26	29.50%	@50%	\$485	900	no	Yes	2	7.70%
					2BR / 2BA	15	17.00%	@60%	\$585	900	no	Yes	2	13.30%
					2BR / 2BA	2	2.30%	Non-Rental	\$0	900	n/a		0	0.00%
					3BR / 2BA	12	13.60%	@50%	\$571	1,050	no	Yes	1	8.30%
					3BR / 2BA	6	6.80%	@60%	\$614	1,050	no	Yes	0	0.00%
										88	100%			
5	Montgomery Landing 714 W 57th St Savannah, GA 31405 Chatham County	3.6 miles	Garden (2 stories) 2005 / n/a	@30%, @50%, @60%, Market	1BR / 1BA	1	0.70%	@30%	\$255	792	yes	Yes	0	0.00%
					1BR / 1BA	4	2.80%	@50%	\$495	792	yes	Yes	0	0.00%
					1BR / 1BA	7	4.90%	@60%	\$615	792	yes	Yes	0	0.00%
					1BR / 1BA	4	2.80%	Market	\$635	792	n/a	Yes	0	0.00%
					2BR / 2BA	9	6.20%	@30%	\$308	1,062	yes	Yes	0	0.00%
					2BR / 2BA	16	11.10%	@50%	\$596	1,062	no	Yes	0	0.00%
					2BR / 2BA	12	8.30%	@60%	\$740	1,062	no	Yes	0	0.00%
					2BR / 2BA	11	7.60%	Market	\$750	1,062	n/a	Yes	0	0.00%
					3BR / 2BA	4	2.80%	@30%	\$342	1,267	yes	No	0	0.00%
					3BR / 2BA	21	14.60%	@50%	\$675	1,267	no	No	0	0.00%
					3BR / 2BA	29	20.10%	@60%	\$841	1,267	no	No	0	0.00%
					3BR / 2BA	10	6.90%	Market	\$860	1,267	no	No	0	0.00%
					4BR / 2BA	1	0.70%	@30%	\$280	1,428	yes	Yes	0	0.00%
					4BR / 2BA	2	1.40%	@50%	\$657	1,428	no	Yes	0	0.00%
					4BR / 2BA	9	6.20%	@60%	\$837	1,428	no	Yes	0	0.00%
4BR / 2BA	4	2.80%	Market	\$920	1,428	n/a	Yes	0	0.00%					
					144	100%						0	0.00%	
6	Savannah Gardens I Pennsylvania Ave & West Crescent Ave Savannah, GA 31404 Chatham County	2 miles	Garden (3 stories) 2011 / n/a	@30%, @50%, @60%, Non-Rental	1BR / 1BA	1	0.90%	@30%	\$235	750	yes	Yes	0	0.00%
					1BR / 1BA	4	3.50%	@50%	\$463	750	yes	Yes	0	0.00%
					1BR / 1BA	5	4.30%	@60%	\$571	750	yes	Yes	0	0.00%
					2BR / 2BA	3	2.60%	@30%	\$286	950	yes	Yes	0	0.00%
					2BR / 2BA	27	23.50%	@50%	\$561	950	yes	Yes	0	0.00%
					2BR / 2BA	33	28.70%	@60%	\$698	950	yes	Yes	0	0.00%
					2BR / 2BA	1	0.90%	Non-Rental	N/A	950	n/a		N/A	N/A
					3BR / 2BA	4	3.50%	@30%	\$307	1,150	yes	Yes	0	0.00%
					3BR / 2BA	14	12.20%	@50%	\$623	1,150	yes	Yes	0	0.00%
					3BR / 2BA	18	15.70%	@60%	\$781	1,150	yes	Yes	0	0.00%
					4BR / 2BA	1	0.90%	@30%	\$334	1,350	yes	Yes	0	0.00%
					4BR / 2BA	2	1.70%	@50%	\$687	1,350	yes	Yes	0	0.00%
4BR / 2BA	2	1.70%	@60%	\$864	1,350	yes	Yes	0	0.00%					
					115	100%						3	2.60%	

7	Savannah Gardens III 500 Pennsylvania Ave Savannah, GA 31404 Chatham County	2.3 miles	Garden (3 stories) 2012 / n/a	@50%, @60%, Market, Non-Rental	1BR / 1BA	3	3.20%	@50%	\$463	871	yes	Yes	0	0.00%			
					1BR / 1BA	5	5.30%	@60%	\$577	871	yes	Yes	0	0.00%			
					1BR / 1BA	1	1.10%	Market	\$675	871	n/a	Yes	0	0.00%			
					2BR / 2BA	21	22.10%	@50%	\$566	1,051	yes	Yes	0	0.00%			
					2BR / 2BA	34	35.80%	@60%	\$697	1,051	yes	Yes	0	0.00%			
					2BR / 2BA	3	3.20%	Market	\$775	1,051	n/a	Yes	0	0.00%			
					2BR / 2BA	1	1.10%	Non-Rental	N/A	1,051	n/a		N/A	N/A			
					3BR / 2BA	9	9.50%	@50%	\$633	1,232	yes	Yes	0	0.00%			
					3BR / 2BA	17	17.90%	@60%	\$791	1,232	yes	Yes	0	0.00%			
					3BR / 2BA	1	1.10%	Market	\$875	1,232	n/a	Yes	0	0.00%			
									95	100%						0	0.00%
8	Savannah Gardens IV 514 Pennsylvania Ave Savannah, GA 31404 Chatham County	n/a	Various (2 stories) 2015 / n/a	@50%, @60%, Market, Non-Rental	1BR / 1BA (Garden)	3	2.60%	@50%	\$463	776	yes		N/A	N/A			
					1BR / 1BA (Garden)	6	5.30%	@60%	\$571	776	yes		N/A	N/A			
					1BR / 1BA (Garden)	3	2.60%	Market	\$675	776	n/a		N/A	N/A			
					2BR / 2BA (Garden)	13	11.40%	@50%	\$561	1,053	yes		N/A	N/A			
					2BR / 2BA (Garden)	39	34.20%	@60%	\$698	1,053	yes		N/A	N/A			
					2BR / 2BA (Garden)	13	11.40%	Market	\$775	1,053	n/a		N/A	N/A			
					2BR / 2BA (Garden)	1	0.90%	Non-Rental	N/A	1,053	n/a		N/A	N/A			
					3BR / 2BA (Garden)	3	2.60%	@50%	\$633	1,184	yes		N/A	N/A			
					3BR / 2BA (Garden)	11	9.60%	@60%	\$781	1,184	yes		N/A	N/A			
					3BR / 2BA (Garden)	4	3.50%	Market	\$875	1,184	n/a		N/A	N/A			
					3BR / 2BA (Townhouse)	4	3.50%	@50%	\$633	1,333	yes	Yes	0	0.00%			
3BR / 2BA (Townhouse)	11	9.60%	@60%	\$781	1,333	yes	Yes	0	0.00%								
3BR / 2BA (Townhouse)	3	2.60%	Market	\$875	1,333	n/a	Yes	0	0.00%								
				114	100%						96	84.20%					
9	Sustainable Fellwood I 1401 Fellwood Dr Savannah, GA 31415 Chatham County	2.6 miles	Various 2009 / n/a	@60%, @60% (Public Housing), Market	1BR / 1BA (Garden)	15	13.60%	@60%	\$547	832	yes	Yes	0	0.00%			
					1BR / 1BA (Garden)	9	8.20%	@60%	\$285	832	n/a	Yes	0	0.00%			
					1BR / 1BA (Garden)	6	5.30%	Market	\$639	832	n/a	No	0	0.00%			
					2BR / 1BA (Garden)	17	15.50%	@60%	\$657	1,060	yes	Yes	0	0.00%			
					2BR / 1BA (Garden)	19	17.30%	@60%	\$276	1,060	n/a	Yes	0	0.00%			
					2BR / 1BA (Garden)	5	4.50%	Market	\$730	1,060	n/a	No	0	0.00%			
					2BR / 1.5BA (Townhouse)	5	4.50%	@60%	\$730	1,060	n/a	No	0	0.00%			
					3BR / 2BA (Garden)	13	11.80%	@60%	\$747	1,327	yes	Yes	1	7.70%			
					3BR / 2BA (Garden)	10	9.10%	@60%	\$260	1,327	n/a	Yes	0	0.00%			
					3BR / 2BA (Garden)	2	1.80%	Market	\$814	1,327	n/a	No	0	0.00%			
					3BR / 2.5BA (Townhouse)	3	2.70%	Market	\$814	1,327	n/a	No	0	0.00%			
4BR / 2BA (Garden)	3	2.70%	@60%	\$736	1,522	yes	Yes	0	0.00%								
4BR / 2BA (Garden)	2	1.80%	@60%	\$243	1,522	n/a	Yes	0	0.00%								
4BR / 2BA (Garden)	1	0.90%	Market	\$897	1,522	n/a	No	0	0.00%								
				110	100%						1	0.90%					
10	Sustainable Fellwood II 1300 W Bay St Savannah, GA 31415 Chatham County	2.6 miles	Garden (2 stories) 2011 / n/a	@60%, @60% (Project Based Rental Assistance - PBRA), Market, PHA (Public Housing)	1BR / 1BA	2	1.80%	@60%	\$573	838	yes	No	0	0.00%			
					1BR / 1BA	2	1.80%	@60%	\$267	838	n/a	Yes	N/A	N/A			
					1BR / 1BA	4	3.60%	Market	\$689	838	n/a	No	0	0.00%			
					1BR / 1BA	4	3.60%	PHA	\$267	838	n/a	Yes	N/A	N/A			
					2BR / 2BA	10	9.10%	@60%	\$687	1,072	yes	No	0	0.00%			
					2BR / 2BA	15	13.60%	@60%	\$258	1,072	n/a	Yes	N/A	N/A			
					2BR / 2BA	4	3.60%	Market	\$780	1,072	n/a	No	1	25.00%			
					2BR / 2BA	15	13.60%	PHA	\$258	1,072	n/a	Yes	N/A	N/A			
					3BR / 2BA	15	13.60%	@60%	\$777	1,343	yes	No	0	0.00%			
					3BR / 2BA	3	2.70%	Market	\$864	1,343	n/a	No	0	0.00%			
					3BR / 3BA	15	13.60%	@60%	\$242	1,343	n/a	Yes	N/A	N/A			
3BR / 3BA	21	19.10%	PHA	\$242	1,343	n/a	Yes	N/A	N/A								
				110	100%						1	0.90%					
11	Alhambra Apartments 2200 East Victory Drive Savannah, GA 31404 Chatham County	4.1 miles	Various (2 stories) 1968 / n/a	Market	1BR / 1BA (Garden)	44	29.30%	Market	\$755	705	n/a	No	2	4.50%			
					2BR / 1.5BA (Townhouse)	35	23.30%	Market	\$795	820	n/a	No	1	2.90%			
					2BR / 2BA (Garden)	35	23.30%	Market	\$775	975	n/a	No	0	0.00%			
					3BR / 2BA (Townhouse)	36	24.00%	Market	\$850	1,072	n/a	No	0	0.00%			
									150	100%						3	2.00%
12	Chelsea At Five Points 1910 Skidaway Rd Savannah, GA 31404 Chatham County	1.8 miles	Garden (2 stories) 1947 / 1983	Market	1BR / 1BA	24	17.60%	Market	\$625	700	n/a	No	0	0.00%			
					2BR / 1BA	112	82.40%	Market	\$685	850	n/a	No	0	0.00%			
														0	0.00%		
13	Green Growth I 701-709 A E Broad St; 540 E Gwinnett; 543, 506-507 E Hall St; 539 Nicoll St Savannah, GA 31401 Chatham County	0.7 miles	Various 1920 / 2002	Market	1BR / 1BA (Garden)	7	7.10%	Market	\$781	565	n/a	No	1	14.30%			
					2BR / 1BA (Garden)	19	19.20%	Market	\$881	900	n/a	No	1	5.30%			
					2BR / 1BA (Garden)	6	6.10%	Market	\$931	950	n/a	No	1	16.70%			
					2BR / 1BA (Townhouse)	6	6.10%	Market	\$981	950	n/a	No	0	0.00%			
					3BR / 1BA (Garden)	46	46.50%	Market	\$981	1,015	n/a	No	0	0.00%			
					3BR / 1BA (Townhouse)	15	15.20%	Market	\$1,081	1,015	n/a	No	0	0.00%			
									99	100%						3	3.00%
14	Jasmine Place 2323 Downing Ave Savannah, GA 31404 Chatham County	2.5 miles	Garden (2 stories) 1979 / 2005	Market	2BR / 1.5BA	80	71.40%	Market	\$815	844	n/a	No	8	10.00%			
					3BR / 2BA	32	28.60%	Market	\$925	1,144	n/a	No	2	6.20%			
									112	100%					10	8.90%	
15	River Crossing Apartments 2612 Dogwood Avenue Savannah, GA 31404 Chatham County	2.7 miles	Garden (3 stories) 1978 / 2005	Market	1BR / 1BA	56	31.80%	Market	\$790	770	n/a	No	0	0.00%			
					2BR / 2BA	104	59.10%	Market	\$890	1,026	n/a	No	0	0.00%			
					3BR / 2BA	16	9.10%	Market	\$1,050	1,270	n/a	No	3	18.80%			
													3	1.70%			
16	Royal Oaks 301 Noble Oaks Dr. Savannah, GA 31406 Chatham County	4.1 miles	Various 1975 / 2007	Market	2BR / 2BA (Garden)	72	34.60%	Market	\$913	1,368	n/a	none	0	0.00%			
					2BR / 2BA (Townhouse)	72	34.60%	Market	\$1,092	1,438	n/a	none	0	0.00%			
					3BR / 2.5BA (Townhouse)	64	30.80%	Market	\$1,294	1,723	n/a	none	0	0.00%			
													0	0.00%			
17	Walden At Chatham Center 100 Walden Lane Savannah, GA 31405 Chatham County	4.7 miles	Garden (3 stories) 2003 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$1,021	828	n/a	No	2	N/A			
					1BR / 1BA	N/A	N/A	Market	\$1,131	1,013	n/a	No	0	N/A			
					1BR / 1BA	N/A	N/A	Market	\$911	642	n/a	No	0	N/A			
					2BR / 2BA	N/A	N/A	Market	\$1,356	1,131	n/a	No	1	N/A			
					2BR / 2BA	N/A	N/A	Market	\$1,531	1,131	n/a	No	0	N/A			
					2BR / 2BA	N/A	N/A	Market	\$1,181	1,131	n/a	No	0	N/A			
					3BR / 2BA	N/A	N/A	Market	\$1,556	1,358	n/a	No	1	N/A			
					3BR / 2BA	N/A	N/A	Market	\$1,731	1,358	n/a	No	0	N/A			
					3BR / 2BA	N/A	N/A	Market	\$1,381	1,358	n/a	No	0	N/A			
									236	100%						4	1.70%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.											
Effective Rent Date:		Apr-15		Units Surveyed:		2169		Weighted Occupancy:		93.60%	
				Market Rate		1117		Market Rate		97.90%	
				Tax Credit		1052		Tax Credit		89.00%	
One Bedroom One Bath			Two Bedrooms Two Bath			Three Bedrooms Two Bath			Four Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average	Property	Average	Property	Average	
	Walden At Chatham Center	\$1,131	Walden At Chatham Center	\$1,531	Walden At Chatham Center	\$1,731	Montgomery Landing * (M)	\$920	Montgomery Landing * (M)	\$920	
	Walden At Chatham Center	\$1,021	Walden At Chatham Center	\$1,356	Walden At Chatham Center	\$1,556	Sustainable Fellwood I * (M)	\$897	Sustainable Fellwood I * (M)	\$897	
	Walden At Chatham Center	\$911	Walden At Chatham Center	\$1,181	Walden At Chatham Center	\$1,381	Savannah Gardens I * (60%)	\$864	Savannah Gardens I * (60%)	\$864	
	River Crossing Apartments	\$790	Ashley Midtown Phase 1 * (1.5BA M)	\$1,136	Royal Oaks (2.5BA)	\$1,294	Montgomery Landing * (60%)	\$837	Montgomery Landing * (60%)	\$837	
	Green Growth 1	\$781	Royal Oaks	\$1,092	Ashley Midtown Phase 1 * (M)	\$1,196	Hitch Village II * (60%)	\$800	Hitch Village II * (60%)	\$800	
	Alhambra Apartments	\$755	Green Growth 1 (1BA)	\$981	Green Growth 1 (1BA)	\$1,081	Sustainable Fellwood I * (60%)	\$736	Sustainable Fellwood I * (60%)	\$736	
	Sustainable Fellwood II * (M)	\$689	Green Growth 1 (1BA)	\$931	River Crossing Apartments	\$1,050	Hitch Village II * (60%)	\$717	Hitch Village II * (60%)	\$717	
	Hitch Village II * (M)	\$680	Royal Oaks	\$913	Green Growth 1 (1BA)	\$981	Savannah Gardens I * (50%)	\$687	Savannah Gardens I * (50%)	\$687	
	Savannah Gardens III * (M)	\$675	River Crossing Apartments	\$890	Jasmine Place	\$925	Montgomery Landing * (50%)	\$657	Montgomery Landing * (50%)	\$657	
	Savannah Gardens IV * (M)	\$675	Green Growth 1 (1BA)	\$881	Savannah Gardens III * (M)	\$875	Savannah Gardens I * (30%)	\$334	Savannah Gardens I * (30%)	\$334	
	Sustainable Fellwood I * (M)	\$639	Jasmine Place (1.5BA)	\$815	Savannah Gardens IV * (M)	\$875	Montgomery Landing * (30%)	\$280	Montgomery Landing * (30%)	\$280	
	Montgomery Landing * (M)	\$635	Hitch Village II * (M)	\$780	Savannah Gardens IV * (M)	\$875	Sustainable Fellwood I * (60%)	\$243	Sustainable Fellwood I * (60%)	\$243	
	Chelsea At Five Points	\$625	Sustainable Fellwood II * (M)	\$780	Sustainable Fellwood II * (M)	\$864					
	Montgomery Landing * (60%)	\$615	Savannah Gardens III * (M)	\$775	Hitch Village II * (M)	\$860					
	Savannah Gardens III * (60%)	\$577	Savannah Gardens IV * (M)	\$775	Montgomery Landing * (M)	\$860					
	Sustainable Fellwood II * (60%)	\$573	Alhambra Apartments	\$775	Alhambra Apartments	\$850					
	Savannah Gardens I * (60%)	\$571	Montgomery Landing * (M)	\$750	Montgomery Landing * (60%)	\$841					
	Savannah Gardens IV * (60%)	\$571	Ashley Midtown Phase 1 * (1.5BA 60%)	\$741	Ashley Midtown Phase 1 * (60%)	\$834					
	Hitch Village II * (60%)	\$550	Montgomery Landing * (60%)	\$740	Ashley Midtown Phase II * (60%)	\$831					
	Sustainable Fellwood I * (60%)	\$547	Sustainable Fellwood I * (1.5BA M)	\$730	Ashley Midtown Phase II * (60%)	\$831					
	Montgomery Landing * (50%)	\$495	Ashley Midtown Phase II * (1.5BA 60%)	\$727	Ashley Midtown Phase II * (60%)	\$831					
	Heritage Place * (60%)	\$489	Savannah Gardens I * (60%)	\$698	Sustainable Fellwood I * (M)	\$814					
	Hitch Village II * (60%)	\$470	Savannah Gardens IV * (60%)	\$698	Savannah Gardens III * (60%)	\$791					
	Savannah Gardens I * (50%)	\$463	Savannah Gardens III * (60%)	\$697	Savannah Gardens I * (60%)	\$781					
	Savannah Gardens III * (50%)	\$463	Sustainable Fellwood II * (60%)	\$687	Savannah Gardens IV * (60%)	\$781					
	Savannah Gardens IV * (50%)	\$463	Chelsea At Five Points (1BA)	\$685	Savannah Gardens IV * (60%)	\$781					
	Heritage Place * (50%)	\$409	Heritage Corner & Heritage Row * (60%)	\$661	Sustainable Fellwood II * (60%)	\$777					
	Sustainable Fellwood I * (60%)	\$285	Hitch Village II * (60%)	\$635	Sustainable Fellwood I * (60%)	\$747					
	Sustainable Fellwood II * (60%)	\$267	Montgomery Landing * (50%)	\$596	Hitch Village II * (60%)	\$730					
	Sustainable Fellwood II * (PHA)	\$267	Heritage Place * (60%)	\$585	Heritage Corner & Heritage Row * (60%)	\$706					
	Montgomery Landing * (30%)	\$255	Savannah Gardens III * (50%)	\$566	Hitch Village II * (60%)	\$695					
	Savannah Gardens I * (30%)	\$235	Savannah Gardens I * (50%)	\$561	Montgomery Landing * (50%)	\$675					
	Heritage Corner & Heritage Row * (30%)	\$208	Savannah Gardens IV * (50%)	\$561	Savannah Gardens III * (50%)	\$633					
			Heritage Corner & Heritage Row * (50%)	\$524	Savannah Gardens IV * (50%)	\$633					
			Heritage Place * (50%)	\$485	Savannah Gardens IV * (50%)	\$633					
			Hitch Village II * (60%)	\$476	Savannah Gardens I * (50%)	\$623					
			Montgomery Landing * (30%)	\$308	Heritage Place * (60%)	\$614					
			Savannah Gardens I * (30%)	\$286	Heritage Corner & Heritage Row * (50%)	\$593					
			Sustainable Fellwood II * (60%)	\$258	Heritage Place * (50%)	\$571					
			Sustainable Fellwood II * (PHA)	\$258	Montgomery Landing * (30%)	\$342					
					Savannah Gardens I * (30%)	\$307					
					Sustainable Fellwood I * (60%)	\$260					

SQUARE FOOTAGE	One Bedroom One Bath		Two Bedrooms Two Bath		Three Bedrooms Two Bath		Four Bedrooms Two Bath	
	Property	Average	Property	Average	Property	Average	Property	Average
	Walden At Chatham Center	1,013	Royal Oaks	1,438	Royal Oaks (2.5BA)	1,723	Sustainable Fellwood I * (60%)	1,522
	Savannah Gardens III * (50%)	871	Royal Oaks	1,368	Ashley Midtown Phase II * (60%)	1,482	Sustainable Fellwood I * (60%)	1,522
	Savannah Gardens III * (60%)	871	Ashley Midtown Phase I * (1.5BA 60%)	1,276	Ashley Midtown Phase II * (60%)	1,400	Sustainable Fellwood I * (M)	1,522
	Savannah Gardens III * (M)	871	Ashley Midtown Phase II * (1.5BA 60%)	1,238	Ashley Midtown Phase I * (60%)	1,377	Montgomery Landing * (30%)	1,428
	Sustainable Fellwood II * (60%)	838	Ashley Midtown Phase I * (1.5BA M)	1,146	Walden At Chatham Center	1,358	Montgomery Landing * (50%)	1,428
	Sustainable Fellwood II * (60%)	838	Walden At Chatham Center	1,131	Walden At Chatham Center	1,358	Montgomery Landing * (60%)	1,428
	Sustainable Fellwood II * (M)	838	Walden At Chatham Center	1,131	Walden At Chatham Center	1,358	Montgomery Landing * (M)	1,428
	Sustainable Fellwood II * (PHA)	838	Walden At Chatham Center	1,131	Sustainable Fellwood II * (60%)	1,343	Savannah Gardens I * (30%)	1,350
	Sustainable Fellwood I * (60%)	832	Sustainable Fellwood II * (60%)	1,072	Sustainable Fellwood II * (M)	1,343	Savannah Gardens I * (M)	1,350
	Sustainable Fellwood I * (60%)	832	Sustainable Fellwood II * (60%)	1,072	Ashley Midtown Phase II * (60%)	1,340	Savannah Gardens I * (60%)	1,350
	Sustainable Fellwood I * (M)	832	Sustainable Fellwood II * (M)	1,072	Savannah Gardens IV * (50%)	1,333	Hitch Village II * (60%)	1,250
	Walden At Chatham Center	828	Sustainable Fellwood II * (PHA)	1,072	Savannah Gardens IV * (60%)	1,333	Hitch Village II * (60%)	1,250
	Montgomery Landing * (30%)	792	Montgomery Landing * (30%)	1,062	Savannah Gardens IV * (M)	1,333		
	Montgomery Landing * (50%)	792	Montgomery Landing * (50%)	1,062	Sustainable Fellwood I * (60%)	1,327		
	Montgomery Landing * (60%)	792	Montgomery Landing * (60%)	1,062	Sustainable Fellwood I * (60%)	1,327		
	Montgomery Landing * (M)	792	Montgomery Landing * (M)	1,062	Sustainable Fellwood I * (M)	1,327		
	Savannah Gardens IV * (50%)	776	Sustainable Fellwood I * (1.5BA M)	1,060	River Crossing Apartments	1,270		
	Savannah Gardens IV * (60%)	776	Savannah Gardens IV * (50%)	1,053	Montgomery Landing * (30%)	1,267		
	Savannah Gardens IV * (M)	776	Savannah Gardens IV * (60%)	1,053	Montgomery Landing * (50%)	1,267		
	River Crossing Apartments	770	Savannah Gardens IV * (M)	1,053	Montgomery Landing * (60%)	1,267		
	Heritage Corner & Heritage Row * (30%)	750	Savannah Gardens III * (50%)	1,051	Montgomery Landing * (M)	1,267		
	Heritage Place * (50%)	750	Savannah Gardens III * (60%)	1,051	Savannah Gardens III * (50%)	1,232		
	Heritage Place * (60%)	750	Savannah Gardens III * (M)	1,051	Savannah Gardens III * (60%)	1,232		
	Savannah Gardens I * (30%)	750	River Crossing Apartments	1,026	Savannah Gardens III * (M)	1,232		
	Savannah Gardens I * (50%)	750	Hitch Village II * (60%)	1,000	Ashley Midtown Phase I * (M)	1,200		
	Savannah Gardens I * (60%)	750	Hitch Village II * (60%)	1,000	Savannah Gardens IV * (50%)	1,184		
	Alhambra Apartments	705	Hitch Village II * (M)	1,000	Savannah Gardens IV * (60%)	1,184		
	Hitch Village II * (60%)	700	Alhambra Apartments	975	Savannah Gardens IV * (M)	1,184		
	Hitch Village II * (60%)	700	Savannah Gardens I * (30%)	950	Savannah Gardens I * (30%)	1,150		
	Hitch Village II * (M)	700	Savannah Gardens I * (50%)	950	Savannah Gardens I * (50%)	1,150		
	Chelsea At Five Points	700	Savannah Gardens I * (60%)	950	Savannah Gardens I * (60%)	1,150		
	Walden At Chatham Center	642	Green Growth 1 (1BA)	950	Jasmine Place	1,144		
	Green Growth 1	565	Green Growth 1 (1BA)	950	Hitch Village II * (60%)	1,140		
			Heritage Corner & Heritage Row * (50%)	900	Hitch Village II * (60%)	1,140		
			Heritage Corner & Heritage Row * (60%)	900	Hitch Village II * (M)	1,140		
			Heritage Place * (50%)	900	Alhambra Apartments	1,072		
			Heritage Place * (60%)	900	Heritage Corner & Heritage Row * (50%)	1,050		
			Green Growth 1 (1BA)	900	Heritage Corner & Heritage Row * (60%)	1,050		
			Chelsea At Five Points (1BA)	850	Heritage Place * (50%)	1,050		
			Jasmine Place (1.5BA)	844	Heritage Place * (60%)	1,050		
					Green Growth 1 (1BA)	1,015		
					Green Growth 1 (1BA)	1,015		

RENT PER SQUARE FOOT	One Bedroom One Bath		Two Bedrooms Two Bath		Three Bedrooms Two Bath		Four Bedrooms Two Bath	
	Property	Average	Property	Average	Property	Average	Property	Average
	Walden At Chatham Center	\$1.42	Walden At Chatham Center	\$1.35	Walden At Chatham Center	\$1.27	Montgomery Landing * (M)	\$0.64
	Green Growth I	\$1.38	Walden At Chatham Center	\$1.20	Walden At Chatham Center	\$1.15	Hitch Village II * (60%)	\$0.64
	Walden At Chatham Center	\$1.23	Walden At Chatham Center	\$1.04	Green Growth I (1BA)	\$1.07	Savannah Gardens I * (60%)	\$0.64
	Walden At Chatham Center	\$1.12	Green Growth I (1BA)	\$1.03	Walden At Chatham Center	\$1.02	Sustainable Fellwood I * (M)	\$0.59
	Alhambra Apartments	\$1.07	Ashley Midtown Phase I * (1.5BA M)	\$0.99	Ashley Midtown Phase I * (M)	\$1.00	Montgomery Landing * (60%)	\$0.59
	River Crossing Apartments	\$1.03	Green Growth I (1BA)	\$0.98	Green Growth I (1BA)	\$0.97	Hitch Village II * (60%)	\$0.57
	Hitch Village II * (M)	\$0.97	Green Growth I (1BA)	\$0.98	River Crossing Apartments	\$0.83	Savannah Gardens I * (50%)	\$0.51
	Chelsea At Five Points	\$0.89	Jasmine Place (1.5BA)	\$0.97	Jasmine Place	\$0.81	Sustainable Fellwood I * (60%)	\$0.48
	Savannah Gardens IV * (M)	\$0.87	River Crossing Apartments	\$0.87	Alhambra Apartments	\$0.79	Montgomery Landing * (50%)	\$0.46
	Sustainable Fellwood II * (M)	\$0.82	Chelsea At Five Points (1BA)	\$0.81	Hitch Village II * (M)	\$0.75	Savannah Gardens I * (30%)	\$0.25
	Montgomery Landing * (M)	\$0.80	Alhambra Apartments	\$0.79	Royal Oaks (2.5BA)	\$0.75	Montgomery Landing * (30%)	\$0.20
	Hitch Village II * (60%)	\$0.79	Hitch Village II * (M)	\$0.78	Savannah Gardens IV * (M)	\$0.74	Sustainable Fellwood I * (60%)	\$0.16
	Montgomery Landing * (60%)	\$0.78	Royal Oaks	\$0.76	Savannah Gardens III * (M)	\$0.71		
	Savannah Gardens III * (M)	\$0.77	Savannah Gardens III * (M)	\$0.74	Savannah Gardens I * (60%)	\$0.68		
	Sustainable Fellwood I * (M)	\$0.77	Savannah Gardens IV * (M)	\$0.74	Montgomery Landing * (M)	\$0.68		
	Savannah Gardens I * (60%)	\$0.76	Savannah Gardens I * (60%)	\$0.73	Heritage Corner & Heritage Row * (60%)	\$0.67		
	Savannah Gardens IV * (60%)	\$0.74	Heritage Corner & Heritage Row * (60%)	\$0.73	Montgomery Landing * (60%)	\$0.66		
	Sustainable Fellwood II * (60%)	\$0.68	Sustainable Fellwood II * (M)	\$0.73	Savannah Gardens IV * (60%)	\$0.66		
	Hitch Village II * (60%)	\$0.67	Montgomery Landing * (M)	\$0.71	Savannah Gardens IV * (M)	\$0.66		
	Savannah Gardens III * (60%)	\$0.66	Montgomery Landing * (60%)	\$0.70	Sustainable Fellwood II * (M)	\$0.64		
	Sustainable Fellwood I * (60%)	\$0.66	Sustainable Fellwood I * (1.5BA M)	\$0.69	Savannah Gardens III * (60%)	\$0.64		
	Heritage Place * (60%)	\$0.65	Royal Oaks	\$0.67	Hitch Village II * (60%)	\$0.64		
	Montgomery Landing * (50%)	\$0.62	Savannah Gardens III * (60%)	\$0.66	Ashley Midtown Phase II * (60%)	\$0.62		
	Savannah Gardens I * (50%)	\$0.62	Savannah Gardens IV * (60%)	\$0.66	Sustainable Fellwood I * (M)	\$0.61		
	Savannah Gardens IV * (50%)	\$0.60	Heritage Place * (60%)	\$0.65	Hitch Village II * (60%)	\$0.61		
	Heritage Place * (50%)	\$0.55	Sustainable Fellwood II * (60%)	\$0.64	Ashley Midtown Phase I * (60%)	\$0.61		
	Savannah Gardens III * (50%)	\$0.53	Hitch Village II * (60%)	\$0.64	Ashley Midtown Phase II * (60%)	\$0.59		
	Sustainable Fellwood I * (60%)	\$0.34	Savannah Gardens I * (50%)	\$0.59	Savannah Gardens IV * (60%)	\$0.59		
	Montgomery Landing * (30%)	\$0.32	Ashley Midtown Phase II * (1.5BA 60%)	\$0.59	Heritage Place * (60%)	\$0.58		
	Sustainable Fellwood II * (60%)	\$0.32	Heritage Corner & Heritage Row * (50%)	\$0.58	Sustainable Fellwood II * (60%)	\$0.58		
	Sustainable Fellwood II * (PHA)	\$0.32	Ashley Midtown Phase I * (1.5BA 60%)	\$0.58	Heritage Corner & Heritage Row * (50%)	\$0.56		
	Savannah Gardens I * (30%)	\$0.31	Montgomery Landing * (50%)	\$0.56	Sustainable Fellwood I * (60%)	\$0.56		
	Heritage Corner & Heritage Row * (30%)	\$0.28	Heritage Place * (50%)	\$0.54	Ashley Midtown Phase II * (60%)	\$0.56		
			Savannah Gardens III * (50%)	\$0.54	Heritage Place * (50%)	\$0.54		
			Savannah Gardens IV * (50%)	\$0.53	Savannah Gardens I * (50%)	\$0.54		
			Hitch Village II * (60%)	\$0.48	Savannah Gardens IV * (50%)	\$0.53		
			Savannah Gardens I * (30%)	\$0.30	Montgomery Landing * (50%)	\$0.53		
			Montgomery Landing * (30%)	\$0.29	Savannah Gardens III * (50%)	\$0.51		
			Sustainable Fellwood II * (60%)	\$0.24	Savannah Gardens IV * (50%)	\$0.47		
			Sustainable Fellwood II * (PHA)	\$0.24	Montgomery Landing * (30%)	\$0.27		
					Savannah Gardens I * (30%)	\$0.27		
					Sustainable Fellwood I * (60%)	\$0.20		

PROPERTY PROFILE REPORT

Ashley Midtown Phase I

Effective Rent Date 3/18/2015

Location 1518 E Park Avenue
Savannah, GA 31404
Chatham County

Distance 1.3 miles

Units 168

Vacant Units 0

Vacancy Rate 0.0%

Type Various (2 stories)

Year Built/Renovated 2004 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Savannah Gardens, Alhambra Apartments

Tenant Characteristics Majority families, most of the tenants are from Savannah

Contact Name Somi

Phone (912) 233-3075



Market Information

Program @30% (Public Housing), @50% (Public)

Annual Turnover Rate 20%

Units/Month Absorbed 56

HCV Tenants 20%

Leasing Pace Within two weeks

Annual Chg. in Rent See Comments

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection not included

Ashley Midtown Phase I, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden	7	1,269	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
2	1	Garden	6	1,276	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
2	1	Garden	13	1,269	\$710	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden	6	1,411	\$1,105	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	17	1,276	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	13	1,254	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	33	1,276	\$710	\$0	@60%	Yes	0	0.0%	yes	None
2	1.5	Townhouse (2 stories)	17	1,146	\$1,105	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden	2	1,377	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden	7	1,377	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden	4	1,377	\$803	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,200	\$1,165	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	6	1,467	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	10	1,467	N/A	\$0	@50% (Public Housing)	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	15	1,467	\$803	\$0	@60%	Yes	0	0.0%	yes	None
3	2.5	Townhouse (2 stories)	9	1,300	\$1,165	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	N/A	\$0	N/A	\$31	N/A	2BR / 1BA	N/A	\$0	N/A	\$31	N/A
2BR / 1.5BA	N/A	\$0	N/A	\$31	N/A	2BR / 1.5BA	N/A	\$0	N/A	\$31	N/A
3BR / 2BA	N/A	\$0	N/A	\$31	N/A	3BR / 2BA	N/A	\$0	N/A	\$31	N/A
3BR / 2.5BA	N/A	\$0	N/A	\$31	N/A	3BR / 2.5BA	N/A	\$0	N/A	\$31	N/A
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$710	\$0	\$710	\$31	\$741	2BR / 1BA	\$1,105	\$0	\$1,105	\$31	\$1,136
2BR / 1.5BA	\$710	\$0	\$710	\$31	\$741	2BR / 1.5BA	\$1,105	\$0	\$1,105	\$31	\$1,136
3BR / 2BA	\$803	\$0	\$803	\$31	\$834	3BR / 2BA	\$1,165	\$0	\$1,165	\$31	\$1,196
3BR / 2.5BA	\$803	\$0	\$803	\$31	\$834	3BR / 2.5BA	\$1,165	\$0	\$1,165	\$31	\$1,196

Ashley Midtown Phase I, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator
Washer/Dryer

Security

In-Unit Alarm
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Exercise Facility
On-Site Management
Swimming Pool

Courtyard
Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management stated that there are two assigned parking spaces per unit. Management stated the property keeps a short waiting list on the tax credit units and a waiting list of approximately 250 households on the public housing units (both properties). Rents on the tax credit units have approximately increased one percent and rents on the market rate two-bedroom units have increased five percent. Rents on the three-bedroom market rate units have decreased approximately eight percent. When asked about the decrease, management was unaware of a reason for the decrease.

PROPERTY PROFILE REPORT

Ashley Midtown Phase II

Effective Rent Date	3/19/2015
Location	1110 Graydon Avenue Savannah, GA 31404 Chatham County
Distance	0.8 miles
Units	38
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Savannah Gardens, Alhambra Apartments
Tenant Characteristics	Majority families, most of the tenants are from Savannah.
Contact Name	Somi
Phone	912-236-4628



Market Information

Program	@30% (Public Housing), @60%
Annual Turnover Rate	20%
Units/Month Absorbed	11 to 13
HCV Tenants	20%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Townhouse	2	1,214	\$703	\$0	@60%	No	0	0.0%	yes	None
2	1.5	Townhouse	10	1,226	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
2	1.5	Townhouse	6	1,238	\$696	\$0	@60%	No	0	0.0%	yes	None
3	2	Townhouse	10	1,407	N/A	\$0	@30% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Townhouse	1	1,340	\$800	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse	8	1,400	\$800	\$0	@60%	No	0	0.0%	yes	None
3	2	Townhouse	1	1,482	\$800	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	N/A	\$0	N/A	\$31	N/A	2BR / 1BA	\$703	\$0	\$703	\$31	\$734
3BR / 2BA	N/A	\$0	N/A	\$31	N/A	2BR / 1.5BA	\$696	\$0	\$696	\$31	\$727
						3BR / 2BA	\$800	\$0	\$800	\$31	\$831

Ashley Midtown Phase II, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
On-Site Management
Playground

Premium

None

Other

None

Comments

Management stated that there are two assigned parking spaces per unit. Management stated the property keeps a short waiting list on the tax credit units and a waiting list of approximately 250 households on the public housing units (both properties).

PROPERTY PROFILE REPORT

Heritage Corner & Heritage Row

Effective Rent Date 3/18/2015
Location 642 W 41st Street & 824 West 35th Street
 Savannah, GA 31415
 Chatham County
Distance 2.3 miles
Units 70
Vacant Units 7
Vacancy Rate 10.0%
Type Garden (2 stories)
Year Built/Renovated 2005/2006 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased 5/02/2006
Major Competitors The Oaks at Brandlewood
Tenant Characteristics Majority families.
Contact Name Sheeka
Phone (912) 234-8420



Market Information

Program @30%, @50%, @60%
Annual Turnover Rate 35%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Within three weeks
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	4	750	\$177	\$0	@30%	Yes	1	25.0%	no	None
2	2	Garden (2 stories)	32	900	\$493	\$0	@50%	no	1	3.1%	no	None
2	2	Garden (2 stories)	17	900	\$630	\$0	@60%	Yes	2	11.8%	no	None
3	2	Garden (2 stories)	13	1,050	\$562	\$0	@50%	Yes	2	15.4%	no	None
3	2	Garden (2 stories)	4	1,050	\$675	\$0	@60%	Yes	1	25.0%	no	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$177	\$0	\$177	\$31	\$208	2BR / 2BA	\$493	\$0	\$493	\$31	\$524
						3BR / 2BA	\$562	\$0	\$562	\$31	\$593
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	\$630	\$0	\$630	\$31	\$661						
3BR / 2BA	\$675	\$0	\$675	\$31	\$706						

Heritage Corner & Heritage Row, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Walk-In Closet
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer

Security

Limited Access
Patrol

Services

Adult Education
Afterschool Program

Property

Business Center/Computer Lab
Courtyard
Off-Street Parking
Playground
Service Coordination

Clubhouse/Meeting
Central Laundry
Picnic Area
Recreation Areas

Premium

None

Other

None

Comments

Management stated that the vacancy rate is elevated due to recent move outs and applications are currently pending for all vacant units at both properties. Management stated that the vacancies are abnormal and the property is typically 95 to 100 percent occupied. Management was unable to provide a breakdown of vacancies by unit type; therefore, vacancies per unit have been estimated. The property keeps a waiting list on all unit types of three to six months.

PROPERTY PROFILE REPORT

Heritage Place

Effective Rent Date 3/18/2015
Location 700 W 35th Street
 Savannah, GA 31415
 Chatham County
Distance 2.3 miles
Units 88
Vacant Units 8
Vacancy Rate 9.1%
Type Conversion (3 stories)
Year Built/Renovated 1930 / 2006
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The Oaks at Brandlewood
Tenant Characteristics Majority families
Contact Name Alexis
Phone (912) 234-8420



Market Information

Program @50%, @60%, Non-Rental
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Within three weeks
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (3 stories)	16	750	\$445	\$0	@50%	Yes	2	12.5%	no	None
1	1	Conversion (3 stories)	11	750	\$525	\$0	@60%	Yes	1	9.1%	no	None
2	2	Conversion (3 stories)	26	900	\$530	\$0	@50%	Yes	2	7.7%	no	None
2	2	Conversion (3 stories)	15	900	\$630	\$0	@60%	Yes	2	13.3%	no	None
2	2	Conversion (3 stories)	2	900	\$0	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Conversion (3 stories)	12	1,050	\$632	\$0	@50%	Yes	1	8.3%	no	None
3	2	Conversion (3 stories)	6	1,050	\$675	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$445	\$0	\$445	-\$36	\$409	1BR / 1BA	\$525	\$0	\$525	-\$36	\$489
2BR / 2BA	\$530	\$0	\$530	-\$45	\$485	2BR / 2BA	\$630	\$0	\$630	-\$45	\$585
3BR / 2BA	\$632	\$0	\$632	-\$61	\$571	3BR / 2BA	\$675	\$0	\$675	-\$61	\$614
Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	-\$45	-\$45						

Heritage Place, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Intercom (Buzzer)
Limited Access
Patrol
Perimeter Fencing
Video Surveillance

Services

Adult Education
Afterschool Program

Property

Business Center/Computer Lab
Courtyard
Central Laundry
On-Site Management
Playground

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area
Service Coordination

Premium

None

Other

None

Comments

Management stated that the vacancy rate is elevated due to recent move outs and applications are currently pending for all vacant units at both properties. Management stated that the vacancies are abnormal and the property is typically 95 to 100 percent occupied. Management was unable to provide a breakdown of vacancies by unit type; therefore, vacancies per unit have been estimated. The property keeps a waiting list on all unit types of three to six months.

PROPERTY PROFILE REPORT

Montgomery Landing

Effective Rent Date 3/20/2015
Location 714 W 57th St
Savannah, GA 31405
Chatham County
Distance 3.6 miles
Units 144
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 2005 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Ashley Midtown, Oaks at Brandlewood, Live Oaks
Tenant Characteristics Approximately two percent seniors
Contact Name Jade
Phone (912) 495-0655



Market Information

Program @30%, @50%, @60%, Market
Annual Turnover Rate 10%
Units/Month Absorbed 20
HCV Tenants 5%
Leasing Pace Within one week
Annual Chg. in Rent None
Concession None

Utilities

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

Montgomery Landing, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	1	792	\$255	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	792	\$495	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	7	792	\$615	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	792	\$635	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	9	1,062	\$308	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	16	1,062	\$596	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	12	1,062	\$740	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	11	1,062	\$750	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	4	1,267	\$342	\$0	@30%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	21	1,267	\$675	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	29	1,267	\$841	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (2 stories)	10	1,267	\$860	\$0	Market	No	0	0.0%	no	None
4	2	Garden (2 stories)	1	1,428	\$280	\$0	@30%	Yes	0	0.0%	yes	None
4	2	Garden (2 stories)	2	1,428	\$657	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	9	1,428	\$837	\$0	@60%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	4	1,428	\$920	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$255	\$0	\$255	\$0	\$255	1BR / 1BA	\$495	\$0	\$495	\$0	\$495
2BR / 2BA	\$308	\$0	\$308	\$0	\$308	2BR / 2BA	\$596	\$0	\$596	\$0	\$596
3BR / 2BA	\$342	\$0	\$342	\$0	\$342	3BR / 2BA	\$675	\$0	\$675	\$0	\$675
4BR / 2BA	\$280	\$0	\$280	\$0	\$280	4BR / 2BA	\$657	\$0	\$657	\$0	\$657
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$615	\$0	\$615	\$0	\$615	1BR / 1BA	\$635	\$0	\$635	\$0	\$635
2BR / 2BA	\$740	\$0	\$740	\$0	\$740	2BR / 2BA	\$750	\$0	\$750	\$0	\$750
3BR / 2BA	\$841	\$0	\$841	\$0	\$841	3BR / 2BA	\$860	\$0	\$860	\$0	\$860
4BR / 2BA	\$837	\$0	\$837	\$0	\$837	4BR / 2BA	\$920	\$0	\$920	\$0	\$920

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

Limited Access
Patrol

Services

None

Property

Clubhouse/Meeting
Elevators
Central Laundry
On-Site Management
Swimming Pool

Courtyard
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Montgomery Landing, continued

Comments

Management stated that there are over 300 parking spaces at the property and there are two parking spaces assigned per unit. Currently, there is a waiting list of about 25 people for all units at the property. The contact indicated there is higher demand for the lower set-aside units.

PROPERTY PROFILE REPORT

Savannah Gardens I

Effective Rent Date	3/18/2015
Location	Pennsylvania Ave & West Crescent Ave Savannah, GA 31404 Chatham County
Distance	2 miles
Units	115
Vacant Units	3
Vacancy Rate	2.6%
Type	Garden (3 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	8/01/2011
Leasing Began	10/01/2011
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly family tenancy; 3-5% seniors
Contact Name	Lamar
Phone	912-335-4835



Market Information

Program	@30%, @50%, @60%, Non-Rental
Annual Turnover Rate	21%
Units/Month Absorbed	11
HCV Tenants	10%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 1-3%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	1	750	\$235	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	4	750	\$463	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	5	750	\$571	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	950	\$286	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	27	950	\$561	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	33	950	\$698	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	1	950	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Garden (3 stories)	4	1,150	\$307	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	14	1,150	\$623	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	18	1,150	\$781	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	1	1,350	\$334	\$0	@30%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,350	\$687	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,350	\$864	\$0	@60%	Yes	0	0.0%	yes	None

Savannah Gardens I, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$235	\$0	\$235	\$0	\$235	1BR / 1BA	\$463	\$0	\$463	\$0	\$463
2BR / 2BA	\$286	\$0	\$286	\$0	\$286	2BR / 2BA	\$561	\$0	\$561	\$0	\$561
3BR / 2BA	\$307	\$0	\$307	\$0	\$307	3BR / 2BA	\$623	\$0	\$623	\$0	\$623
4BR / 2BA	\$334	\$0	\$334	\$0	\$334	4BR / 2BA	\$687	\$0	\$687	\$0	\$687
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$571	\$0	\$571	\$0	\$571	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$698	\$0	\$698	\$0	\$698						
3BR / 2BA	\$781	\$0	\$781	\$0	\$781						
4BR / 2BA	\$864	\$0	\$864	\$0	\$864						

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

Arts & Crafts/Activity Center

Comments

Currently, there is a waiting list at the property that ranges anywhere from two months to two years depending on the unit type. The length of wait list per unit type was not available. Phase IV currently has 18 three-bedroom 60 percent townhouses that are occupied. The remaining units are under construction and will be complete in May 2015. Phase V is also under construction and will be completed in late fall 2015.

PROPERTY PROFILE REPORT

Savannah Gardens III

Effective Rent Date 3/18/2015
Location 500 Pennsylvania Ave
 Savannah, GA 31404
 Chatham County
Distance 2.3 miles
Units 95
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (3 stories)
Year Built/Renovated 2012 / N/A
Marketing Began 8/01/2012
Leasing Began 11/01/2012
Last Unit Leased 7/01/2013
Major Competitors N/A
Tenant Characteristics Mostly families; 3-5% senior
Contact Name Usheeka
Phone 912-335-4835



Market Information

Program @50%, @60%, Market, Non-Rental
Annual Turnover Rate N/A
Units/Month Absorbed 14
HCV Tenants 10%
Leasing Pace N/A
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	3	871	\$463	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	5	871	\$577	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	1	871	\$675	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	21	1,051	\$566	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	34	1,051	\$697	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	3	1,051	\$775	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	1	1,051	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Garden (3 stories)	9	1,232	\$633	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	17	1,232	\$791	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	1	1,232	\$875	\$0	Market	Yes	0	0.0%	N/A	None

Savannah Gardens III, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$463	\$0	\$463	\$0	\$463	1BR / 1BA	\$577	\$0	\$577	\$0	\$577
2BR / 2BA	\$566	\$0	\$566	\$0	\$566	2BR / 2BA	\$697	\$0	\$697	\$0	\$697
3BR / 2BA	\$633	\$0	\$633	\$0	\$633	3BR / 2BA	\$791	\$0	\$791	\$0	\$791
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$775	\$0	\$775	\$0	\$775						
3BR / 2BA	\$875	\$0	\$875	\$0	\$875						

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Ceiling Fan
 Hand Rails
 Refrigerator
 Washer/Dryer hookup

Blinds
 Central A/C
 Dishwasher
 Garbage Disposal
 Oven
 Walk-In Closet

Security

Perimeter Fencing
 Video Surveillance

Services

None

Property

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

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

Premium

None

Other

None

Comments

Currently, there is a waiting list at the property that ranges anywhere from two months to two years depending on the unit type. The length of wait list per unit type was not available. Phase IV currently has 25 units that are occupied and the remaining units are beginning lease-up. Phase V is also under construction and will be completed in late fall of 2015.

PROPERTY PROFILE REPORT

Savannah Gardens IV

Effective Rent Date	5/06/2015
Location	514 Pennsylvania Ave Savannah, GA 31404 Chatham County
Distance	2.3 miles
Units	114
Vacant Units	96
Vacancy Rate	84.2%
Type	Various (2 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Lamar
Phone	N/A



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	776	\$463	\$0	@50%	N/A	N/A	N/A	yes	None
1	1	Garden (2 stories)	6	776	\$571	\$0	@60%	N/A	N/A	N/A	yes	None
1	1	Garden (2 stories)	3	776	\$675	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (2 stories)	13	1,053	\$561	\$0	@50%	N/A	N/A	N/A	yes	None
2	2	Garden (2 stories)	39	1,053	\$698	\$0	@60%	N/A	N/A	N/A	yes	None
2	2	Garden (2 stories)	13	1,053	\$775	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Garden (2 stories)	1	1,053	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Garden (2 stories)	3	1,184	\$633	\$0	@50%	N/A	N/A	N/A	yes	None
3	2	Garden (2 stories)	11	1,184	\$781	\$0	@60%	N/A	N/A	N/A	yes	None
3	2	Garden (2 stories)	4	1,184	\$875	\$0	Market	N/A	N/A	N/A	N/A	None
3	2	Townhouse (2 stories)	4	1,333	\$633	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	11	1,333	\$781	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	3	1,333	\$875	\$0	Market	Yes	0	0.0%	N/A	None

Savannah Gardens IV, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$463	\$0	\$463	\$0	\$463	1BR / 1BA	\$571	\$0	\$571	\$0	\$571
2BR / 2BA	\$561	\$0	\$561	\$0	\$561	2BR / 2BA	\$698	\$0	\$698	\$0	\$698
3BR / 2BA	\$633	\$0	\$633	\$0	\$633	3BR / 2BA	\$781	\$0	\$781	\$0	\$781
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$775	\$0	\$775	\$0	\$775						
3BR / 2BA	\$875	\$0	\$875	\$0	\$875						

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Refrigerator
Washer/Dryer hookup

Security

Video Surveillance

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
Central Laundry
On-Site Management
Recreation Areas

Premium

None

Other

Park on-site operated by the

Comments

Management at Savannah Gardens stated the 18 townhouse units at Phase IV were completed on January 4, 2015, with tenants moving in shortly thereafter. The remaining units were completed in early March, all of which are preleased. The remaining units are waiting to achieve their certificate of occupancy. As of the effective date of May 5, 2015, approximately 25 units at the property are occupied, including the 18 townhouses completed in January. The contact was unable to specify which remaining eight units are occupied, as they have all occurred over the week of March 22, 2015. With an estimated absorption of approximately 10 units per week or 40 units per month, the property should achieve stabilized occupancy (95 percent or greater) by the end of spring or early summer.

Photos



PROPERTY PROFILE REPORT

Sustainable Fellwood I

Effective Rent Date	3/19/2015
Location	1401 Fellwood Dr Savannah, GA 31415 Chatham County
Distance	2.6 miles
Units	110
Vacant Units	1
Vacancy Rate	0.9%
Type	Various
Year Built/Renovated	2009 / N/A
Marketing Began	2/01/2009
Leasing Began	5/31/2009
Last Unit Leased	11/25/2009
Major Competitors	Ashley Midtown, Montgomery Lndg, Live Oak, Bradley
Tenant Characteristics	Majority families, most of the tenants are from the Savannah area.
Contact Name	Michalena
Phone	(912) 544-0190



Market Information

Program	@60%, @60% (Public Housing), Market
Annual Turnover Rate	5%
Units/Month Absorbed	18
HCV Tenants	12%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	15	832	\$583	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden	9	832	\$321	\$0	@60% (Public Housing)	Yes	0	0.0%	N/A	None
1	1	Garden	6	832	\$675	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	17	1,060	\$702	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden	19	1,060	\$321	\$0	@60% (Public Housing)	Yes	0	0.0%	N/A	None
2	1	Garden	5	1,060	\$775	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse	5	1,060	\$775	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden	13	1,327	\$808	\$0	@60%	Yes	1	7.7%	yes	None
3	2	Garden	10	1,327	\$321	\$0	@60% (Public Housing)	Yes	0	0.0%	N/A	None
3	2	Garden	2	1,327	\$875	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse	3	1,327	\$875	\$0	Market	No	0	0.0%	N/A	None
4	2	Garden	3	1,522	\$814	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden	2	1,522	\$321	\$0	@60% (Public Housing)	Yes	0	0.0%	N/A	None
4	2	Garden	1	1,522	\$975	\$0	Market	No	0	0.0%	N/A	None

Sustainable Fellwood I, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$321 - \$583	\$0	\$321 - \$583	-\$36	\$285 - \$547	1BR / 1BA	\$675	\$0	\$675	-\$36	\$639
2BR / 1BA	\$321 - \$702	\$0	\$321 - \$702	-\$45	\$276 - \$657	2BR / 1BA	\$775	\$0	\$775	-\$45	\$730
3BR / 2BA	\$321 - \$808	\$0	\$321 - \$808	-\$61	\$260 - \$747	2BR / 1.5BA	\$775	\$0	\$775	-\$45	\$730
4BR / 2BA	\$321 - \$814	\$0	\$321 - \$814	-\$78	\$243 - \$736	3BR / 2BA	\$875	\$0	\$875	-\$61	\$814
						3BR / 2.5BA	\$875	\$0	\$875	-\$61	\$814
						4BR / 2BA	\$975	\$0	\$975	-\$78	\$897

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol

Services

Afterschool Program
Computer Tutoring

Property

Business Center/Computer Lab
Courtyard
Neighborhood Network
On-Site Management
Playground
Volleyball Court

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Picnic Area
Recreation Areas
Wi-Fi

Premium

None

Other

Planned activities, game

Comments

The contact reported an extensive waiting list for its Public Housing and LIHTC units, though specifics were not provided. Cable is not included in the rent but wireless internet is included. The contact stated that there are over 200 people on the waiting list. The one vacant three-bedroom unit is pre-leased.

Photos



PROPERTY PROFILE REPORT

Sustainable Fellwood II

Effective Rent Date 3/19/2015

Location 1300 W Bay St
Savannah, GA 31415
Chatham County

Distance 2.6 miles

Units 110

Vacant Units 1

Vacancy Rate 0.9%

Type Garden (2 stories)

Year Built/Renovated 2011 / N/A

Marketing Began 7/01/2011

Leasing Began 7/01/2011

Last Unit Leased 12/31/2011

Major Competitors Ashley Midtown I, II, Montgomery Landing

Tenant Characteristics Majority families.

Contact Name Carie

Phone 912-480-4611



Market Information

Program @60%, @60% (Project Based Rental)

Annual Turnover Rate 6%

Units/Month Absorbed 18

HCV Tenants 12%

Leasing Pace Within two weeks

Annual Chg. in Rent Increased 2-4%

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Sustainable Fellwood II, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	838	\$609	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	2	838	\$303	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	N/A	N/A	N/A	None
1	1	Garden (2 stories)	4	838	\$725	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	4	838	\$303	\$0	PHA (Public Housing)	Yes	N/A	N/A	N/A	None
2	2	Garden (2 stories)	10	1,072	\$732	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	15	1,072	\$303	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	N/A	N/A	N/A	None
2	2	Garden (2 stories)	4	1,072	\$825	\$0	Market	No	1	25.0%	N/A	None
2	2	Garden (2 stories)	15	1,072	\$303	\$0	PHA (Public Housing)	Yes	N/A	N/A	N/A	None
3	2	Garden (2 stories)	15	1,343	\$838	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	3	1,343	\$925	\$0	Market	No	0	0.0%	N/A	None
3	3	Garden (2 stories)	15	1,343	\$303	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	N/A	N/A	N/A	None
3	3	Garden (2 stories)	21	1,343	\$303	\$0	PHA (Public Housing)	Yes	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$303 - \$609	\$0	\$303 - \$609	-\$36	\$267 - \$573	1BR / 1BA	\$725	\$0	\$725	-\$36	\$689
2BR / 2BA	\$303 - \$732	\$0	\$303 - \$732	-\$45	\$258 - \$687	2BR / 2BA	\$825	\$0	\$825	-\$45	\$780
3BR / 2BA	\$838	\$0	\$838	-\$61	\$777	3BR / 2BA	\$925	\$0	\$925	-\$61	\$864
3BR / 3BA	\$303	\$0	\$303	-\$61	\$242						
PHA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$303	\$0	\$303	-\$36	\$267						
2BR / 2BA	\$303	\$0	\$303	-\$45	\$258						
3BR / 3BA	\$303	\$0	\$303	-\$61	\$242						

Sustainable Fellwood II, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Courtyard
Neighborhood Network
On-Site Management
Volleyball Court

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Playground
Wi-Fi

Premium

None

Other

Community garden, gazebo

Comments

The contact stated that the property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of tenants who use them. The contact stated that internet is included with the rent; however, basic cable is not included. Management stated that there is one parking space assigned per lease holder. The contact stated that there is a waiting list for the property with more than 200 people on it.

PROPERTY PROFILE REPORT

Alhambra Apartments

Effective Rent Date	3/19/2015
Location	2200 East Victory Drive Savannah, GA 31404 Chatham County
Distance	4.1 miles
Units	150
Vacant Units	3
Vacancy Rate	2.0%
Type	Various (2 stories)
Year Built/Renovated	1968 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Jasmine Place
Tenant Characteristics	None identified
Contact Name	Omora
Phone	912-354-1968



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Rents change daily - LRO
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	44	705	\$755	\$0	Market	No	2	4.5%	N/A	None
2	1.5	Townhouse	35	820	\$795	\$0	Market	No	1	2.9%	N/A	None
2	2	Garden	35	975	\$775	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse	36	1,072	\$850	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$755	\$0	\$755	\$0	\$755
2BR / 1.5BA	\$795	\$0	\$795	\$0	\$795
2BR / 2BA	\$775	\$0	\$775	\$0	\$775
3BR / 2BA	\$850	\$0	\$850	\$0	\$850

Alhambra Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol
Perimeter Fencing

Services

None

Property

Car Wash
Central Laundry
On-Site Management
Playground
Wi-Fi

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. The property has kept a waiting list in the past but currently does not have one. The contact stated that water, sewer, and trash are not included in the rent and vary depending on the unit: One bedroom units pay \$30, two bedroom units pay \$40, and three bedroom units pay \$55 per month for those services.

PROPERTY PROFILE REPORT

Chelsea At Five Points

Effective Rent Date	3/19/2015
Location	1910 Skidaway Rd Savannah, GA 31404 Chatham County
Distance	1.8 miles
Units	136
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1947 / 1983
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kingstown, Alhambra
Tenant Characteristics	Approximately 40 percent seniors.
Contact Name	Michael
Phone	912-232-6640



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased four percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	700	\$625	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	112	850	\$685	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	\$0	\$625
2BR / 1BA	\$685	\$0	\$685	\$0	\$685

Amenities

In-Unit	Security	Services
Blinds Central A/C Oven	Video Surveillance	None
Carpet/Hardwood Dishwasher Refrigerator		
Property	Premium	Other
Central Laundry On-Site Management Swimming Pool	None	None
Off-Street Parking Picnic Area		

Chelsea At Five Points, continued

Comments

Management stated they offer two-bedroom units with vaulted ceilings and wrap around bars for an additional \$25 a month. The property does not keep a waiting list.

Photos



PROPERTY PROFILE REPORT

Green Growth 1

Effective Rent Date 3/19/2015

Location 701-709 A E Broad St; 540 E Gwinnett; 543, 506
-507 E Hall St; 539 Nicoll St
Savannah, GA 31401
Chatham County

Distance 0.7 miles

Units 99

Vacant Units 3

Vacancy Rate 3.0%

Type Various

Year Built/Renovated 1920 / 2002

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None

Tenant Characteristics Some students, mostly families and couples

Contact Name Angela Breaker - Property Manager

Phone (912) 239-9668



Market Information

Program Market

Annual Turnover Rate 30%

Units/Month Absorbed N/A

HCV Tenants 0%

Leasing Pace Preleased

Annual Chg. in Rent 1 and 2 BR increased 5 to 6%

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	7	565	\$750	\$0	Market	No	1	14.3%	N/A	None
2	1	Garden	19	900	\$850	\$0	Market	No	1	5.3%	N/A	None
2	1	Garden	6	950	\$900	\$0	Market	No	1	16.7%	N/A	None
2	1	Townhouse	6	950	\$950	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden	46	1,015	\$950	\$0	Market	No	0	0.0%	N/A	None
3	1	Townhouse	15	1,015	\$1,050	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750	\$0	\$750	\$31	\$781
2BR / 1BA	\$850 - \$950	\$0	\$850 - \$950	\$31	\$881 - \$981
3BR / 1BA	\$950 - \$1,050	\$0	\$950 - \$1,050	\$31	\$981 - \$1,081

Green Growth 1, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Oven
Washer/Dryer

Security

None

Services

None

Property

Off-Street Parking

On-Site Management

Premium

None

Other

None

Comments

The property does not accept housing choice vouchers. Several units offer washers and dryers, while some units just have washer and dryer connections.

PROPERTY PROFILE REPORT

Jasmine Place

Effective Rent Date	3/19/2015
Location	2323 Downing Ave Savannah, GA 31404 Chatham County
Distance	2.5 miles
Units	112
Vacant Units	10
Vacancy Rate	8.9%
Type	Garden (2 stories)
Year Built/Renovated	1979 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	River Crossing
Tenant Characteristics	Majority families, approximately 30 percent students.
Contact Name	Sherry
Phone	(912) 352-7152



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within one week to one month
Annual Chg. in Rent	Increased 2 - 3%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	80	844	\$815	\$0	Market	No	8	10.0%	N/A	None
3	2	Garden (2 stories)	32	1,144	\$925	\$0	Market	No	2	6.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$815	\$0	\$815	\$0	\$815
3BR / 2BA	\$925	\$0	\$925	\$0	\$925

Amenities

In-Unit	Security	Services
Blinds	Limited Access	None
Central A/C	Perimeter Fencing	
Ceiling Fan		
Oven		
Walk-In Closet		
Carpeting		
Dishwasher		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting	None	None
Central Laundry		
On-Site Management		
Swimming Pool		
Exercise Facility		
Off-Street Parking		
Picnic Area		

Jasmine Place, continued

Comments

Management stated that there are over 200 parking spaces at the property, however there is no assigned parking for residents. The contact stated four of the vacant units have been pre-leased but did not provide an explanation for the high number of vacancies

Jasmine Place, continued

Photos



PROPERTY PROFILE REPORT

River Crossing Apartments

Effective Rent Date	3/19/2015
Location	2612 Dogwood Avenue Savannah, GA 31404 Chatham County
Distance	2.7 miles
Units	176
Vacant Units	3
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	1978 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Islandtree, Westwind Landing, The Oaks, Buccaneer
Tenant Characteristics	20-30% SCAD and Savannah State students; Some seniors
Contact Name	Monica
Phone	(912) 355-3722



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two weeks
Annual Chg. in Rent	Decreased 1-4%
Concession	\$99 move-in fee

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	56	770	\$790	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	104	1,026	\$890	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	16	1,270	\$1,050	\$0	Market	No	3	18.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$790	\$0	\$790	\$0	\$790
2BR / 2BA	\$890	\$0	\$890	\$0	\$890
3BR / 2BA	\$1,050	\$0	\$1,050	\$0	\$1,050

River Crossing Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Sport Court

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Swimming Pool

Premium

None

Other

None

Comments

JRC LLC took over as the management company in January 2015 and decreased the rents slightly. The property does not keep a waiting list and vacancies have decreased since new management took over in January.

PROPERTY PROFILE REPORT

Royal Oaks

Effective Rent Date	10/27/2014
Location	301 Noble Oaks Dr. Savannah, GA 31406 Chatham County
Distance	4.1 miles
Units	208
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1975 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Greentree, Spanish Villas, Oakwood
Tenant Characteristics	Mixed.
Contact Name	Ashley
Phone	912.376.9659



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two to three weeks
Annual Chg. in Rent	See comments
Concession	none

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	72	1,368	\$882	\$0	Market	none	0	0.0%	N/A	None
2	2	Townhouse (2 stories)	72	1,438	\$1,061	\$0	Market	none	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	64	1,723	\$1,263	\$0	Market	none	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$882 - \$1,061	\$0	\$882 - \$1,061	\$31	\$913 - \$1,092
3BR / 2.5BA	\$1,263	\$0	\$1,263	\$31	\$1,294

Royal Oaks, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Furnishing
Hand Rails
Oven
Vaulted Ceilings
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Microwave
Refrigerator
Walk-In Closet

Security

Limited Access
Patrol
Perimeter Fencing
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management
Playground
Tennis Court

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool
Volleyball Court

Premium

None

Other

None

Comments

This property uses Yield Star and rents can change daily.

Photos



PROPERTY PROFILE REPORT

Walden At Chatham Center

Effective Rent Date	3/12/2015
Location	100 Walden Lane Savannah, GA 31405 Chatham County
Distance	4.7 miles
Units	236
Vacant Units	4
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Springs at Chatham, Fenwick, Avala, Savannah Qtrs
Tenant Characteristics	18% students, 4% senior are from Savannah.
Contact Name	Amanda
Phone	912-238-8596



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	828	\$990	\$0	Market	No	2	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	1,013	\$1,100	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	642	\$880	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,131	\$1,325	\$0	Market	No	1	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,131	\$1,500	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,131	\$1,150	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,358	\$1,525	\$0	Market	No	1	N/A	N/A	AVG
3	2	Garden (3 stories)	N/A	1,358	\$1,700	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,358	\$1,350	\$0	Market	No	0	N/A	N/A	LOW

Walden At Chatham Center, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$880 - \$1,100	\$0	\$880 - \$1,100	\$31	\$911 - \$1,131
2BR / 2BA	\$1,150 - \$1,500	\$0	\$1,150 - \$1,500	\$31	\$1,181 - \$1,531
3BR / 2BA	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$31	\$1,381 - \$1,731

Amenities

In-Unit

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

Blinds
Central A/C
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Premium

None

Other

Dog park, putting green

Comments

Management stated that there are two parking spaces assigned per unit. Management reported that turnover is due to the property's location close to colleges.

Walden At Chatham Center, continued

Photos



Property Characteristics

Location

The Subject site is located in a mixed-use neighborhood consisting of multifamily properties, commercial/retail developments, and vacant land. The majority of necessary amenities are located within three miles of the Subject site. Commercial and retail uses near the Subject's neighborhood appear to be 95 percent occupied. Overall, the surrounding uses are in average to good condition. The comparable properties are located in Savannah, 0.7 to 4.4 miles from the Subject. All of the comparables are located within close proximity to shopping, restaurants, and local services, similar to the Subject. Below is a location comparison based on zip codes and respective median household incomes and median gross rent.

LOCATION COMPARISON

Property	Zip Code	Median Household Income	Median Gross Rent
Subject	31401	\$21,357	\$809
Ashley Midtown Phase I	31404	\$31,053	\$860
Ashley Midtown Phase II	31404	\$31,053	\$860
Heritage Corner & Heritage Row	31415	\$24,437	\$744
Heritage Place	31415	\$24,437	\$744
Montgomery Landing	31405	\$42,119	\$942
Savannah Gardens I	31404	\$31,053	\$860
Savannah Gardens III	31404	\$31,053	\$860
Savannah Gardens IV	31404	\$31,053	\$860
Sustainable Fellwood I	31415	\$24,437	\$744
Sustainable Fellwood II	31415	\$24,437	\$744
Alhambra Apartments	31404	\$31,053	\$860
Chelsea At Five Points	31404	\$31,053	\$860
Green Growth 1	31401	\$21,357	\$809
Jasmine Place	31404	\$31,053	\$860
River Crossing Apartments	31404	\$31,053	\$860
Royal Oaks	31406	\$33,167	\$863
Walden at Chatham Center	31405	\$42,119	\$942

Source: American Community Survey, 5/2015

Comparables located in zip codes 31401 and 31415 have similar income and rent characteristics as the Subject's location; therefore, we believe that these properties are located in similar locations, except for Heritage Corner & Heritage Row and Heritage Place. According to local market participants, these properties are located in high crime neighborhoods. This observation is confirmed by their on-site management and underperformance discussed later in this report. Therefore, both properties are considered to have inferior locations. Comparables located in zip codes 31404, 31405, 31406 have a slightly superior to superior location, respectively, compared to the Subject, based on income and rent characterizes.

Age, Condition, and Design

The Subject will be newly constructed and will therefore be in excellent condition. The LIHTC comparables were constructed or renovated between 2004 and 2015 and all exhibit good to excellent condition. The market rate comparables were constructed or renovated between 1968 and 2007 and

exhibit average to good condition. In terms of condition, the Subject will be similar to Savannah Gardens III and slightly superior to superior to the remaining comparables, in terms of condition.

The Subject will offer a three-story garden-style design. The comparables offer garden-style and townhouse designs. Overall, it appears that garden-style and townhouse units are all well accepted in the local market. Therefore, we expect the Subject's design to be well received in the local market.

Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

UNIT MATRIX REPORT

	Hitch Village II	Ashley Midtown Phase	Ashley Midtown Phase II	Heritage Corner & Heritage Row	Heritage Place	Montgomery Landing	Savannah Gardens I	Savannah Gardens II	Savannah Gardens III	Savannah Gardens IV	Sustainable Fellwood I	Sustainable Fellwood II	Alhambra Apartments	Chelsea At Five Points	Green Growth 1	Jasmine Place	River Crossing Apartments	Royal Oaks	Walden At Chatham Center
Comp#	Subject	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Property Information																			
Property Type	Garden (3 stories)	Various (2 stories)	Townhouse	Garden (2 stories)	Conversion (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Various	Garden (2 stories)	Various (2 stories)	Garden (2 stories)	Various	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Various	Garden (3 stories)
Year Built / Renovated	2017 / n/a	2004 / n/a	2008 / n/a	2005/2006 / n/a	1930 / 2006	2005 / n/a	2011 / n/a	2012 / n/a	2015 / n/a	2009 / n/a	2011 / n/a	1968 / n/a	1947 / 1983	1920 / 2002	1979 / 2005	1978 / 2005	1975 / 2007	2003 / n/a	
Market (Conv.)/Subsidy Type	LIHTC/Market Housing	LIHTC/Market/ Public Housing	LIHTC/Public Housing	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC/Market/ Public Housing	LIHTC/Market/ Public Housing	Market	Market	Market	Market	Market	Market	Market	
Utility Adjustments																			
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	yes	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no
Sewer	no	no	no	no	yes	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no
Trash Collection	yes	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no	no
In-Unit Amenities																			
Balcony/Patio	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	no	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no
Ceiling Fan	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Furnishing	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Hand Rails	no	no	no	no	no	no	yes	yes	yes	yes	no	no	no	no	no	no	no	yes	no
Microwave	yes	no	yes	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no
Walk-In Closet	yes	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Washer/Dryer	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes
Property Amenities																			
Business Center/Computer Lab	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	no	no	yes	yes
Car Wash	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	yes	no	yes
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Courtyard	no	yes	no	yes	yes	yes	no	no	no	no	yes	yes	no	no	no	no	no	no	no
Elevators	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	no	no	yes	yes	yes	yes	yes	no	no	no	no	no	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes
Central Laundry	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	yes	yes	no	no	yes	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes	yes	yes	yes
Recreation Areas	no	no	no	yes	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no
Service Coordination	no	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
Sport Court	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no
Swimming Pool	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	no	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no
Volleyball Court	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no
Wi-Fi	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	no	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75.00
Services																			
Adult Education	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Afterschool Program	no	no	no	yes	yes	no	no	no	no	no	yes	no	no	no	no	no	no	no	no
Computer Tutoring	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	no	no	no	no
Security																			
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Limited Access	yes	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no	yes	no	yes	no
Patrol	no	no	no	yes	yes	yes	no	no	no	yes	yes	yes	no	no	no	no	no	yes	yes
Perimeter Fencing	no	no	no	yes	yes	no	no	yes	yes	no	no	yes	no	no	yes	no	yes	yes	yes
Video Surveillance	no	yes	no	no	yes	no	no	yes	yes	no	no	no	yes	no	no	no	yes	yes	no

Unit Amenities

The Subject will offer blinds, central A/C, dishwashers, ceiling fans, garbage disposals, microwaves, ovens, refrigerators, and washers/dryers in the units. Several of the comparable properties do not offer several of these amenities. However, several of the comparables offer balconies, wireless internet, hardwood, coat closets, hand rails, vaulted ceilings, and walk in closets, which the Subject will not offer. Overall, the Subject will be similar to superior in terms of in-unit amenities when compared to the comparable properties.

Common Area Amenities

The Subject will offer business center/computer lab, clubhouse, meeting room, exercise facility, on-site management, picnic area, and playground. Several of the comparable properties do not offer several of these amenities. However, several of the comparables offer car wash, courtyards, swimming pools, volleyball courts, and free Wi-Fi. The Subject will also offer limited access, and intercom (phone/buzzer), which the majority of the comparables do not offer. Several of the comparables do, however, offer in-unit alarms, courtesy patrol, and video surveillance. Overall, the Subject will be similar to superior in terms of community amenities when compared to the comparable properties.

Utility Structure

The utility conventions differ at the comparable properties; therefore, we have adjusted “base” or “asking” rents of the comparable properties to “net” rents, reflecting the Subject’s utility convention.

Parking

The Subject will offer free surface parking. All of the comparables offer free surface parking, similar to the Subject. The Subject will be similar to all of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Vacancy Levels

The following table illustrates the current vacancy levels reported by the comparable properties in the market.

OVERALL VACANCY				
Property Name	Rent Structure (1)	Total Units	Vacant Units	Vacancy Rate
Ashley Midtown Phase I	LIHTC/Subsidized/Market	168	0	0.0%
Ashley Midtown Phase II	LIHTC/Subsidized	38	0	0.0%
Heritage Corner & Heritage Row	LIHTC	70	7	10.0%
Heritage Place	LIHTC	88	8	9.1%
Montgomery Landing	LIHTC/Market	144	0	0.0%
Savannah Gardens I	LIHTC	115	3	2.6%
Savannah Gardens III	LIHTC/Market	95	0	0.0%
Savannah Gardens IV**	LIHTC/Market	114	0*	0.0%*
Sustainable Fellwood I	LIHTC/Subsidized/Market	110	1	0.9%
Sustainable Fellwood II	LIHTC/Subsidized/Market	110	1	0.9%
Alhambra Apartments	Market	150	3	2.0%
Chelsea At Five Points	Market	136	0	0.0%
Green Growth 1	Market	99	3	3.0%
Jasmine Place	Market	112	10	8.9%
River Crossing Apartments	Market	176	3	1.7%
Royal Oaks	Market	208	0	3.4%
Walden At Chatham Center	Market	236	4	1.7%
LIHTC Average		725	20	2.8%
Market Rate Average		1,243	23	1.9%
Total		1,968	43	2.2%

(1) The LIHTC units and market rate units at mixed-income projects have been included with the appropriate project types in aggregate

*There are no vacancies at this property at the units that have certificates of occupancy. Other units will open by summer 2015 and all units are preleased.

As illustrated, vacancy rates in the market range from zero to ten percent, averaging 2.2 percent. This is below the 3.2 percent vacancy rate when we surveyed this market in October 2014. The LIHTC comparable properties have vacancy rates ranging from zero to ten percent, with a low average vacancy rate of just 2.8 percent. The market rate comparables we surveyed have vacancy rates ranging from zero to 8.9 percent. The average market rate vacancy rate is 1.9 percent, indicating a relatively stable market for market rate units. Three properties have elevated vacancy rates, including Heritage Corner & Heritage Row, Heritage Place, and Jasmine Place.

Management at Jasmine Place attributed the vacancies to the fact that the property has a moderate share of college student renters and interest from this segment of the rental market has declined in recent years, resulting in periods of higher turnover during specific seasons of the year. However, the vacancy rate when the property was surveyed in October 2014 was nearly double the current vacancy rate, indicating the property has made improvements.

Heritage Corner & Heritage Row as well as Heritage Place reported the highest vacancy rates among the LIHTC comparables of 10.0 percent and 9.1 percent, respectively. Management stated that the

vacancy rate is elevated due to recent move outs and applications are currently pending for all vacant units at both properties. Management stated that the vacancies are abnormal and both properties are typically 93 to 100 percent occupied. When they were surveyed in October 2014, the properties reported vacancy rates of 7.1 and 3.4 percent, respectively. We anticipate that through the summer months, when turnover and apartment renter traffic is greatest, these properties should be able to achieve a vacancy rate of five percent or less. Note that since the occupancy rates for these two properties are not below 90 percent, as per DCA guidelines the vacant units have not been considered supply in our demand estimates.

Based on the surveyed properties, we believe that a vacancy rate of four percent and collection loss of one percent is reasonable for the Subject. We will conclude to a vacancy and collections loss rate of five percent for the Subject in both scenarios.

Concessions

None of the comparable properties are offering concessions. We do not expect the Subject to require concessions in order to maintain a stabilized occupancy rate.

Absorption

The following table illustrates recent absorption rates in the market.

ABSORPTION

Property Name	Type	Year Built	Number of Units	Units Absorbed / Month
Savannah Gardens I	LIHTC	2010	115	11
Savannah Gardens III	LIHTC, Market	2012	95	14
Savannah Gardens IV	LIHTC, Market	2015	114	N/A
Sustainable Fellwood I	LIHTC, Market, Subsidized	2009	110	18
Sustainable Fellwood II	LIHTC, Market, Subsidized	2011	110	18

As per DCA guidelines, we have calculated the absorption at comparables as the time necessary to achieve 93 percent occupancy. Seven of the comparables reported recent absorption data, ranging from 11 to 18 units per month. Additionally, absorption data was reported for Savannah Gardens IV, which was excluded due to its current absorption status. Management at Savannah Gardens stated the 18 townhouse units at Phase IV were completed on January 4, 2015, with tenants moving in shortly thereafter. The remaining units were completed in early March, all of which are preleased. The units are slowly achieving their Certificate of Occupancy, at a rate of approximately 10 to 15 units per week, with move-ins occurring immediately after. As of the effective date of March 24, 2015, approximately 25 units at the property are occupied, including the 18 townhouses completed in January. The contact was unable to specify which remaining eight units are occupied, as they have all occurred over the week of March 22, 2015. With an estimated absorption of approximately 10 units per week or 40 units per month, the property should achieve stabilized occupancy (95 percent or greater) by the end of spring or early summer. The Subject will be new construction with 46 units receiving ACC or RAD subsidy; therefore, we estimate that the Subject will stabilize within five months, which yields an absorption rate of 20 units per month. As an unrestricted property, we anticipate a slower absorption rate of approximately 10 units per month, or 10 month.

Waiting Lists

The following table illustrates the presence of waiting lists, where applicable.

WAITING LISTS		
Property Name	Type	Length of Waiting List
Ashley Midtown Phase I	LIHTC, Market, Subsidized	200 HH+
Ashley Midtown Phase II	LIHTC, Subsidized	200 HH+
Heritage Corner & Heritage Row	LIHTC	3-6 months
Heritage Place	LIHTC	3-6 months
Montgomery Landing	LIHTC, Market	25 HH
Savannah Gardens I	LIHTC	2 months to 2 years
Savannah Gardens III	LIHTC, Market	2 months to 2 years
Sustainable Fellwood I	LIHTC, Market, Subsidized	200 HH+
Sustainable Fellwood II	LIHTC, Market, Subsidized	200 HH+
Alhambra Apartments	Market	None
Chelsea At Five Points	Market	None
Green Growth 1	Market	None
Jasmine Place	Market	None
River Crossing Apartments	Market	None
Royal Oaks	Market	None
Walden at Chatham Center	Market	None

All of the LIHTC comparables maintain waiting lists, while none of the market rate comparables have waiting lists. Waiting lists at the affordable properties are extensive. This is a positive indication of the strength of the market in the local area. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

Reasonability of Rents

The following table compares the Subject's proposed LIHTC rents with those at the comparables. It should be noted that the rents in the following table have been adjusted for differences in utilities using Housing Authority of Savannah utility allowances.

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR	3BR	4BR
Hitch Phase II (Subject)	\$550	\$635	\$730	\$800
2015 LIHTC Maximum (Net)	\$565	\$681	\$772	\$843
Ashley Midtown Phase I	-	\$741	\$834	-
Ashley Midtown Phase II	-	\$734	\$831	-
Heritage Corner & Heritage Row	-	\$661	\$706	-
Heritage Place	\$489	\$585	\$614	-
Montgomery Landing	\$615	\$740	\$841	\$837
Savannah Gardens I	\$571	\$698	\$781	\$864
Savannah Gardens III	\$577	\$697	\$791	-
Savannah Gardens IV	\$571	\$698	\$781	-
Sustainable Fellwood I	\$547	\$657	\$747	\$736
Sustainable Fellwood II	\$573	\$687	\$777	-
Average (excluding Subject)	\$562	\$689	\$769	\$812
Achievable Rent	\$565	\$681	\$772	\$843

The AMI in Chatham County increased in 2015 to a level above the prior hold harmless level. The Subject's proposed LIHTC rents are set below the maximum allowable levels. Five of the eight LIHTC comparables are achieving the maximum allowable levels; however, these properties appear to be achieving above the maximum allowable levels due to differences in utility allowances. Heritage Corner & Heritage Row and Heritage Place are the only LIHTC comparables not achieving maximum allowable levels. Management at both of these comparables indicated that their lower rents are the result of negative perceptions of crime in the neighborhood, although both properties maintain waiting lists for all unit types. The performance of these properties appears to be property specific and not reflective of the LIHTC market as a whole. The LIHTC comparables generally have low vacancies and maintain waiting lists, indicating demand for affordable housing units in the market. Overall, the Subject will be similar to superior to the LIHTC comparables in terms of in unit amenities, community amenities, and age/condition. Therefore, we believe the Subject could achieve maximum allowable 60 percent AMI rents.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the subsidized rents are below the achievable market rates for the Subject's area. The following table shows the similarity of the market rate comparables to the Subject property.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR @ 60% (RAD)	\$470	\$625	\$1,131	\$787	\$750	37%
2 BR @ 60% (RAD)	\$476	\$685	\$1,531	\$943	\$925	49%
3 BR @ 60% (RAD)	\$695	\$814	\$1,731	\$1,092	\$1,050	34%
4 BR @ 60% (RAD)	\$717	\$897	\$920	\$915	\$1,225	41%
1 BR @ 60%	\$550	\$625	\$1,131	\$787	\$750	27%
2 BR @ 60%	\$635	\$685	\$1,531	\$943	\$925	31%
3 BR @ 60%	\$730	\$814	\$1,731	\$1,092	\$1,050	30%
4 BR @ 60%	\$800	\$897	\$920	\$915	\$1,225	35%
1 BR (Market Rate)	\$680	\$625	\$1,131	\$787	\$750	9%
2 BR (Market Rate)	\$780	\$685	\$1,531	\$943	\$925	16%
3 BR (Market Rate)	\$860	\$814	\$1,731	\$1,092	\$1,050	18%

As illustrated in the previous table, the Subject's proposed 60 percent AMI, ACC, and RAD CHAP rents are below the range of the unrestricted units at the comparables, while the proposed unrestricted rents are within the bottom range of the unrestricted units at the comparables. The Subject will be similar to slightly inferior to the comparable market rate properties in terms of location. The comparables with unrestricted units were constructed or renovated between 1968 and 2012 and exhibit average to good condition. In terms of condition, the Subject will be superior to Alhambra Apartments, Chelsea at Five Points, and Green Growth. The Subject will be slightly superior to the remaining market rate comparables. The Subject's proposed one and three-bedroom unit sizes are above the range of market rate comparables, while the Subject's proposed two-bedroom unit size is within the range of market rate comparables. The Subject will offer blinds, central A/C, dishwashers, ceiling fans, garbage disposals, microwaves, ovens, refrigerators, washer/dryer hookups, and washers/dryers within the units. The Subject will also offer a business center (computer lab), clubhouse, meeting room, off-street parking, on-site management, picnic area, and playground, as community amenities. Several of the market rate comparables do not offer these in-unit and community amenities. However, several of surveyed market rate properties offer balconies/patios, walk-in closets, swimming pools, and Wi-Fi, amenities not offered by the proposed Subject. Overall, the Subject will be slightly superior to superior to the market rate properties used in our analysis. Therefore, we believe achievable market rents near the top of the range of surveyed properties are reasonable and achievable. We have set the Subject's achievable market rents at **\$725, \$925, \$1,050, and \$1,225** for the one, two, three, and four-bedroom units, respectively.

Indications of Demand

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its new construction, in-unit amenities, community amenities, and unit sizes. The Subject's weakness will include its lack of a swimming pool and service coordination, which are offered by several of the comparable properties. Overall, the comparable properties surveyed exhibited an average vacancy rate of 3.3 percent. In addition to strong occupancy levels at most of the comparables, 10 of the 17 surveyed properties maintain waiting lists, including one of the market rate comparables. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer value in the market.

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

1. INCOME RESTRICTIONS

LIHTC rents are based upon a percentage of the Area Median Gross Income ("AMI"), adjusted for household size and utilities. The Georgia Department of Community Affairs ("DCA") will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

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

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

The maximum income levels for the LIHTC restricted units are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website. For the unrestricted market rate units, the maximum income is based on 140 percent AMI.

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2014 household population estimates are inflated to 2017 by interpolation of the difference between 2014 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2017. This number takes the overall growth from 2014 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

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

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

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

3C. SECONDARY MARKET AREA

Per the 2015 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. OTHER

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

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

ADDITIONS TO SUPPLY

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2013 and 2014.
- Vacancies in projects placed in service prior to 2013 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market in 2013 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

According to the Georgia Department of Community Affairs, the only properties that have been awarded tax credits since 2013 in the Subject's Primary Market Area were Savannah Gardens Phases IV and V, as well as Hitch Village Phase I and Sister's Court Senior.

Savannah Gardens IV recently opened a total of 18 units that are all occupied and will have 114 total units when construction is completed in summer 2015. Of these 114 total units, 90 will be LIHTC units that could compete with the Subject sites. The other 24 units will include market rate units with rents above LIHTC rents that will not compete with the very affordably-priced units at the Subjects. Most units have not yet received certificates of occupancy, but all are preleased.

Savannah Gardens V was awarded tax credits in 2013 and is currently under construction, with an anticipated December 2015 completion date. Upon completion, Savannah Gardens V will also compete with the Subject. This property will offer 76 total units, 59 of which will be competitive LIHTC units. The remaining 17 units will be market rate units and a manager's unit. The market rate units will have rents well above the LIHTC rents, and as such will not compete with the affordably-priced units at the Subjects.

Hitch Village Phase I, which was allocated in 2014 will have 72 total units, 57 of which will be LIHTC units that are competitive with the Subject sites. The remaining 15 units will be market rate and will not compete with the very affordable rent units at the Subjects. Note that the Housing Authority of Savannah, which is the sponsor of the Subject sites, also has plans to develop two additional phases of Hitch Village in the future.

Sister's Court Senior offers 77 LIHTC units designed for seniors, and opened in 1999. It received a 2014 allocation to allow for rehabilitation of the property. Note that because the property has a vacancy rate of just 1.3 percent, and rehabilitation work will be conducted without displacing tenants, this property is not considered as new LIHTC supply for our demand calculations.

To summarize, we have deducted the LIHTC units from Savannah Gardens IV and V, as well as Hitch Village Phase I from our demand analysis. In total, there are 206 recently opened, under construction, or planned and allocated LIHTC units that have been deducted as supply from our demand analysis.

When construction is completed at Savannah Gardens IV, there will be 23 LIHTC units restricted to 50 percent of AMI or less and 67 LIHTC units restricted to 60 percent of AMI or less. In total, the Savannah Gardens IV project will offer nine LIHTC one-bedroom units, 52 two-bedroom LIHTC units, and 29 three-bedroom LIHTC units when all units are open.

At the planned Savannah Gardens V property, there will be 23 units restricted to 50 percent of AMI or less and 36 units restricted to 60 percent of AMI or less. Savannah Gardens V will have six one-bedroom LIHTC units, 36 two-bedroom LIHTC units, and 17 three-bedroom LIHTC units.

At Hitch Village Phase I, there will be 57 units targeting up to 60 percent of AMI. There will be four, one-bedroom units, 32 two-bedroom units, and 21 three-bedroom units.

Competitive Supply Analysis for Demand

Additions To Supply (Recently Allocated or Unstabilized Units)	50%	60%	Overall
One Bedroom	6	13	19
Two Bedroom	27	93	120
Three Bedroom	13	54	67
Four Bedroom	-	-	-
Total	46	160	206

PMA OCCUPANCY

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

OVERALL PMA OCCUPANCY

Property Name	Type	Tenancy	Units	Occupancy
Ashley Midtown Phase I	LIHTC/PHA/Market	Family	168	100.0%
Ashley Midtown Phase II	LIHTC/PHA	Family	38	100.0%
Heritage Corner and Heritage Row	LIHTC	Family	70	90.0%
Heritage Place	LIHTC	Family	88	90.9%
Montgomery Landing	LIHTC/Market	Family	144	100.0%
Savannah Gardens I	LIHTC	Family	115	97.4%
Savannah Gardens III	LIHTC/Market	Family	95	100.0%
Sustainable Fellwood I	LIHTC/PHA/Market	Family	110	99.1%
Sustainable Fellwood II	LIHTC/PBRA/PHA/Market	Family	110	99.1%
East Huntingdon Street Housing	LIHTC	Family	14	N/A
Rose of Sharon	LIHTC/FHA	Elderly	206	97.6%
Savannah Gardens II	HUD 202	Elderly	39	100.0%
Sustainable Fellwood III	LIHTC/PHA/Market	Elderly	210	99.2%
SNAP I	LIHTC/Section 8	Family	101	98.0%
SNAP II	LIHTC/Section 8	Family	89	98.0%
SNAP III	LIHTC/Section 8	Family	44	100.0%
Telfair Arms	LIHTC/Section 8	Elderly	53	94.8%
Alhambra Apartments	Market	Family	150	98.0%
Chelsea At Five Points	Market	Family	136	100.0%
Green Growth I	Market	Family	99	97.0%
Jasmine Place	Market	Family	112	91.1%
River Crossing Apartments	Market	Family	176	98.3%
Royal Oaks	Market	Family	208	96.6%
Walden At Chatham Center	Market	Family	236	98.3%
Drayton Tower	Market	Family	99	100.0%
Kingstown Apartments	Market	Family	130	N/A
Strathmore Estates	Market	Family	N/A	N/A
Sunrise Villas	Market	Family	148	97.0%
Courtney Station Apartments	Market	Family	300	95.7%
Veranda at Midtown	Market/PBRA	Elderly	100	98.0%
Edgar Blackshear Homes	PHA	Family	100	96.0%
Fred Wessels Homes	PHA	Family	250	91.2%
Savannah Summit	Section 8	Family	138	N/A
Cars V Inc	Section 8	Disabled	N/A	N/A
Chatham Assoc For Res Sev Inc I	Section 8	Disabled	11	N/A
Chatham Assoc For Res Sev Inc II	Section 8	Disabled	13	N/A
Georgia Infirmary A/ Habersham Place	Section 8	Disabled	N/A	N/A
Georgia Infirmary B/ Hamilton Place	Section 8	Disabled	N/A	N/A
Ponderosa Forest Apts	Section 8	Family	56	100.0%
Presidential Plaza I	Section 8	Family	132	100.0%
St. Johns Villa Apartments	Section 8	Elderly	19	N/A
Presidential Plaza II	Section 8	Family	100	100.0%
Thomas Francis Williams Court Apts	Section 8	Elderly	151	100.0%
Total Reporting Occupancy			4,233	97.4%
Total			4,584	

Rehab Developments and PBRA

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

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

Capture Rates

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

Renter Household Income Distribution 2014 to Projected Market Entry August 2017						
Hitch Phase II						
PMA						
	2014		Projected Mkt Entry August 2017		Percent Growth	
	#	%	#	%		
\$0-9,999	4,938	26.4%	5,112	26.6%	3.4%	
\$10,000-19,999	4,272	22.8%	4,409	22.9%	3.1%	
\$20,000-29,999	3,048	16.3%	3,143	16.3%	3.0%	
\$30,000-39,999	2,133	11.4%	2,165	11.3%	1.5%	
\$40,000-49,999	1,269	6.8%	1,303	6.8%	2.6%	
\$50,000-59,999	1,061	5.7%	1,076	5.6%	1.4%	
\$60,000-74,999	803	4.3%	831	4.3%	3.4%	
\$75,000-99,999	514	2.7%	522	2.7%	1.7%	
\$100,000-124,999	273	1.5%	279	1.5%	2.2%	
\$125,000-149,999	180	1.0%	182	0.9%	1.0%	
\$150,000-199,999	104	0.6%	107	0.6%	2.8%	
\$200,000+	108	0.6%	107	0.6%	-0.8%	
Total	18,700	100.0%	19,236	100.0%	2.8%	

Renter Household Income Distribution Projected Market Entry August 2017			
Hitch Phase II			
PMA			
	Projected Mkt Entry August 2017		Change 2014 to Pj Mkt Entry August 2017
	#	%	#
\$0-9,999	5,112	26.6%	142
\$10,000-19,999	4,409	22.9%	123
\$20,000-29,999	3,143	16.3%	88
\$30,000-39,999	2,165	11.3%	60
\$40,000-49,999	1,303	6.8%	36
\$50,000-59,999	1,076	5.6%	30
\$60,000-74,999	831	4.3%	23
\$75,000-99,999	522	2.7%	15
\$100,000-124,999	279	1.5%	8
\$125,000-149,999	182	0.9%	5
\$150,000-199,999	107	0.6%	3
\$200,000+	107	0.6%	3
Total	19,236	100.0%	536

Tenure Proj Mkt Entry August 2017	
Renter	57.3%
Owner	42.7%
Total	100.0%

Renter Household Size for Proj Mkt Entry August 2017		
Size	Number	Percentage
1 Person	7,127	37.1%
2 Person	5,125	26.6%
3 Person	3,081	16.0%
4 Person	1,878	9.8%
5+ Person	2,025	10.5%
Total	19,236	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	6,150	35.8%
2 Person	4,553	26.5%
3 Person	2,602	15.1%
4 Person	1,796	10.4%
5+ Person	2,094	12.2%
Total	17,195	100.0%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$23,143		
Maximum Income Limit			\$42,720 6 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2014 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	142.42			
\$10,000-19,999	122.83	22.9%		0.0%	0
\$20,000-29,999	87.56	16.3%	6,856	68.6%	60
\$30,000-39,999	60.32	11.3%	9,999	100.0%	60
\$40,000-49,999	36.30	6.8%	2,720	27.2%	10
\$50,000-59,999	29.97	5.6%		0.0%	0
\$60,000-74,999	23.16	4.3%		0.0%	0
\$75,000-99,999	14.55	2.7%		0.0%	0
\$100,000-124,999	7.77	1.5%		0.0%	0
\$125,000-149,999	5.06	0.9%		0.0%	0
\$150,000-199,999	2.97	0.6%		0.0%	0
\$200,000+	2.98	0.6%		0.0%	0
	536	100.0%			130
Percent of renter households within limits versus total number of renter households					24.30%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$23,143		
Maximum Income Limit			\$42,720 6 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	5,112			
\$10,000-19,999	4,409	22.9%		0.0%	0
\$20,000-29,999	3,143	16.3%	\$6,856	68.6%	2,155
\$30,000-39,999	2,165	11.3%	\$9,999	100.0%	2,165
\$40,000-49,999	1,303	6.8%	\$2,720	27.2%	354
\$50,000-59,999	1,076	5.6%		0.0%	0
\$60,000-74,999	831	4.3%		0.0%	0
\$75,000-99,999	522	2.7%		0.0%	0
\$100,000-124,999	279	1.5%		0.0%	0
\$125,000-149,999	182	0.9%		0.0%	0
\$150,000-199,999	107	0.6%		0.0%	0
\$200,000+	107	0.6%		0.0%	0
	19,236	100.0%			4,675
Percent of renter households within limits versus total number of renter households					24.30%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2014 Median Income

Change from 2014 to Prj Mrkt Entry August 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Family
Urban
35%
\$25,126
\$28,085
\$2,959
10.5%
0.1%
0.1%
Two year adjustment
1.0000
\$42,720
\$42,720
6 Persons
60%
\$675
\$675.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2014 to Prj Mrkt Entry August 2017

Income Target Population		60%
New Renter Households PMA		536
Percent Income Qualified		24.3%
New Renter Income Qualified Households		130

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

Demand from Existing Households 2014

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		19,236
Income Qualified		24.3%
Income Qualified Renter Households		4,675
Percent Rent Overburdened Prj Mrkt Entry August 2017		38.1%
Rent Overburdened Households		1782

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,675
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		57

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		1,838
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1838
Total New Demand		130
Total Demand (New Plus Existing Households)		1,968

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

By Bedroom Demand

One Person	37.1%	729
Two Persons	26.6%	524
Three Persons	16.0%	315
Four Persons	9.8%	192
Five Persons	10.5%	207
Total	100.0%	1,968

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	656
Of two-person households in 1BR units	20%	105
Of one-person households in 2BR units	10%	73
Of two-person households in 2BR units	80%	419
Of three-person households in 2BR units	60%	189
Of three-person households in 3BR units	40%	126
Of four-person households in 3BR units	80%	154
Of five-person households in 3BR units	70%	145
Of four-person households in 4BR units	20%	38
Of five-person households in 4BR units	30%	62
Total Demand		1,968
Check		OK
Total Demand by Bedroom		
1 BR		761
2 BR		682
3 BR		425
4 BR		101
Total Demand		1,968
Additions To Supply 2014 to Prj Mrkt Entry August 2017		
1 BR		13
2 BR		93
3 BR		54
4 BR		0
Total		160
Net Demand		
1 BR		748
2 BR		589
3 BR		371
4 BR		101
Total		1,808
Net Demand		
1 BR		748
2 BR		589
3 BR		371
4 BR		101
Total		1,808
Developer's Unit Mix		
1 BR		4
2 BR		24
3 BR		5
4 BR		1
Total		34
Capture Rate Analysis		
1 BR		0.5%
2 BR		4.1%
3 BR		1.3%
4 BR		1.0%
Total		1.9%

Market

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$27,600			
Maximum Income Limit		\$92,820 5 Perons			
Income Category	New Renter Households - Total Change in Households PMA 2014 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	142.42	26.6%		0.0%	0
\$10,000-19,999	122.83	22.9%		0.0%	0
\$20,000-29,999	87.56	16.3%	2,399	24.0%	21
\$30,000-39,999	60.32	11.3%	9,999	100.0%	60
\$40,000-49,999	36.30	6.8%	9,999	100.0%	36
\$50,000-59,999	29.97	5.6%	\$9,999	100.0%	30
\$60,000-74,999	23.16	4.3%	\$14,999	100.0%	23
\$75,000-99,999	14.55	2.7%	\$17,820	71.3%	10
\$100,000-124,999	7.77	1.5%		0.0%	0
\$125,000-149,999	5.06	0.9%		0.0%	0
\$150,000-199,999	2.97	0.6%		0.0%	0
\$200,000+	2.98	0.6%		0.0%	0
	536	100.0%			181
Percent of renter households within limits versus total number of renter households					33.80%

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$27,600			
Maximum Income Limit		\$92,820 5 Perons			
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	5,112	26.6%		0.0%	0
\$10,000-19,999	4,409	22.9%		0.0%	0
\$20,000-29,999	3,143	16.3%	\$2,399	24.0%	754
\$30,000-39,999	2,165	11.3%	\$9,999	100.0%	2,165
\$40,000-49,999	1,303	6.8%	\$9,999	100.0%	1,303
\$50,000-59,999	1,076	5.6%	\$9,999	100.0%	1,076
\$60,000-74,999	831	4.3%	\$14,999	100.0%	831
\$75,000-99,999	522	2.7%	\$17,820	71.3%	372
\$100,000-124,999	279	1.5%		0.0%	0
\$125,000-149,999	182	0.9%		0.0%	0
\$150,000-199,999	107	0.6%		0.0%	0
\$200,000+	107	0.6%		0.0%	0
	19,236	100.0%			6,501
Percent of renter households within limits versus total number of renter households					33.80%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2014 Median Income

Change from 2014 to Prj Mrkt Entry August 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Family
Urban
35%
\$25,126
\$28,085
\$2,959
10.5%
0.1%
0.1%
Two year adjustment
1.0000
\$92,820
\$92,820
5 Perons
Market Rate
\$805
\$805.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2014 to Prj Mrkt Entry August 2017

	Market Rate
Income Target Population	
New Renter Households PMA	536
Percent Income Qualified	34.5%
New Renter Income Qualified Households	185

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

Demand from Existing Households 2014

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	19,236
Income Qualified	34.5%
Income Qualified Renter Households	6,645
Percent Rent Overburdened Prj Mrkt Entry August 2017	38.1%
Rent Overburdened Households	2532

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	6,645
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	81

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

Senior Households Converting from Homeownership

	Market Rate
Income Target Population	
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		2,613
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		2613
Total New Demand		185
Total Demand (New Plus Existing Households)		2,798

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

By Bedroom Demand

One Person	37.1%	1,037
Two Persons	26.6%	745
Three Persons	16.0%	448
Four Persons	9.8%	273
Five Persons	10.5%	295
Total	100.0%	2,798

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	933
Of two-person households in 1BR units	20%	149
Of one-person households in 2BR units	10%	104
Of two-person households in 2BR units	80%	596
Of three-person households in 2BR units	60%	269
Of three-person households in 3BR units	40%	179
Of four-person households in 3BR units	80%	218
Of five-person households in 3BR units	70%	206
Of four-person households in 4BR units	20%	55
Of five-person households in 4BR units	30%	88
Total Demand		2,798
Check		OK

Total Demand by Bedroom

	Market Rate
1 BR	1,082
2 BR	969
3 BR	604
Total Demand	2,655

Additions To Supply 2014 to Prj Mrkt Entry August 2017

	Market Rate
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand

	Market Rate
1 BR	1,082
2 BR	969
3 BR	604
Total	2,655

Net Demand

	Market Rate
1 BR	1,082
2 BR	969
3 BR	604
Total	2,655

Developer's Unit Mix

	Market Rate
1 BR	1
2 BR	11
3 BR	8
Total	20

Capture Rate Analysis

	Market Rate
1 BR	0.1%
2 BR	1.1%
3 BR	1.3%
Total	0.8%

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$23,143			
Maximum Income Limit		\$92,820 6 Persons			
Income Category	New Renter Households - Total Change in Households PMA 2014 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	142.42			
\$10,000-19,999	122.83	22.9%		0.0%	0
\$20,000-29,999	87.56	16.3%	6,856	68.6%	60
\$30,000-39,999	60.32	11.3%	9,999	100.0%	60
\$40,000-49,999	36.30	6.8%	9,999	100.0%	36
\$50,000-59,999	29.97	5.6%	\$9,999	100.0%	30
\$60,000-74,999	23.16	4.3%	\$14,999	100.0%	23
\$75,000-99,999	14.55	2.7%	\$24,999	100.0%	15
\$100,000-124,999	7.77	1.5%	\$17,820	71.3%	6
\$125,000-149,999	5.06	0.9%		0.0%	0
\$150,000-199,999	2.97	0.6%		0.0%	0
\$200,000+	2.98	0.6%		0.0%	0
	536	100.0%			230
Percent of renter households within limits versus total number of renter households					42.90%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$23,143			
Maximum Income Limit		\$92,820 6 Persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	5,112			
\$10,000-19,999	4,409	22.9%		0.0%	0
\$20,000-29,999	3,143	16.3%	\$6,856	68.6%	2,155
\$30,000-39,999	2,165	11.3%	\$9,999	100.0%	2,165
\$40,000-49,999	1,303	6.8%	\$9,999	100.0%	1,303
\$50,000-59,999	1,076	5.6%	\$9,999	100.0%	1,076
\$60,000-74,999	831	4.3%	\$14,999	100.0%	831
\$75,000-99,999	522	2.7%	\$24,999	100.0%	522
\$100,000-124,999	279	1.5%	\$17,820	71.3%	199
\$125,000-149,999	182	0.9%		0.0%	0
\$150,000-199,999	107	0.6%		0.0%	0
\$200,000+	107	0.6%		0.0%	0
	19,236	100.0%			8,251
Percent of renter households within limits versus total number of renter households					42.90%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2014 Median Income

Change from 2014 to Prj Mrkt Entry August 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$25,126		
\$28,085		
\$2,959		
10.5%		
0.1%		
0.1%	Two year adjustment	1.0000
\$92,820		
\$92,820		
6 Persons		
Overall		
\$675		
\$675.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2014 to Prj Mrkt Entry August 2017

Income Target Population		Overall
New Renter Households PMA		536
Percent Income Qualified		43.3%
New Renter Income Qualified Households		232

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

Demand from Existing Households 2014

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		19,236
Income Qualified		43.3%
Income Qualified Renter Households		8,328
Percent Rent Overburdened Prj Mrkt Entry August 2017		38.1%
Rent Overburdened Households		3174

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		8,328
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		101

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		3,275
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		3275
Total New Demand		232
Total Demand (New Plus Existing Households)		3,507

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

By Bedroom Demand

One Person	37.1%	1,299
Two Persons	26.6%	934
Three Persons	16.0%	562
Four Persons	9.8%	342
Five Persons	10.5%	369
Total	100.0%	3,507

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	1,169
Of two-person households in 1BR units	20%	187
Of one-person households in 2BR units	10%	130
Of two-person households in 2BR units	80%	747
Of three-person households in 2BR units	60%	337
Of three-person households in 3BR units	40%	225
Of four-person households in 3BR units	80%	274
Of five-person households in 3BR units	70%	258
Of four-person households in 4BR units	20%	68
Of five-person households in 4BR units	30%	111
Total Demand		3,507
Check		OK

Total Demand by Bedroom	Overall
1 BR	1,356
2 BR	1,214
3 BR	757
4 BR	179
Total Demand	3,507

Additions To Supply 2014 to Prj Mrkt Entry August 2017	Overall
1 BR	13
2 BR	93
3 BR	54
4 BR	0
Total	160

Net Demand	Overall
1 BR	1,343
2 BR	1,121
3 BR	703
4 BR	179
Total	3,347

Net Demand	Overall
1 BR	1,343
2 BR	1,121
3 BR	703
4 BR	179
Total	3,347

Developer's Unit Mix	Overall
1 BR	5
2 BR	35
3 BR	13
4 BR	1
Total	54

Capture Rate Analysis	Overall
1 BR	0.4%
2 BR	3.1%
3 BR	1.8%
4 BR	0.6%
Total	1.6%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

HIGHEST AND BEST USE

Highest and Best Use may be defined as that legal use which will yield the highest net present value to the land, or that land use which may reasonably be expected to produce the greatest net return over a given period of time.

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the greatest net return to the land. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it creates and/or maintains maximum value, and it is maximum value which affords the owner maximum returns.

The Dictionary of Real Estate Appraisal (Fifth Edition, 2010), published by the American Institute of Real Estate Appraisers, defines Highest and Best Use as:

"The reasonably probable and legal use of vacant land supported and financially feasible, and that results in the highest value. The four criteria that the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. That reasonable and probable use that will support the highest present value of vacant land or improved property, as defined as of the date of the appraisal."

It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of Highest and Best Use takes into account the contribution of a specific use to the community and the community's development goals, as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant, and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. In arriving at the estimate of Highest and Best Use, the Subject site is analyzed "as if vacant", meaning vacant and available for development, and also "as is".

Four tests are typically used to determine the Highest and Best Use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.

4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

HIGHEST AND BEST USE AS VACANT

Physically Possible

The Subject site contains approximately 3.25 acres. The Subject site has generally level topography and an irregular shape. It has good accessibility. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to Charlotte Moore, Planner with Chatham County-Savannah Metropolitan Planning Commission, the Subject site is located within the Fred Wessels/Hitch Village Planned Unit Development (PUD) Master Plan District. According to the PUD Master Plan, the Subject is permitted to develop up to 110 multifamily units with a maximum height of three stories. Based on the Subjects' size of 3.25 acres, the allowable density is 34 units per acre. The comparable land sales indicate a density range between 20 and 28 units per acre. Based on the Subjects' PUD zoning, we have concluded that the Subject site could support 100 units, or approximately 31 units per acre.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible.

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the site can be used for varying densities of residential uses. Given the site attributes, allowable uses and surrounding uses, we believe multifamily residential development is most likely.

In order to determine financial feasibility for a multifamily property scenario, we performed a simple development analysis, based upon the rental and cost data secured during our market investigation. We used a residual technique to determine the cost feasibility of multifamily development. It should be noted that we derived the replacement costs using the price per square foot to construct multifamily development as provided by RS Means.

COST ANALYSIS
As Proposed Unrestricted

Stabilized Overall Capitalization Rate	6%
Typical Economic Life	55
Inferred Annual Building Recapture Rate	1.4%
Inferred Land to Total Value Ratio (M)	7.2%
Land Capitalization Rate	Rl
Building Capitalization Rate (Rl + Recapture Rate)	Rb
$Ro = (Rl * M) + ((1 - M) * Rb)$	
Rl=	4.5%
Rb=	5.9%
Land Value	\$800,000
Land Capitalization Rate	4.5%
Required Return to Land	\$36,000
Replacement Cost of Improvements	\$11,119,254
Building Capitalization Rate (Rb)	5.9%
Required Return On and Recapture of Improvement Costs	\$656,036
Total Required Net Operating Income	\$692,036
Net Rentable Square Footage	\$61,296
Required NOI per SF of Improvements	\$11.3
Operating Expenses per SF	\$7.8
Required Effective Gross Revenue	\$19.1
Stabilized Vacancy Adjustment Factor	96%
Cost Feasible Market Rent	\$20.09
Market Rent (based on market rental rates)	\$18.69

As the table illustrates, a market rate development is not feasible according to this cost analysis.

Maximally Productive

Based upon our analysis, new construction of a market rate apartment community is not financially viable without some other source of gap funding, such as Low Income Housing Tax Credits. However, this is not entirely evident by the lack of new market rate multifamily construction in the local area. Therefore, the maximally productive use of this site as if vacant would be to construct a multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

Conclusion – Highest and Best Use “As Is”

The highest and best use for the property as is would be to construct a multifamily rental property with financial subsidies. Without subsidies, it would be to hold until the market rent supports construction.

APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach and both the EGIM analysis and the NOI/Unit analysis in valuing the Subject property.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject is an income producing property and this is considered to be the best method of valuation.

APPLICABILITY TO THE SUBJECT PROPERTY

The employment of the Cost Approach in the valuation process is based on the principle of substitution. Investors in the marketplace do not typically rely upon the cost approach. As a result, the cost approach is considered to have only limited use in the valuation of the Subject property. However, we have provided an estimate of land value.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk, and alternative investment possibilities. Because the Subject will be an income producing property, this is considered to be the best method of valuation. A direct capitalization technique is utilized.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use both the EGIM and NOI/Unit analyses in valuing the Subject property.

LAND VALUE

COST APPROACH

The employment of the Cost Approach in the valuation process estimates the replacement cost of improvements, less depreciation from all causes, which is then added to the land value. As discussed, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. This is primarily attributed to the age and condition of the improvements, and the attendant difficulty in accurately estimating accrued physical depreciation. For these reasons, the Cost Approach has not been presented in this report. However, an indication of land value is a component of this engagement.

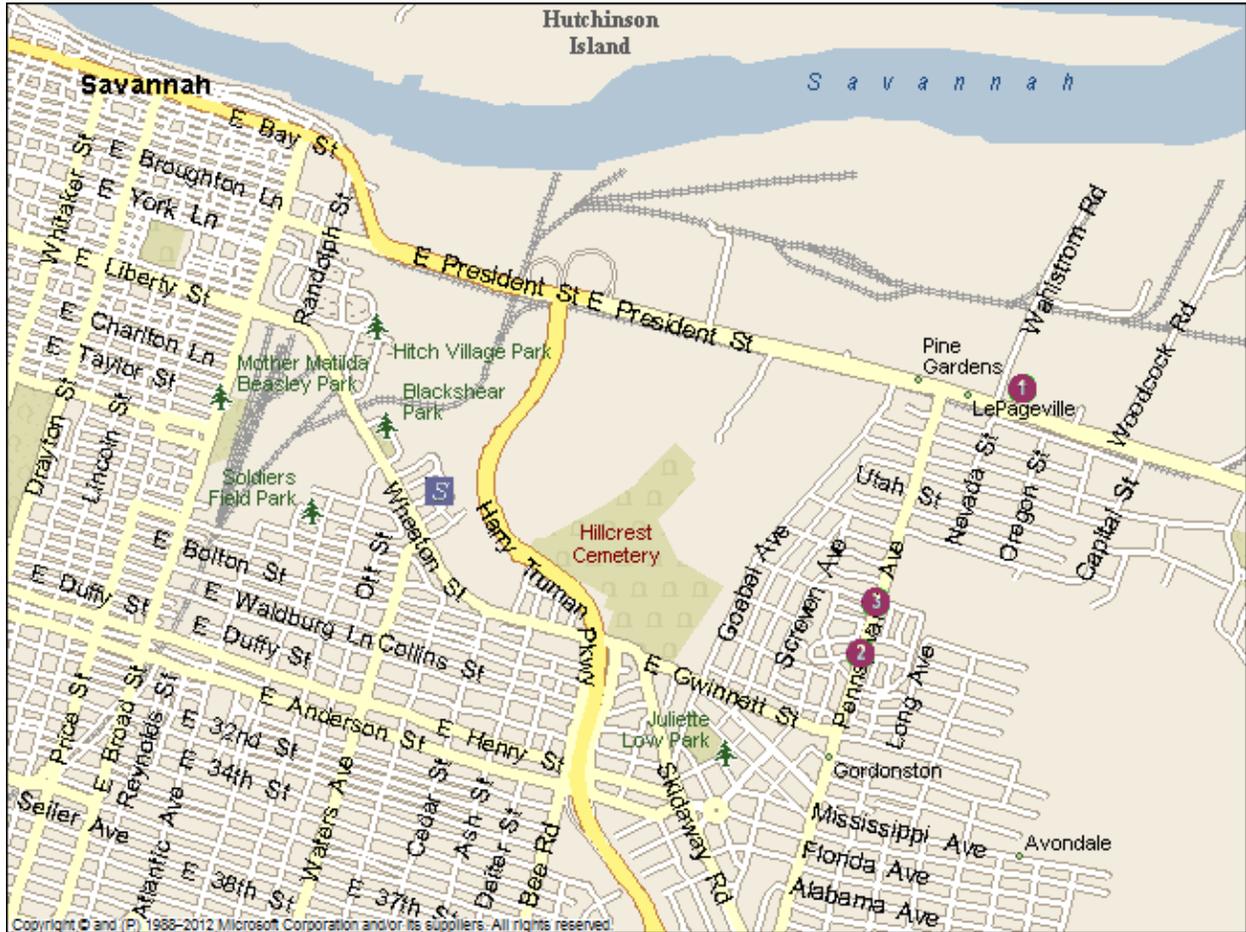
LAND VALUATION

To arrive at an opinion of land value for the Subject site, we have analyzed actual sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the region was made. We were able to locate three land sales occurring between October 2011 and July 2014.

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders, and lending institutions. A map of the comparable land sales is included on the following page. Individual descriptions of these land sale transactions are included on the following pages.

We have valued the land assuming that it is vacant without restrictions on use beyond zoning and physical constraints.

Land Sales Map



The following table summarizes the land sale transactions.

COMPARABLE LAND SALES

Number	Location	City	Sale Date	Price	Acres	Units	Price/Unit
1	2010 E. President St.	Savannah, GA	Jul-14	\$2,145,000	16.2	323	\$6,641
2	514 Pennsylvania Ave.	Savannah, GA	Dec-13	\$1,140,000	4.96	114	\$10,000
3	500 Pennsylvania Ave.	Savannah, GA	Oct-11	\$940,000	3.34	94	\$10,000

COMPARABLE LAND SALES

Number	Location	City	Buyer	Seller
1	2010 E. President St.	Savannah, GA	Mariner Group Ltd.	JS&H Enterprises LP
2	514 Pennsylvania Ave.	Savannah, GA	Mercy Housing Southeast, Inc.	CHSA Development, Inc.
3	500 Pennsylvania Ave.	Savannah, GA	Mercy Housing Georgia X, LP	CHSA Development, Inc.

ADJUSTMENTS

The following table illustrates adjustments applied to the sale comparables.

Comparable Land Data Adjustment Grid				
	Subject	1	2	3
Location	220 McAlister Street	2010 E. President St.	514 Pennsylvania Ave.	500 Pennsylvania Ave.
City, State	Savannah, GA	Savannah, GA	Savannah, GA	Savannah, GA
Parcel Data				
Zoning	Multifamily	Multifamily	Multifamily	Multifamily
Topography	Level	Level	Level	Level
Shape	Rectangular	Irregular	Rectangular	Rectangular
Corner	Yes	Yes	Yes	Yes
Size (SF)	141,570	705,672	215,970	145,490
Size (Acres)	3.3	16.2	5.0	3.3
Units	100	323	114	94
Units Per Acre	31	20	23	28
Sales Data				
Date		Jul-14	Dec-13	Oct-11
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$2,145,000	\$1,140,000	\$940,000
Price per Unit		\$6,641	\$10,000	\$10,000
Adjustments				
Property Rights		0	0	0
		\$2,145,000	\$1,140,000	\$940,000
Financing		0	0	0
		\$2,145,000	\$1,140,000	\$940,000
Conditions of Sale		0	0	0
		\$2,145,000	\$1,140,000	\$940,000
Market Conditions		0.0%	0.0%	5.0%
Adjusted Sale Price		\$2,145,000	\$1,140,000	\$987,000
Adjusted Price Per Unit		\$6,641	\$10,000	\$10,500
Adjustments				
Location		-15%	-15%	-15%
Zoning		0%	0%	0%
Topography		0%	0%	0%
Shape		0%	0%	0%
Size		25%	0%	0%
Overall Adjustment		10%	-15%	-15%
Adjusted Price Per Unit		\$7,305	\$8,500	\$8,925
Low		\$7,305		
High		\$8,925		
Mean		\$8,243		
Median		\$8,500		
Conclusion		\$8,000 x	100	\$800,000
Rounded				\$800,000

As illustrated, adjustments have been made based on price differences created by the following factors:

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Zoning**
- **Topography**
- **Shape**
- **Size / Number of Units**

Property Rights

All of the sales used in this analysis represent the conveyance of the fee simple interest in the respective properties. No adjustments are warranted.

Financing

If applicable, the comparable sales must be adjusted for financing terms. The adjustment renders the sale price to cash equivalent terms. All of the sales are considered to be cash equivalent and no adjustment is necessary.

Conditions of Sale

This adjustment is used if there are any unusual circumstances surrounding the transactions such as foreclosures, bulk sales, related parties, assemblages, etc. All of the comparable sales are considered to be market-oriented, arms-length transactions. As a result, no additional adjustments are needed.

Market Conditions

Based on the most recent fourth quarter 2014 report from REIS, market conditions have generally improved since 2011. The market vacancy was 5.4 percent as of the fourth quarter 2014, lower than the one and three year annualized figures of 5.8 and 6.4 percent, respectively. Additionally, asking rents have continued to rise over the past five years, although they remained generally stable from the third to fourth quarter 2014.

		Vacancy Rates						
		Asking Rent Growth						
		Quarterly			Annualized			
		3Q14	2Q14	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
	Savannah	1.3%	0.7%	0.9%	2.0%	2.0%	1.0%	2.2%
	South Atlantic	1.0%	0.9%	0.9%	2.7%	2.5%	1.6%	2.8%
	United States	1.1%	1.0%	0.9%	3.1%	2.8%	1.5%	3.0%
	Period Ending:	09/30/14	06/30/14	09/30/14	12/31/13	12/31/13	12/31/13	12/31/18

	Asking Rent Growth						
	Quarterly			Annualized			
	4Q14	3Q14	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Savannah	- 0.2%	1.3%	0.6%	2.6%	1.9%	2.0%	2.5%
South Atlantic	0.6%	1.0%	0.8%	3.3%	3.0%	2.5%	2.6%
United States	0.6%	1.1%	0.9%	3.4%	3.2%	2.7%	2.8%
Period Ending:	12/31/14	09/30/14	12/31/14	12/31/14	12/31/14	12/31/14	12/31/19

Capitalization rates (not shown in the above tables) decreased by over two percentage points nationwide since late 2011. Based on these figures, it is evident that the regional apartment market continues to recover. Sale 3 was negotiated in 2011 and is adjusted upward by five percent. Sales 1 and 2 have generally similar market conditions and no adjustments are necessary.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate.

LOCATION COMPARISON

Property	Zip Code	Median Household Income	Median Gross Rent
Subject	31401	\$23,090	\$830
Sale 1	31404	\$31,263	\$864
Sale 2	31404	\$31,263	\$864
Sale 3	31404	\$31,263	\$864

Source: 2013 American Community Survey

All of the comparable sales are located in zip code 31404, which has generally superior median household income and median gross rents than the Subject’s zip code. We have adjusted the comparables downward by 15 percent to account for the slightly superior location.

Zoning / Density

All of the land sales’ zoning permits multifamily development; therefore no adjustments are necessary.

Shape

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. The Subject has generally similar shape, access, and visibility as the comparable sales. No adjustment is warranted.

Size / Number of Units

With respect to size, the pool of potential purchasers decreases as property size (and purchase price) increases. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Sale 1 has significantly more units and Sales 2 and 3 have generally similar number of units. Therefore, we have adjusted Sale 1 upward 25 percent, while Sales 2 and 3 have not been adjusted.

CONCLUSION OF VALUE

The sales indicate a range of adjusted price per unit from \$7,305 to \$8,925 per unit, with a mean of \$8,243 per unit. We have given weight to Sales 1 and 2 in determining the Subject's value and have concluded to a sale price of \$8,000 per unit.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of March 23, 2015, is:

EIGHT HUNDRED THOUSAND DOLLARS
(\$800,000)

INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

INTRODUCTION

We were asked to provide several value estimates, including:

- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at loan maturity.
- Favorable Financing.

The market values “upon completion and stabilization” are prospective value estimates based upon the anticipated benefits and timing of encumbrances and the development plan as proposed by the developer, as described in the “Description of Improvements” section of this report. *Please see attached assumptions and limiting conditions for additional remarks concerning hypothetical value estimates.*

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

The Subject’s prospective future market value under the restricted scenario and “Upon Completion and Stabilization” is determined using Direct Capitalization.

POTENTIAL GROSS INCOME

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income assuming both restricted rents and market rents is based upon the As Restricted and As Unrestricted as derived in the Supply Section of this report and are calculated as follows.

POTENTIAL GROSS RENTAL INCOME - As Proposed Restricted

Unit Type	Number of Units	Proposed Rents	Monthly Gross Rent	Annual Gross Rent
<i>60% AMI (ACC)</i>				
1BR/1BA	1	\$0	\$0	\$0
2BR/2BA	5	\$0	\$0	\$0
3BR/2BA	3	\$0	\$0	\$0
4BR/2BA	1	\$0	\$0	\$0
<i>60% AMI (RAD)</i>				
1BR/1BA	6	\$470	\$2,820	\$33,840
2BR/2BA	16	\$476	\$7,616	\$91,392
3BR/2BA	10	\$695	\$6,950	\$83,400
4BR/2BA	4	\$717	\$2,868	\$34,416
<i>60% AMI</i>				
1BR/1BA	4	\$565	\$2,260	\$27,120
2BR/2BA	24	\$681	\$16,344	\$196,128
3BR/2BA	5	\$772	\$3,860	\$46,320
4BR/2BA	1	\$843	\$843	\$10,116
<i>Market Rate</i>				
1BR/1BA	1	\$800	\$800	\$9,600
2BR/2BA	11	\$925	\$10,175	\$122,100
3BR/2BA	8	\$1,100	\$8,800	\$105,600
Total	100			\$760,032

POTENTIAL GROSS RENTAL INCOME - As Proposed Unrestricted

Unit Type	Number of Units	Achievable Market Rents	Monthly Gross Rent	Annual Gross Rent
1BR/1BA	12	\$750	\$9,000	\$108,000
2BR/2BA	56	\$925	\$51,800	\$621,600
3BR/2BA	26	\$1,050	\$27,300	\$327,600
4BR/2BA	6	\$1,225	\$7,350	\$88,200
Total	100			\$1,145,400

Other Income

The other income category is primarily revenue generated from interest income, late charges, special service fees, vending machines, etc. Three of the four comparables were able to report other income, ranging from \$99 to \$489 per unit, with two of the three comparables reporting \$99 to \$108 per unit in other income. The developer's budget does not provide other income. We will conclude to other income of \$100 per unit, which is within the range of the comparables.

Vacancy and Collection Loss

The vacancy rates in the market are generally stable. As indicated in the supply analysis, we have concluded to a vacancy and collections loss rate of 5.0 percent for both scenarios.

EXPLANATION OF EXPENSES

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted. The Subject will offer 100 units that target households of all ages. Comparable operating expense data from 2011 to 2013 was collected from properties located in Savannah, Hinesville, and Rincon to serve as a comparison for the Subject's proposed operating budget.

EXPENSE CATEGORY	2015		2013		2013		2012		2011					
	Novogradac Estimates As Proposed Restricted Savannah, GA		Novogradac Estimates As Proposed Unrestricted Savannah, GA		SUBJECT BUDGETED EXPENSES Savannah, GA		CONFIDENTIAL ACTUAL EXPENSES Hinesville, GA		CONFIDENTIAL ACTUAL EXPENSES Savannah, GA		CONFIDENTIAL ACTUAL EXPENSES Rincon, GA			
	100	100	100	100	80	324	147	184	Total	Per Unit	Total	Per Unit		
OTHER INCOME	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$8,669	\$108	\$32,035	\$99	\$71,846	\$489	N/Av	N/Av
MARKETING														
Advertising / Screening / Credit	\$4,000	\$40	\$10,000	\$100	\$12,000	\$120	\$644	\$8	\$3,842	\$12	\$7,855	\$53	\$12,880	\$70
SUBTOTAL	\$4,000	\$40	\$10,000	\$100	\$12,000	\$120	\$644	\$8	\$3,842	\$12	\$7,855	\$53	\$12,880	\$70
ADMINISTRATION														
Legal	\$7,000	\$70	\$5,000	\$50	\$8,000	\$80	\$9,074	\$113	\$10,690	\$33	\$2,874	\$20	\$0	\$0
Audit	\$14,000	\$140	\$2,000	\$20	\$14,000	\$140	\$0	\$0	\$8,500	\$26	\$0	\$0	\$0	\$0
Office & Other	\$25,000	\$250	\$25,000	\$250	\$19,000	\$190	\$19,381	\$242	\$117,199	\$362	\$46,880	\$319	\$29,624	\$161
SUBTOTAL	\$46,000	\$460	\$32,000	\$320	\$41,000	\$410	\$28,455	\$356	\$136,389	\$421	\$49,754	\$338	\$29,624	\$161
TOTAL ADMINISTRATION	\$50,000	\$500	\$42,000	\$420	\$53,000	\$530	\$29,099	\$364	\$140,231	\$433	\$57,609	\$392	\$42,504	\$231
MAINTENANCE														
Painting / Turnover / Cleaning	\$5,000	\$50	\$5,000	\$50	\$27,000	\$270	\$5,809	\$73	\$149,107	\$460	\$39,214	\$267	\$0	\$0
Repairs	\$6,500	\$65	\$6,500	\$65	\$8,000	\$80	\$16,628	\$208	\$104,774	\$323	\$56,827	\$387	\$75,072	\$408
Elevator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$15,000	\$150	\$15,000	\$150	\$20,000	\$200	\$11,591	\$145	\$2,654	\$8	\$53,622	\$365	\$19,320	\$105
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,719	\$8	\$20,204	\$137	\$0	\$0
Supplies/Other	\$20,000	\$200	\$20,000	\$200	\$17,000	\$170	\$0	\$0	\$53,022	\$164	\$3,419	\$23	\$0	\$0
SUBTOTAL	\$46,500	\$465	\$46,500	\$465	\$72,000	\$720	\$34,028	\$425	\$312,276	\$964	\$173,286	\$1,179	\$94,392	\$513
OPERATING														
Contracts	\$10,000	\$100	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$40,314	\$124	\$55,818	\$380	\$0	\$0
Exterminating	\$3,500	\$35	\$3,500	\$35	\$4,500	\$45	\$2,280	\$29	\$12,351	\$38	\$7,462	\$51	\$0	\$0
Security	\$5,000	\$50	\$5,000	\$50	\$20,400	\$204	\$0	\$0	\$24,619	\$76	\$1,312	\$9	\$0	\$0
SUBTOTAL	\$18,500	\$185	\$18,500	\$185	\$34,900	\$349	\$2,280	\$29	\$77,284	\$239	\$64,592	\$439	\$0	\$0
TOTAL MAINTENANCE AND OPERATING	\$65,000	\$650	\$65,000	\$650	\$106,900	\$1,069	\$36,308	\$454	\$389,560	\$1,202	\$237,878	\$1,618	\$94,392	\$513
PAYROLL														
On-site manager	\$40,000	\$400	\$40,000	\$400	\$45,000	\$450	\$0	\$0	\$217,506	\$671	\$32,898	\$224	\$0	\$0
Other management staff	\$0	\$0	\$0	\$0	\$0	\$0	\$69,816	\$873	\$0	\$0	\$0	\$0	\$203,504	\$1,106
Maintenance staff	\$40,000	\$400	\$40,000	\$400	\$45,000	\$450	\$0	\$0	\$129,843	\$401	\$40,288	\$274	\$0	\$0
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$10,000	\$100	\$10,000	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$15,025	\$102	\$0	\$0
Payroll taxes	\$9,600	\$96	\$9,600	\$96	\$0	\$0	\$0	\$0	\$0	\$0	\$7,640	\$52	\$0	\$0
SUBTOTAL	\$99,600	\$996	\$99,600	\$996	\$90,000	\$900	\$69,816	\$873	\$347,349	\$1,072	\$95,851	\$652	\$203,504	\$1,106
UTILITIES														
Water & Sewer	\$3,004	\$30	\$3,004	\$30	\$10,000	\$100	\$29,167	\$365	\$181,116	\$559	\$43,805	\$298	\$109,112	\$593
Electricity	\$6,532	\$65	\$6,532	\$65	\$18,000	\$180	\$17,664	\$221	\$68,153	\$210	\$36,302	\$247	\$0	\$0
Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$1,167	\$15	\$30,290	\$93	\$4,843	\$33	\$0	\$0
Cable Television	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$36,600	\$366	\$36,600	\$366	\$6,000	\$60	\$7,217	\$90	\$0	\$0	\$15,305	\$104	\$0	\$0
SUBTOTAL	\$46,135	\$461	\$46,135	\$461	\$34,000	\$340	\$55,215	\$690	\$279,559	\$863	\$100,255	\$682	\$109,112	\$593
MISCELLANEOUS														
Insurance	\$30,000	\$300	\$30,000	\$300	\$30,000	\$300	\$31,414	\$393	\$180,363	\$557	\$43,773	\$298	\$30,176	\$164
Real Estate Taxes / PILOT	\$91,122	\$911	\$124,257	\$1,243	\$95,264	\$953	\$75,737	\$947	\$182,246	\$562	\$119,123	\$810	\$59,984	\$326
Reserves	\$30,000	\$300	\$30,000	\$300	\$30,000	\$300	\$20,000	\$300	\$97,200	\$300	\$44,100	\$300	\$55,200	\$300
Supportive Services	\$0	\$0	\$0	\$0	\$0	\$0	\$42	\$1	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$151,122	\$1,511	\$184,257	\$1,843	\$155,264	\$1,553	\$127,193	\$1,590	\$459,809	\$1,419	\$206,996	\$1,408	\$145,360	\$790
MANAGEMENT														
SUBTOTAL	\$36,577	\$366	\$43,905	\$439	\$39,608	\$396	\$0	\$0	\$6,525	\$20	\$72,336	\$492	\$63,296	\$344
TOTAL EXPENSES	\$448,434	\$4,484	\$480,897	\$4,809	\$478,772	\$4,788	\$317,631	\$3,970	\$1,623,033	\$5,009	\$770,925	\$5,244	\$658,168	\$3,577

General Administrative

This category includes all professional fees for items such as legal, accounting, and marketing expenses, as well as office supplies and general and administrative costs. This expense is based on an analysis of the Subject's budget and the comparable property expense data. The developer's budget indicates a general administrative expense of \$530 per unit. The comparable expense data ranges from \$231 to \$433 per unit. We have concluded to \$500 per unit for the restricted scenario and \$420 per unit for the unrestricted scenario. According to a Novogradac & Company LLP comprehensive analysis of national 2012 operating expense data (Multifamily Rental Housing Operating Expense Report, 2014), it costs on average approximately \$80 more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The developer's budgeted expense is \$1,069 per unit. The comparable expense data ranges from \$454 to \$1,618 per unit. Operating expense comparables one, two, and four were constructed or renovated between 1997 and 2003. Operating expense comparable three was built in 1986 and is the oldest comparable and has the highest expense. The remaining comparables reported a range from \$454 and \$1,202 per unit. The Subject will be new construction. We have concluded to an expense of \$650 per unit for both scenarios, which is within the range of the comparables and below the developer's estimate.

Payroll

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The developer has estimated a payroll expense of \$900 per unit. The comparable expense data ranges from \$652 to \$1,072 per unit. We estimate a full-time manager and a full-time maintenance employee for the Subject. The following table illustrates Novoco's staffing plan for the Subject.

PAYROLL EXPENSE CALCULATION		
	Expense	Per Unit
Manager's Salary	\$40,000	\$400
Maintenance Salary	\$40,000	\$400
Benefits (\$5,000 per FTE)	\$10,000	\$100
Payroll Taxes (estimated at 12%)	\$9,600	\$96
Total Annual Payroll	\$99,600	\$996

Utilities

The landlord will be responsible for trash collection and common area utilities. The Subject's budgeted utility expense is \$340 per unit. Comparable operating expenses indicate a range of \$593 to \$863 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Per GA DCA guidelines, we have relied on GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of Savannah to determine the Subject's utility expense.

UTILITY ALLOWANCES

Utility	Paid By	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom
Utilities-Electricity	Tenant	\$38	\$43	\$50	\$57
Utilities-Electric Heating	Tenant	\$2	\$2	\$3	\$3
Utilities-Air Conditioning	Tenant	\$13	\$16	\$19	\$23
Utilities-Electric Cooking	Tenant	\$7	\$8	\$9	\$10
Utilities-Electric Heated Hot Water	Tenant	\$29	\$33	\$43	\$54
Utilities-Water and Sewer Services	Tenant	\$36	\$45	\$61	\$78
Utilities-Trash Collection	Landlord	\$31	\$31	\$31	\$31
Total Utility Allowance		\$156	\$178	\$216	\$256
Total Tenant Paid Utilities		\$125	\$147	\$185	\$226

Source: Georgia DCA (Electric Heat Pump), Housing Authority of Savannah, GA, 05/2015

Utility Expense Calculation	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom	Total
Unit Mix	12	56	26	6	100
Electric Annually Per Unit (assuming 5% vacancy/common area)	\$12,816	\$68,544	\$38,688	\$10,584	\$65
Water and Sewer Annually Per Unit (assuming 5% vacancy/common area)	\$5,184	\$30,240	\$19,032	\$5,616	\$30
Total Annual Trash Per Unit	\$4,392	\$20,496	\$9,516	\$2,196	\$366
Total Annual Utility Expense Per Unit					\$461

The developer's budgeted utility expense appears somewhat low based upon GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of Savannah. Therefore, we have concluded to an expense of \$461 per unit.

Insurance

The Subject has projected an annual insurance expense of \$300 per unit. The comparables range from \$164 to \$557 per unit, with an average of \$353 per unit. We believe that the developer's expense is reasonable and have concluded to an insurance expense of \$300 per unit.

Taxes

Real estate taxes have been previously discussed in the real estate tax analysis.

Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically range from \$250 to \$350 per unit per year. We have used an expense of \$300 per unit for all scenarios as the Subject will be new construction.

Management Fees

The typical range for professionally managing an apartment property such as the Subject is 4.0 to 7.0 percent of effective gross rental income, depending upon the size and age of the apartment complex with the latter percentage being charged to smaller or older complexes. This amount will also vary dependent upon what is included in the management task which some would also classify as administration. Management fee as a percent of EGI was unavailable at the comparables. Two comparables were able to report a management fee per unit, ranging between \$344 and \$492 per unit. The developer's budgeted management fee is 6.0 percent. We have concluded to a management fee of 5.0 percent for the restricted scenario and a management fee of 4.0 percent for the unrestricted scenario.

SUMMARY

Operating expenses were estimated based upon the comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the Subject's historical expenses, and the total expenses reported by comparable expense properties.

Comparable Expense Properties		
Total Expense per Unit	W/ Taxes	W/O Taxes
Developer's Budget	\$4,738	\$3,785
Expense Comparable 1	\$3,970	\$3,024
Expense Comparable 2	\$4,959	\$4,397
Expense Comparable 3	\$5,194	\$4,384
Expense Comparable 4	\$3,527	\$3,201
Subject (As Proposed Restricted)	\$4,460	\$3,549
Subject (As Proposed Unrestricted)	\$4,769	\$3,526

The estimated operating expenses for the Subject are slightly below the budget and within the range of comparable properties. The primary differences between the Subject's operating expenses and the that of comparables are the utilities cost and real estate taxes. We believe the estimated expenses for the restricted and unrestricted scenarios are reasonable based upon the comparable expenses.

Prospective Market Value at Loan Maturity

To quantify the income potential of the Subject, a future cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate terminal capitalization and discount rates. As examined earlier, we believe there is ample demand in the income ranges targeted by the management of the Subject to support a stable cash flow. Therefore, the restrictions do not affect the risk of the Subject investment. We based our valuation on market-derived reversion and discount rates. It should be noted that we have only utilized the future cash flow analysis to identify the prospective market value at loan maturity.

Income and Expense Growth Projections

The AMI in Chatham County increased 2.1 percent annually between 2000 and 2015. Since 2012, the AMI in the county has increased 0.3 percent annually. Several of the LIHTC and market rate comparables experienced rent growth over the past year. The LIHTC comparables had rent increases between one and three percent, while the market rate comparables reported rent changes from a four percent decrease to a six percent increase, with an overall increasing trend. We have increased the income and expense line items by 1.5 percent per annum over the holding period. This is based upon the AMI growth and the market-oriented rent increases of the comparable properties.

Terminal Capitalization Rate

In order to estimate the appropriate capitalization rate, we used the *PwC Real Estate Investor Survey*. The following summarizes this survey:

PwC REAL ESTATE INVESTOR SURVEY	
National Apartment Market	
Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 8.00%
Average:	5.36%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	6.58%

Source: PwC Real Estate Investor Survey, Q1 2015

Additionally, we have considered the market extracted capitalization rates in the Savannah market. As discussed in detail later in this report, we have estimated a capitalization rate of 6.0 percent for the Subject.

The following issues impact the determination of a residual capitalization rate for the Subject:

- Anticipated annual capture of the Subject.
- The anticipated demand growth in the market associated with both local residential and corporate growth.
- The Subject's construction and market position.
- Local market overall rates.

In view of the preceding data, observed rate trends, and careful consideration of the Subject's physical appeal and economic characteristics, a terminal rate of 6.5 percent has been used, which is within the range and is considered reasonable for a non-institutional grade property such as the Subject following construction.

VALUATION ANALYSIS

Based upon the indicated operating statements and the discount rate discussion above, we developed a cash flow for the Subject. The following pages illustrate the cash flow and present value analysis.

As Proposed Restricted Scenario (Years 1 through 15)

LIHTC Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Year 6 2020	Year 7 2021	Year 8 2022	Year 9 2023	Year 10 2024	Year 11 2025	Year 12 2026	Year 13 2027	Year 14 2028	Year 15 2029
Income															
Low Income Units	\$760,032	\$771,432	\$783,004	\$794,749	\$806,670	\$818,770	\$831,052	\$843,518	\$856,170	\$869,013	\$882,048	\$895,279	\$908,708	\$922,339	\$936,174
Nonresidential	\$10,000	\$10,150	\$10,302	\$10,457	\$10,614	\$10,773	\$10,934	\$11,098	\$11,265	\$11,434	\$11,605	\$11,779	\$11,956	\$12,136	\$12,318
Gross Project Income	\$770,032	\$781,582	\$793,306	\$805,206	\$817,284	\$829,543	\$841,986	\$854,616	\$867,435	\$880,447	\$893,654	\$907,058	\$920,664	\$934,474	\$948,491
Vacancy Allowance	-\$38,502	-\$39,079	-\$39,665	-\$40,260	-\$40,864	-\$41,477	-\$42,099	-\$42,731	-\$43,372	-\$44,022	-\$44,683	-\$45,353	-\$46,033	-\$46,724	-\$47,425
Effective Gross Income	\$731,530	\$742,503	\$753,641	\$764,946	\$776,420	\$788,066	\$799,887	\$811,885	\$824,064	\$836,425	\$848,971	\$861,705	\$874,631	\$887,751	\$901,067
Expenses															
Administrative and Marketing	\$50,000	\$50,750	\$51,511	\$52,284	\$53,068	\$53,864	\$54,672	\$55,492	\$56,325	\$57,169	\$58,027	\$58,897	\$59,781	\$60,678	\$61,588
Maintenance and Operating	\$65,000	\$65,975	\$66,965	\$67,969	\$68,989	\$70,023	\$71,074	\$72,140	\$73,222	\$74,320	\$75,435	\$76,567	\$77,715	\$78,881	\$80,064
Payroll	\$99,600	\$101,094	\$102,610	\$104,150	\$105,712	\$107,297	\$108,907	\$110,541	\$112,199	\$113,882	\$115,590	\$117,324	\$119,084	\$120,870	\$122,683
Utilities	\$46,135	\$46,827	\$47,530	\$48,243	\$48,966	\$49,701	\$50,446	\$51,203	\$51,971	\$52,751	\$53,542	\$54,345	\$55,160	\$55,987	\$56,827
Insurance	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841	\$32,319	\$32,803	\$33,295	\$33,795	\$34,302	\$34,816	\$35,338	\$35,869	\$36,407	\$36,953
Real Estate Taxes	\$91,122	\$92,489	\$93,876	\$95,284	\$96,713	\$98,164	\$99,637	\$101,131	\$102,648	\$104,188	\$105,751	\$107,337	\$108,947	\$110,581	\$112,240
Replacement Reserve	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841	\$32,319	\$32,803	\$33,295	\$33,795	\$34,302	\$34,816	\$35,338	\$35,869	\$36,407	\$36,953
Management Fee	\$36,577	\$37,125	\$37,682	\$38,247	\$38,821	\$39,403	\$39,994	\$40,594	\$41,203	\$41,821	\$42,449	\$43,085	\$43,732	\$44,388	\$45,053
Total Expenses	\$448,434	\$455,160	\$461,987	\$468,917	\$475,951	\$483,090	\$490,337	\$497,692	\$505,157	\$512,734	\$520,425	\$528,232	\$536,155	\$544,198	\$552,361
Net Operating Income	\$283,097	\$287,343	\$291,653	\$296,028	\$300,469	\$304,976	\$309,550	\$314,194	\$318,907	\$323,690	\$328,545	\$333,474	\$338,476	\$343,553	\$348,706
Reversion Calculation															
Terminal Capitalization Rate	6.5%														
Sales Costs	3.0%														
Net Sales Proceeds	\$5,200,000														

As Proposed Restricted Scenario (Years 16 through 30)

LIHTC Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Income															
Low Income Units	\$950,216	\$964,470	\$978,937	\$993,621	\$1,008,525	\$1,023,653	\$1,039,008	\$1,054,593	\$1,070,412	\$1,086,468	\$1,102,765	\$1,119,306	\$1,136,096	\$1,153,137	\$1,170,434
Nonresidential	\$12,502	\$12,690	\$12,880	\$13,073	\$13,270	\$13,469	\$13,671	\$13,876	\$14,084	\$14,295	\$14,509	\$14,727	\$14,948	\$15,172	\$15,400
Gross Project Income	\$962,719	\$977,159	\$991,817	\$1,006,694	\$1,021,795	\$1,037,121	\$1,052,678	\$1,068,468	\$1,084,495	\$1,100,763	\$1,117,274	\$1,134,033	\$1,151,044	\$1,168,310	\$1,185,834
Vacancy Allowance	-\$48,136	-\$48,858	-\$49,591	-\$50,335	-\$51,090	-\$51,856	-\$52,634	-\$53,423	-\$54,225	-\$55,038	-\$55,864	-\$56,702	-\$57,552	-\$58,415	-\$59,292
Effective Gross Income	\$914,583	\$928,302	\$942,226	\$956,359	\$970,705	\$985,265	\$1,000,044	\$1,015,045	\$1,030,271	\$1,045,725	\$1,061,411	\$1,077,332	\$1,093,492	\$1,109,894	\$1,126,543
Expenses															
Administrative and Marketing	\$62,512	\$63,449	\$64,401	\$65,367	\$66,348	\$67,343	\$68,353	\$69,378	\$70,419	\$71,475	\$72,547	\$73,635	\$74,740	\$75,861	\$76,999
Maintenance and Operating	\$81,265	\$82,484	\$83,721	\$84,977	\$86,252	\$87,546	\$88,859	\$90,192	\$91,545	\$92,918	\$94,311	\$95,726	\$97,162	\$98,619	\$100,099
Payroll	\$124,523	\$126,391	\$128,287	\$130,211	\$132,164	\$134,147	\$136,159	\$138,201	\$140,274	\$142,378	\$144,514	\$146,682	\$148,882	\$151,115	\$153,382
Utilities	\$57,680	\$58,545	\$59,423	\$60,314	\$61,219	\$62,137	\$63,069	\$64,016	\$64,976	\$65,950	\$66,940	\$67,944	\$68,963	\$69,997	\$71,047
Insurance	\$37,507	\$38,070	\$38,641	\$39,220	\$39,809	\$40,406	\$41,012	\$41,627	\$42,251	\$42,885	\$43,528	\$44,181	\$44,844	\$45,517	\$46,199
Real Estate Taxes	\$113,923	\$115,632	\$117,367	\$119,127	\$120,914	\$122,728	\$124,569	\$126,437	\$128,334	\$130,259	\$132,213	\$134,196	\$136,209	\$138,252	\$140,326
Replacement Reserve	\$37,507	\$38,070	\$38,641	\$39,220	\$39,809	\$40,406	\$41,012	\$41,627	\$42,251	\$42,885	\$43,528	\$44,181	\$44,844	\$45,517	\$46,199
Management Fee	\$45,729	\$46,415	\$47,111	\$47,818	\$48,535	\$49,263	\$50,002	\$50,752	\$51,514	\$52,286	\$53,071	\$53,867	\$54,675	\$55,495	\$56,327
Total Expenses	\$560,646	\$569,056	\$577,591	\$586,255	\$595,049	\$603,975	\$613,035	\$622,230	\$631,564	\$641,037	\$650,653	\$660,412	\$670,319	\$680,373	\$690,579
Net Operating Income	\$353,937	\$359,246	\$364,635	\$370,104	\$375,656	\$381,290	\$387,010	\$392,815	\$398,707	\$404,688	\$410,758	\$416,919	\$423,173	\$429,521	\$435,964
Reversion Calculation															
Terminal Capitalization Rate					6.5%					6.5%					6.5%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$5,600,000					\$6,000,000					\$6,500,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation of "as complete"

Fiscal Year	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019	Year 6 2020	Year 7 2021	Year 8 2022	Year 9 2023	Year 10 2024	Year 11 2025	Year 12 2026	Year 13 2027	Year 14 2028	Year 15 2029
Income															
Low Income Units	\$1,145,400	\$1,162,581	\$1,180,020	\$1,197,720	\$1,215,686	\$1,233,921	\$1,252,430	\$1,271,216	\$1,290,285	\$1,309,639	\$1,329,283	\$1,349,223	\$1,369,461	\$1,390,003	\$1,410,853
Nonresidential	\$10,000	\$10,150	\$10,302	\$10,457	\$10,614	\$10,773	\$10,934	\$11,098	\$11,265	\$11,434	\$11,605	\$11,779	\$11,956	\$12,136	\$12,318
Gross Project Income	\$1,155,400	\$1,172,731	\$1,190,322	\$1,208,177	\$1,226,299	\$1,244,694	\$1,263,364	\$1,282,315	\$1,301,550	\$1,321,073	\$1,340,889	\$1,361,002	\$1,381,417	\$1,402,138	\$1,423,171
Vacancy Allowance	-\$57,770	-\$58,637	-\$59,516	-\$60,409	-\$61,315	-\$62,235	-\$63,168	-\$64,116	-\$65,077	-\$66,054	-\$67,044	-\$68,050	-\$69,071	-\$70,107	-\$71,159
Effective Gross Income	\$1,097,630	\$1,114,094	\$1,130,806	\$1,147,768	\$1,164,984	\$1,182,459	\$1,200,196	\$1,218,199	\$1,236,472	\$1,255,019	\$1,273,844	\$1,292,952	\$1,312,346	\$1,332,032	\$1,352,012
Expenses															
Administrative and Marketing	\$42,000	\$42,630	\$43,269	\$43,918	\$44,577	\$45,246	\$45,925	\$46,613	\$47,313	\$48,022	\$48,743	\$49,474	\$50,216	\$50,969	\$51,734
Maintenance and Operating	\$65,000	\$65,975	\$66,965	\$67,969	\$68,989	\$70,023	\$71,074	\$72,140	\$73,222	\$74,320	\$75,435	\$76,567	\$77,715	\$78,881	\$80,064
Payroll	\$99,600	\$101,094	\$102,610	\$104,150	\$105,712	\$107,297	\$108,907	\$110,541	\$112,199	\$113,882	\$115,590	\$117,324	\$119,084	\$120,870	\$122,683
Utilities	\$46,135	\$46,827	\$47,530	\$48,243	\$48,966	\$49,701	\$50,446	\$51,203	\$51,971	\$52,751	\$53,542	\$54,345	\$55,160	\$55,987	\$56,827
Insurance	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841	\$32,319	\$32,803	\$33,295	\$33,795	\$34,302	\$34,816	\$35,338	\$35,869	\$36,407	\$36,953
Real Estate Taxes	\$124,257	\$126,121	\$128,013	\$129,933	\$131,882	\$133,860	\$135,868	\$137,906	\$139,975	\$142,074	\$144,205	\$146,368	\$148,564	\$150,792	\$153,054
Replacement Reserve	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841	\$32,319	\$32,803	\$33,295	\$33,795	\$34,302	\$34,816	\$35,338	\$35,869	\$36,407	\$36,953
Management Fee	\$43,905	\$55,705	\$56,540	\$57,388	\$58,249	\$59,123	\$60,010	\$60,910	\$61,824	\$62,751	\$63,692	\$64,648	\$65,617	\$66,602	\$67,601
Total Expenses	\$480,897	\$499,252	\$506,741	\$514,342	\$522,057	\$529,888	\$537,836	\$545,904	\$554,092	\$562,403	\$570,840	\$579,402	\$588,093	\$596,915	\$605,868
Net Operating Income	\$616,733	\$614,843	\$624,065	\$633,426	\$642,928	\$652,572	\$662,360	\$672,296	\$682,380	\$692,616	\$703,005	\$713,550	\$724,253	\$735,117	\$746,144
Reversion Calculation															
Terminal Capitalization Rate	6.5%														6.5%
Sales Costs	3.0%														3.0%
Net Sales Proceeds															\$11,100,000

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation of "as complete"															
Fiscal Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Income															
Low Income Units	\$1,432,016	\$1,453,496	\$1,475,298	\$1,497,428	\$1,519,889	\$1,542,688	\$1,565,828	\$1,589,315	\$1,613,155	\$1,637,353	\$1,661,913	\$1,686,842	\$1,712,144	\$1,737,826	\$1,763,894
Nonresidential	\$12,502	\$12,690	\$12,880	\$13,073	\$13,270	\$13,469	\$13,671	\$13,876	\$14,084	\$14,295	\$14,509	\$14,727	\$14,948	\$15,172	\$15,400
Gross Project Income	\$1,444,518	\$1,466,186	\$1,488,179	\$1,510,501	\$1,533,159	\$1,556,156	\$1,579,499	\$1,603,191	\$1,627,239	\$1,651,648	\$1,676,422	\$1,701,569	\$1,727,092	\$1,752,999	\$1,779,293
Vacancy Allowance	-\$72,226	-\$73,309	-\$74,409	-\$75,525	-\$76,658	-\$77,808	-\$78,975	-\$80,160	-\$81,362	-\$82,582	-\$83,821	-\$85,078	-\$86,355	-\$87,650	-\$88,965
Effective Gross Income	\$1,372,292	\$1,392,877	\$1,413,770	\$1,434,976	\$1,456,501	\$1,478,348	\$1,500,524	\$1,523,032	\$1,545,877	\$1,569,065	\$1,592,601	\$1,616,490	\$1,640,738	\$1,665,349	\$1,690,329
Expenses															
Administrative and Marketing	\$52,510	\$53,297	\$54,097	\$54,908	\$55,732	\$56,568	\$57,416	\$58,278	\$59,152	\$60,039	\$60,940	\$61,854	\$62,782	\$63,723	\$64,679
Maintenance and Operating	\$81,265	\$82,484	\$83,721	\$84,977	\$86,252	\$87,546	\$88,859	\$90,192	\$91,545	\$92,918	\$94,311	\$95,726	\$97,162	\$98,619	\$100,099
Payroll	\$124,523	\$126,391	\$128,287	\$130,211	\$132,164	\$134,147	\$136,159	\$138,201	\$140,274	\$142,378	\$144,514	\$146,682	\$148,882	\$151,115	\$153,382
Utilities	\$57,680	\$58,545	\$59,423	\$60,314	\$61,219	\$62,137	\$63,069	\$64,016	\$64,976	\$65,950	\$66,940	\$67,944	\$68,963	\$69,997	\$71,047
Insurance	\$37,507	\$38,070	\$38,641	\$39,220	\$39,809	\$40,406	\$41,012	\$41,627	\$42,251	\$42,885	\$43,528	\$44,181	\$44,844	\$45,517	\$46,199
Real Estate Taxes	\$155,350	\$157,680	\$160,046	\$162,446	\$164,883	\$167,356	\$169,867	\$172,415	\$175,001	\$177,626	\$180,290	\$182,994	\$185,739	\$188,525	\$191,353
Replacement Reserve	\$37,507	\$38,070	\$38,641	\$39,220	\$39,809	\$40,406	\$41,012	\$41,627	\$42,251	\$42,885	\$43,528	\$44,181	\$44,844	\$45,517	\$46,199
Management Fee	\$68,615	\$69,644	\$70,688	\$71,749	\$72,825	\$73,917	\$75,026	\$76,152	\$77,294	\$78,453	\$79,630	\$80,825	\$82,037	\$83,267	\$84,516
Total Expenses	\$614,956	\$624,181	\$633,543	\$643,046	\$652,692	\$662,483	\$672,420	\$682,506	\$692,744	\$703,135	\$713,682	\$724,387	\$735,253	\$746,282	\$757,476
Net Operating Income	\$757,336	\$768,696	\$780,226	\$791,930	\$803,809	\$815,866	\$828,104	\$840,525	\$853,133	\$865,930	\$878,919	\$892,103	\$905,485	\$919,067	\$932,853
Reversion Calculation															
Terminal Capitalization Rate					6.5%					6.5%					6.5%
Sales Costs					3.0%					3.0%					3.0%
Net Sales Proceeds					\$12,000,000					\$12,900,000					\$13,900,000

Conclusion

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2044, as of March 23, 2015, is:

**SIX MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$6,500,000)**

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2044, as of March 23, 2015, is:

**THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$13,900,000)**

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's prospective value assuming completion and stabilization as of the date of value, for the restricted rate scenario. *Please see the assumptions and limiting conditions regarding hypothetical conditions.*

To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

Overall Capitalization Rate

In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

Market Extraction

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

SALES COMPARISON

	Property	Location	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross	
								Income Multiplier	Overall Rate
1	River Crossing Apartments	Savannah, GA	1978	Jan-15	\$14,125,000	176	\$80,256	8.5	6.0%
2	Georgetown Crossing	Savannah, GA	1994	Jun-14	\$15,850,000	168	\$94,345	8.9	5.9%
3	Courtney Station Apartments	Savannah, GA	2008	Apr-13	\$35,250,000	300	\$117,500	10.7	5.5%
4	Carrington Square Apartments	Pooler, GA	2007	Feb-13	\$30,540,000	288	\$106,042	7.7	5.5%
5	Preston Grove Apartments	Savannah, GA	1999	Aug-12	<u>\$18,950,000</u>	<u>192</u>	<u>\$98,698</u>	<u>9.8</u>	<u>6.0%</u>
	Average				\$22,943,000	225	\$99,368	9.1	5.7%

The properties are all stabilized and represent typical market transactions for multifamily properties in south-central Georgia. The primary factors that influences the selection of a rate is the Subject's condition and location. The sales illustrate a range of overall rates from 5.5 percent to 6.0 percent and occurred between August 2012 and January 2015. It appears that capitalization rates have remained stable in the region during this time period. Comparable Sales 3 and 4 were constructed between 2007 and 2008 and are the most similar to the proposed Subject in terms of age and condition. Sale 1, 2, and 5 were constructed between 1978 and 1999 and are slightly inferior to the Subject in terms of age and condition. Sale 3 is located in a generally similar location as the Subject. Sales 1, 2, 4 and 5 are located in Savannah or Pooler, between six and 13 miles from the Subject, within slightly superior to superior locations. Further, all the sales have generally inferior number of units yet are considered large enough to attract similar institutional investors. We believe a capitalization rate of 5.75 percent is considered reasonable based on market extraction for the Subject.

REIS capitalization rate data is not available for Savannah, Chatham County, or any of the surrounding counties. Therefore, this data was not presented in the report.

The PwC Real Estate Investor Survey

The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

PwC REAL ESTATE INVESTOR SURVEY

National Apartment Market

Overall Capitalization Rate - Institutional Grade Investments	
Range:	3.50% - 8.00%
Average:	5.36%
Non-Institutional Grade Investments	
Range:	3.75% - 12.00%
Average:	6.58%

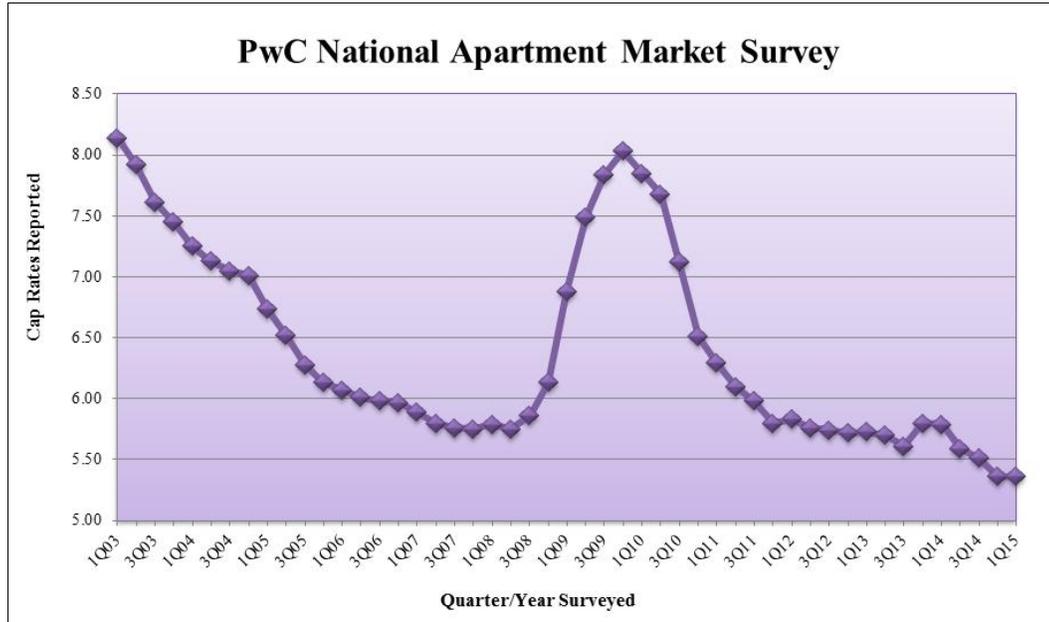
Source: PwC Real Estate Investor Survey, Q1 2015

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria². Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 122 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

² PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q03	8.14	-
2Q03	7.92	-0.22
3Q03	7.61	-0.31
4Q03	7.45	-0.16
1Q04	7.25	-0.20
2Q04	7.13	-0.12
3Q04	7.05	-0.08
4Q04	7.01	-0.04
1Q05	6.74	-0.27
2Q05	6.52	-0.22
3Q05	6.28	-0.24
4Q05	6.13	-0.15
1Q06	6.07	-0.06
2Q06	6.01	-0.06
3Q06	5.98	-0.03
4Q06	5.97	-0.01
1Q07	5.89	-0.08
2Q07	5.80	-0.09
3Q07	5.76	-0.04
4Q07	5.75	-0.01
1Q08	5.79	0.04
2Q08	5.75	-0.04
3Q08	5.86	0.11
4Q08	6.13	0.27
1Q09	6.88	0.75
2Q09	7.49	0.61
3Q09	7.84	0.35
4Q09	8.03	0.19
1Q10	7.85	-0.18
2Q10	7.68	-0.17
3Q10	7.12	-0.56
4Q10	6.51	-0.61
1Q11	6.29	-0.22
2Q11	6.10	-0.19
3Q11	5.98	-0.12
4Q11	5.80	-0.18
1Q12	5.83	0.03
2Q12	5.76	-0.07
3Q12	5.74	-0.02
4Q12	5.72	-0.02
1Q13	5.73	0.01
2Q13	5.70	-0.03
3Q13	5.61	-0.09
4Q13	5.80	0.19
1Q14	5.79	-0.01
2Q14	5.59	-0.20
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0.00

Source: PwC Real Estate Investor Survey, Q1 2015



As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015 with the exception of an increase from the third quarter of 2013 through the fourth quarter of 2013. Capitalization rates as of the first quarter of 2015 have exhibited a decrease over capitalization rates from the first quarter of 2014. Overall, we have estimated the capitalization rate of 5.75 percent, which is within the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$R_O = D.C.R \times R_M \times M$$

Where:

R_O = Overall Capitalization Rate
 D.C.R = Debt Coverage Ratio
 R_M = Mortgage Constant
 M = Loan-to-Value Ratio

Band of Investment

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_O = M \times R_M + (1-M) \times R_E$$

Where:

R_O = Overall Capitalization Rate
 M = Loan-to-Value Ratio
 R_M = Mortgage Constant
 R_E = Equity Dividend

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten year treasury. The equity dividend rate R_E , also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from two to 10 percent. In this case, the Subject is located within an urban market. An equity dividend estimate of 6.0 percent is considered reasonable in this analysis.

The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 4.5 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 4.00 and 6.00 percent. Therefore, we believe a 4.5 percent interest rate with a 30 year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.25	Treasury Bond Basis	
Rm	0.06	10 Year T Bond Rate (4/15)	1.93%
Interest (per annum)*	4.50%	Interest rate spread	257
Amortization (years)	30	Interest Rate (per annum)	4.50%
M	80%		
Re	6%		

Debt Coverage Ratio

$$R_o = DCR \times R_m \times M$$

$$6.08\% = 1.25 \times 0.06 \times 80\%$$

Band of Investment

$$R_o = (M \times R_m) + ((1-M) \times Re)$$

$$6.06\% = (80\% \times 0.06) + (20\% \times 6\%)$$

Conclusion of Overall Rate Selection

After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	5.75%
PwC Survey	5.75%
Debt Coverage Ratio	6.08%
Band of Investment	6.06%

The following issues impact the determination of a capitalization rate for the Subject:

- Current market health
- Existing competition
- Subject’s construction type and tenancy and physical appeal
- The anticipated demand growth in the Subject sub-market
- The demand growth expected over the next three years
- Local market overall rates

The four approaches indicate a range from 5.75 to 6.1 percent. Therefore, we reconciled to a 5.75 percent capitalization rate for all scenarios based primarily upon the market-extracted rates. A summary of the direct capitalization analysis for these scenarios can be found on the following pages.

Direct Capitalization Technique Year One Operating Statement

Expense Analysis
Operating Revenues

	Market Unit Mix	As Proposed Restricted		As Proposed Unrestricted	
		Rent	Total Revenue	Rent	Total Revenue
Apartment Rentals					
1 BR @ 60% (ACC)	1	\$0	\$0	\$750	\$9,000
2 BR @ 60% (ACC)	5	\$0	\$0	\$925	\$55,500
3 BR @ 60% (ACC)	3	\$0	\$0	\$1,050	\$37,800
4 BR @ 60% (ACC)	1	\$0	\$0	\$1,225	\$14,700
1 BR @ 60% (RAD)	6	\$470	\$33,840	\$750	\$54,000
2 BR @ 60% (RAD)	16	\$476	\$91,392	\$925	\$177,600
3 BR @ 60% (RAD)	10	\$695	\$83,400	\$1,050	\$126,000
4 BR @ 60% (RAD)	4	\$717	\$34,416	\$1,225	\$58,800
1 BR @ 60%	4	\$565	\$27,120	\$750	\$36,000
2 BR @ 60%	24	\$681	\$196,128	\$925	\$266,400
3 BR @ 60%	5	\$772	\$46,320	\$1,050	\$63,000
4 BR @ 60%	1	\$843	\$10,116	\$1,225	\$14,700
1 BR (Market Rate)	1	\$800	\$9,600	\$750	\$9,000
2 BR (Market Rate)	11	\$925	\$122,100	\$925	\$122,100
3 BR (Market Rate)	8	\$1,100	\$105,600	\$1,050	\$100,800
Total Potential Rental Income	100	\$633	\$760,032	\$955	\$1,145,400
Other Income					
Miscellaneous		\$100	\$10,000	\$100	\$10,000
Residential Potential Revenues		\$7,700	\$770,032	\$11,554	\$1,155,400
Vacancy		-\$385	-\$38,502	-\$578	-\$57,770
Vacancy and Collections Loss Percentage			-5%		-5%
Effective Gross Income		\$7,315	\$731,530	\$10,976	\$1,097,630

Operating Expenses

		As Proposed Restricted		As Proposed Unrestricted	
Administration and Marketing		\$500	\$50,000	\$420	\$42,000
Maintenance and Operating		\$650	\$65,000	\$650	\$65,000
Payroll		\$996	\$99,600	\$996	\$99,600
Utilities		\$461	\$46,135	\$461	\$46,135
Property & Liability Insurance		\$300	\$30,000	\$300	\$30,000
Real Estate and Other Taxes		\$911	\$91,122	\$1,243	\$124,257
Replacement Reserves		\$300	\$30,000	\$300	\$30,000
Management Fee	5.0%	\$366	\$36,577	\$439	\$43,905
Total Operating Expenses		\$4,484	\$448,434	\$4,809	\$480,897
Expenses as a ratio of EGI			61%		44%

Valuation

	As Proposed Restricted		As Proposed Unrestricted	
Net Operating Income	\$2,831	\$283,097	\$6,167	\$616,733
Capitalization Rate		5.75%		5.75%
Indicated Value "rounded"		\$4,900,000		\$10,700,000

	As Complete Restricted		As Complete Unrestricted	
Number of Months to lease to Stabilized 95%*	5		10	
Income loss	\$160,423	21%	\$481,417	42%
Initial market costs	\$10,000		\$10,000	
Total loss to lease	\$170,423		\$491,417	
Value as complete	\$4,729,577		\$10,208,583	
As Complete Value Rounded	\$4,700,000		\$10,200,000	

Conclusion

The following table summarizes the findings of the previously conducted direct capitalization analysis.

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	\$170,423	\$4,700,000
As Complete Unrestricted	\$491,417	\$10,200,000

DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	5.75%	\$283,097	\$4,900,000
As Proposed Unrestricted	5.75%	\$616,733	\$10,700,000

The Subject's hypothetical market value of the real estate assuming the proposed LIHTC rents "As Complete", via the Income Capitalization Approach, as of March 23, 2015 is:

**FOUR MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$4,700,000)**

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "As Complete", via the Income Capitalization Approach, as of March 23, 2015 is:

**TEN MILLION TWO HUNDRED THOUSAND DOLLARS
(\$10,200,000)**

The Subject's hypothetical market value of the real estate assuming the proposed LIHTC rents "As Complete and Stabilized", via the Income Capitalization Approach, as of March 23, 2015 is:

**FOUR MILLION NINE HUNDRED THOUSAND DOLLARS
(\$4,900,000)**

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "As Complete and Stabilized", via the Income Capitalization Approach, as of March 23, 2015 is:

**TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)**

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

Below Market Debt

The developer has indicated that there will be a \$2,200,000 RHFF soft mortgage with a term of 40 years and an interest rate of 0.5 percent. We have assumed a steady escalation of payment through year 20 and a balloon payment at year 30.

Favorable Financing Assumptions - Hitch Phase II		RHFF Mortgage	
Principal	\$2,200,000	Market Financing Assumptions	
Interest Rate	0.50%	Principal	\$2,200,000
Term of Loan	40	Interest Rate	5.00%
		Term of Loan	30

Year	Principal	Interest	Total	Year	Principal	Interest	Total	Differential	Discount Rate	Present Value
1	\$2,490	\$10,886	\$13,376	1	\$32,458	\$109,263	\$141,721	\$128,345	95%	\$122,233
2	\$2,635	\$10,636	\$13,271	2	\$34,119	\$107,602	\$141,721	\$128,450	91%	\$116,508
3	\$2,795	\$10,385	\$13,180	3	\$35,864	\$105,857	\$141,721	\$128,540	86%	\$111,038
4	\$2,974	\$10,133	\$13,108	4	\$37,699	\$104,022	\$141,721	\$128,613	82%	\$105,811
5	\$3,176	\$9,880	\$13,056	5	\$39,628	\$102,093	\$141,721	\$128,665	78%	\$100,812
6	\$3,405	\$9,625	\$13,030	6	\$41,655	\$100,066	\$141,721	\$128,691	75%	\$96,031
7	\$3,666	\$9,369	\$13,035	7	\$43,786	\$97,934	\$141,721	\$128,685	71%	\$91,454
8	\$3,968	\$9,112	\$13,080	8	\$46,027	\$95,694	\$141,721	\$128,641	68%	\$87,069
9	\$4,320	\$8,854	\$13,174	9	\$48,381	\$93,339	\$141,721	\$128,547	64%	\$82,863
10	\$4,736	\$8,594	\$13,330	10	\$50,857	\$90,864	\$141,721	\$128,391	61%	\$78,821
11	\$5,236	\$8,333	\$13,569	11	\$53,459	\$88,262	\$141,721	\$128,152	58%	\$74,928
12	\$5,847	\$8,070	\$13,917	12	\$56,194	\$85,527	\$141,721	\$127,803	56%	\$71,166
13	\$6,611	\$7,807	\$14,418	13	\$59,069	\$82,652	\$141,721	\$127,303	53%	\$67,512
14	\$7,593	\$7,542	\$15,135	14	\$62,091	\$79,630	\$141,721	\$126,586	51%	\$63,935
15	\$8,903	\$7,275	\$16,178	15	\$65,267	\$76,453	\$141,721	\$125,542	48%	\$60,388
16	\$10,737	\$7,007	\$17,745	16	\$68,607	\$73,114	\$141,721	\$123,976	46%	\$56,795
17	\$13,489	\$6,738	\$20,227	17	\$72,117	\$69,604	\$141,721	\$121,493	44%	\$53,007
18	\$18,076	\$6,468	\$24,544	18	\$75,806	\$65,915	\$141,721	\$117,177	42%	\$48,690
19	\$27,249	\$6,196	\$33,445	19	\$79,685	\$62,036	\$141,721	\$108,275	40%	\$42,848
20	\$54,771	\$5,923	\$60,695	20	\$83,762	\$57,959	\$141,721	\$81,026	38%	\$30,538
21	\$55,046	\$5,649	\$60,695	21	\$88,047	\$53,674	\$141,721	\$81,026	36%	\$29,084
22	\$55,322	\$5,373	\$60,695	22	\$92,552	\$49,169	\$141,721	\$81,026	34%	\$27,699
23	\$55,599	\$5,096	\$60,695	23	\$97,287	\$44,434	\$141,721	\$81,026	33%	\$26,380
24	\$55,878	\$4,817	\$60,695	24	\$102,264	\$39,457	\$141,721	\$81,026	31%	\$25,124
25	\$56,158	\$4,537	\$60,695	25	\$107,496	\$34,225	\$141,721	\$81,026	30%	\$23,927
26	\$56,439	\$4,255	\$60,695	26	\$112,996	\$28,725	\$141,721	\$81,026	28%	\$22,788
27	\$56,722	\$3,973	\$60,695	27	\$118,777	\$22,944	\$141,721	\$81,026	27%	\$21,703
28	\$57,006	\$3,688	\$60,695	28	\$124,854	\$16,867	\$141,721	\$81,026	26%	\$20,669
29	\$57,292	\$3,403	\$60,695	29	\$131,242	\$10,479	\$141,721	\$81,026	24%	\$19,685
30	\$1,501,860	\$3,116	\$1,504,975	30	\$137,956	\$3,765	\$141,721	-\$1,363,254	23%	-\$315,426
Total	\$2,200,000	\$212,741	\$2,412,741	Total	\$2,200,000	\$2,051,627	\$4,251,627	\$1,838,886		\$1,464,077
									Rounded	\$1,500,000

As the calculations above show, the first and second mortgages will have economic value. There is additional value in the fact that it allows the property to obtain more up-front financing and have a lower debt service.

FAVORABLE FINANCING VALUATION

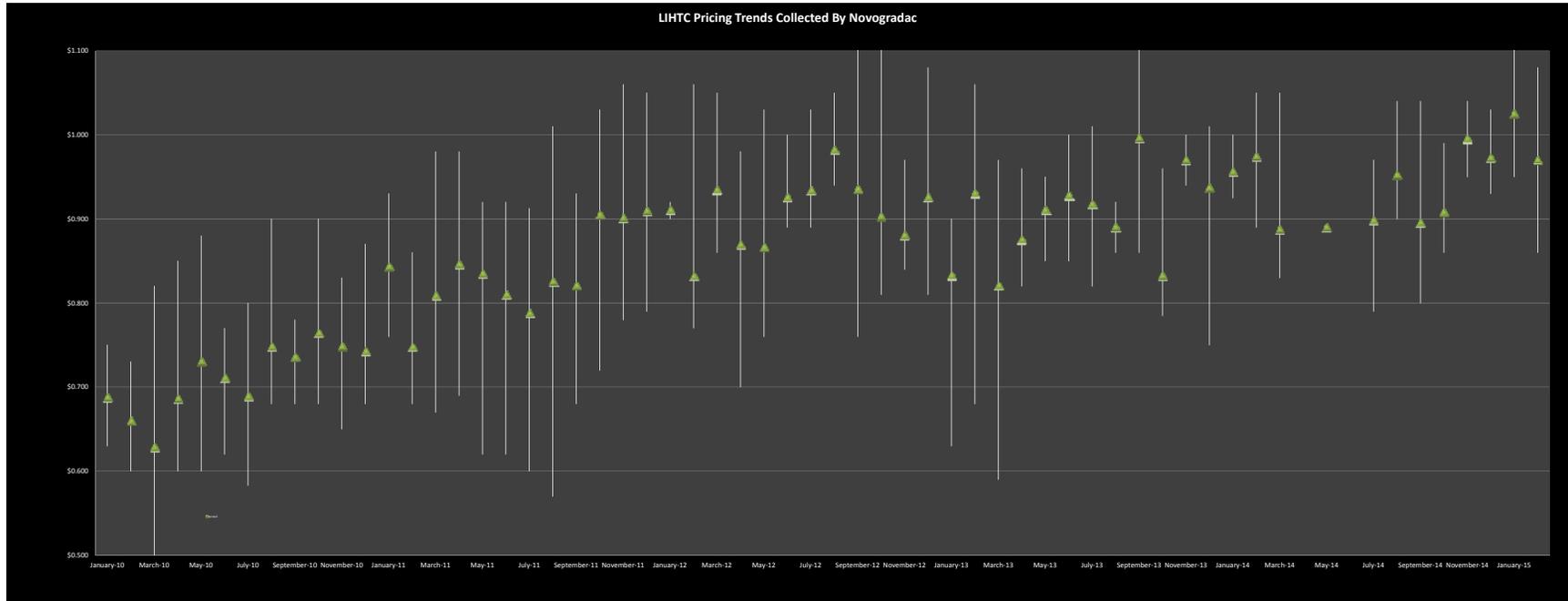
	Indicated Value (Rounded)
Restricted & Unrestricted	\$1,500,000

VALUATION - TAX CREDIT EQUITY

We were asked to value the federal tax credits. A 10-year federal tax credit incentive program encumbers the Subject. The Subject is a proposed multifamily LIHTC and market rate property. We were asked to value the tax credits.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The developer expects to receive a total LIHTC allocation of \$18,137,978 (\$9,068,989 federal tax credit equity and \$9,068,989 Georgia State tax credit equity, respectively).

Valuation of LIHTC is typically done by a sales approach. The industry typically values and analyzes the LIHTC transaction on a dollar per credit basis. Novogradac & Company LLP conducts monthly surveys in which we contact developers, syndicators and consultants involved in LIHTC transactions to obtain information on recent LIHTC pricing. The following graph illustrates LIHTC pricing trends. The graph illustrates the average price achieved on a monthly basis for the projects included in our survey.



As the previous table illustrates, the tax credit raise rate in recent months has averaged approximately \$0.93, with a range of \$0.86 to \$1.08. The pricing above reflects transactions similar to Subject. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The Subject will be located in Savannah, GA, which is a tertiary market, offer RAD subsidy, and will be new construction. Tax credit pricing has trended down over the past several months and has settled in the upper-\$0.80 to upper -\$0.90 range. The developer’s budget is \$0.88 per credit. We believe that the developer’s budget is understated and conclude to \$0.99 per credit.

The following table illustrates Georgia state tax credit pricing in 2012 to 2014.

GEORGIA STATE TAX CREDIT PRICING			
Closing Date	Price Per Credit	Location	Type
2014	\$0.32	Union City	New Construction
2013	\$0.30	Griffin	New Construction
2013	\$0.25	Auburn	New Construction
2012	\$0.25	Ellijay	New Construction
2012	\$0.25	Cairo	Acquisition/Rehabilitation
2012	\$0.26	Locust Grove	New Construction
2012	\$0.34	Atlanta	Acquisition/Rehabilitation
2012	\$0.34	Union City	Acquisition/Rehabilitation

According to recent data, the Georgia state credit pricing ranged from \$0.25 to \$0.34 in 2012 and 2014. However, we also contacted two Georgia state LIHTC investors. Our conversations indicated a range of \$0.45 to \$0.50 per credit in 2015. The developer’s budget is \$0.45 per credit. We believe that the developer’s budget is reasonable and conclude to \$0.45 per credit.

Federal and State Tax Credit Value		
	Value	Pricing
Total credits	\$8,119,278	
Annual amount	\$811,928	
Federal	\$8,978,299	\$0.99
State	<u>\$4,081,045</u>	\$0.45
Total Value	\$13,059,344	

We believe a price of approximately \$0.99 per credit for federal tax credits and \$0.45 for state tax credits is reasonable. This rate results in a total tax credit value of approximately \$11,400,000 (rounded). This value is effective as of March 23, 2015.

Federal
NINE MILLION DOLLARS
(\$9,000,000)

State
FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$4,100,000)

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

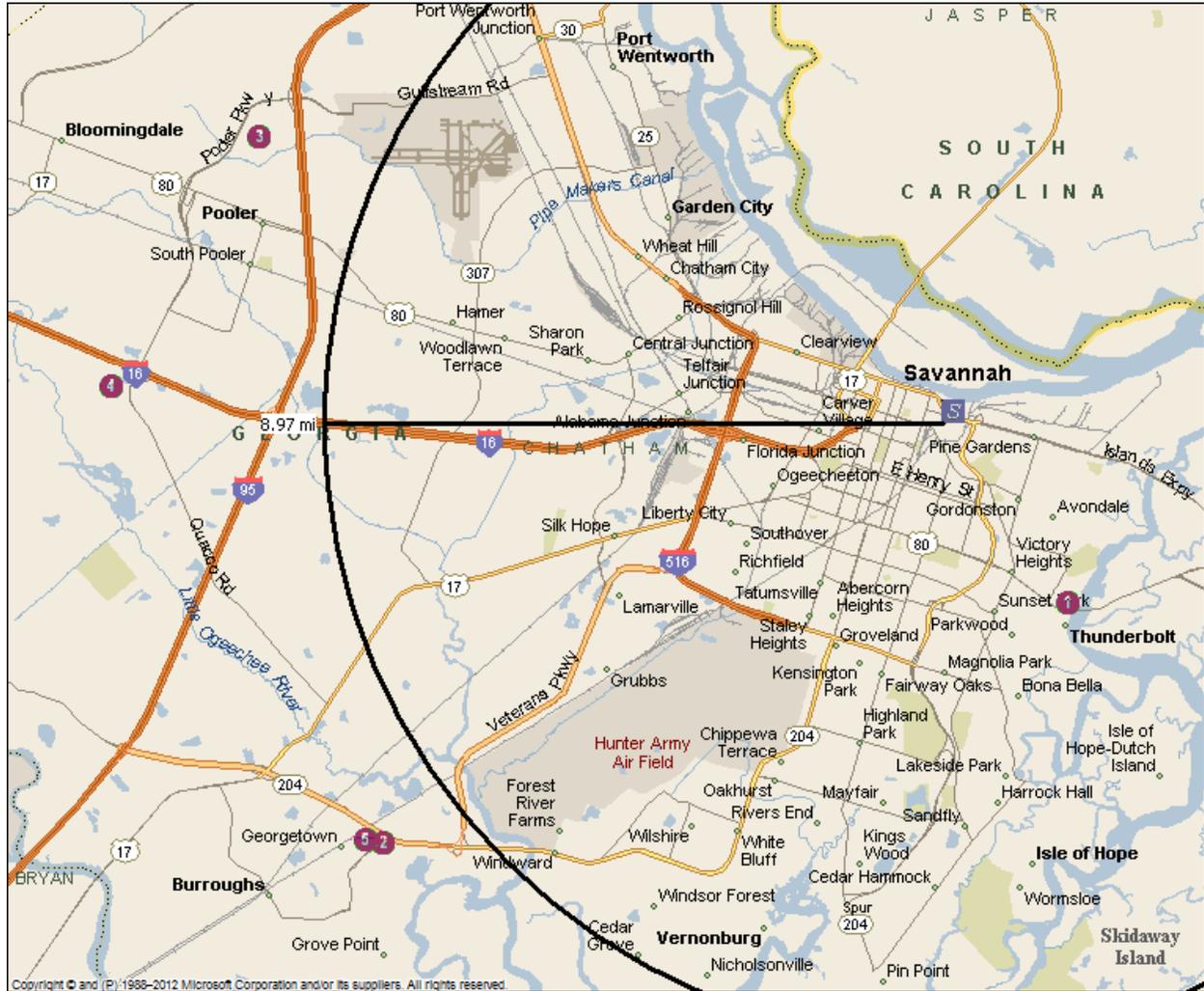
SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable.

Comparable Sales Map



SALES COMPARISON

	Property	Location	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	River Crossing Apartments	Savannah, GA	1978	Jan-15	\$14,125,000	176	\$80,256	8.5	6.0%
2	Georgetown Crossing	Savannah, GA	1994	Jun-14	\$15,850,000	168	\$94,345	8.9	5.9%
3	Courtney Station Apartments	Savannah, GA	2008	Apr-13	\$35,250,000	300	\$117,500	10.7	5.5%
4	Carrington Square Apartments	Pooler, GA	2007	Feb-13	\$30,540,000	288	\$106,042	7.7	5.5%
5	Preston Grove Apartments	Savannah, GA	1999	Aug-12	<u>\$18,950,000</u>	<u>192</u>	<u>\$98,698</u>	<u>9.8</u>	<u>6.0%</u>
	Average				\$22,943,000	225	\$99,368	9.1	5.7%

Comparable Sale 1

Name: River Crossing Apartments
Location: 2616 Dogwood Avenue
 Savannah, GA 31404



Seller: DT Savannah Georgia, LP
Buyer: JARS at River Crossing, LLC
Sale Date: Jan-15
Sale Price: \$14,125,000

Financing: Conventional
Number of Units: 176
Year Built: 1978
Site: 14.24 Acres

Units of Comparison:

Effective Gross Income:	\$1,659,228
EGIM	8.5
Total Expenses:	\$811,728
Net Operating Income:	\$847,500
Net Operating Income per Unit:	\$4,815
Overall Rate with Reserves:	6.00%
Sale Price per Unit:	\$80,256

Comments:

This development consists of one, two, and three-bedroom units. The property was reported to be 91 percent occupied at the time of the sale and in good condition. Stephen Chapin with JARS Residential confirmed the sales price, sales date, capitalization rate, and expenses.

Verification: Buyer (904.491.7736), Appraiser Files

Comparable Sale 2

Name: Georgetown Crossing
Location: 1015 King George Blvd
 Savannah, GA 31419



Seller: The Shoptaw Group
Buyer: Georgetown Crossing Apartment
Sale Date: Jun-14
Sale Price: \$15,850,000

Financing: Conventional
Number of Units: 168
Year Built: 1994
Site: 32.25 Acres

Units of Comparison:

Effective Gross Income:	\$1,775,150
EGIM	8.9
Total Expenses:	\$840,000
Net Operating Income:	\$935,150
Net Operating Income per Unit:	\$5,566
Overall Rate with Reserves:	5.90%
Sale Price per Unit:	\$94,345

Comments:

This development consists of one- and two-bedroom units. The property was reported to be 97 percent occupied at the time of the sale and in good condition. Derrick Bloom with Jones Lang LaSalle confirmed the sales price, sales date, and capitalization rate. Novogradac has estimated expenses at \$5,000 per unit.

Verification: Broker (404.995.2287), Appraiser Files

Comparable Sale 3

Name: Courtney Station Apartments
Location: 285 Park Avenue
 Pooler, GA 31322



Buyer: BRT Realty Trust
Seller: ContraVest
Sale Date: Apr-13
Sale Price: \$35,250,000

Financing: Conventional
Number of Units: 300
Year Built: 2008
Site: 20

Units of Comparison:

Effective Gross Income:	\$3,288,750
EGIM	10.7
Total Expenses:	\$1,350,000
Net Operating Income:	\$1,938,750
Net Operating Income per Unit:	\$6,463
Overall Rate with Reserves:	5.5%
Sale Price per Unit:	\$117,500

Comments:

This upscale property includes one, two, and three-bedroom units in three-story garden buildings. It was 95 percent occupied at the time of sale. Amenities include a clubhouse, swimming pool, and optional garage parking among others. The broker confirmed gross and net income as well as the capitalization rate.

Verification: Costar, Broker (Kris Mikkelson, Engler Financial Group, 678-992-2000)

Comparable Sale 4

Name: Carrington Square Apartments
Location: 280 Blue Moon Crossing
 Pooler, GA 31322



Buyer: Savannah Housing Partners II, LLC
Seller: SG Carrington Square LLC
Sale Date: Feb-13
Sale Price: \$30,540,000

Financing: Conventional
Number of Units: 288
Year Built: 2007
Site: 15.11

Units of Comparison:

Effective Gross Income:	\$3,964,700
EGIM	7.7
Total Expenses:	\$2,285,000
Net Operating Income:	\$1,679,700
Net Operating Income per Unit:	\$5,832
Overall Rate with Reserves:	5.5%
Sale Price per Unit:	\$106,042

Comments:

This property consists of 88 one-bedroom units, 112 two-bedroom units, and 88 three-bedroom units with rents ranging from \$850 to \$1,140. The property was in good condition at the time of the sale and was approximately 91 percent occupied. The income and capitalization rate information was confirmed with the broker.

Verification: Costar, Broker (Kris Mikkelson, Engler Financial Group, 678-992-2000)

Comparable Sale 5

Name: Preston Grove Apartments
Location: 1825 Grove Point Road
 Savannah, GA 31419



Buyer: SC Capital Master Fund LLC
Seller: America First Real Estate Group
Sale Date: Aug-12
Sale Price: \$18,950,000

Financing: Conventional
Number of Units: 192
Year Built: 1999
Site: 15.95

Units of Comparison:

Effective Gross Income:	\$1,938,600
EGIM	9.8
Total Expenses:	\$801,600
Net Operating Income:	\$1,137,000
Net Operating Income per Unit:	\$5,922
Overall Rate with Reserves:	6.0%
Sale Price per Unit:	\$98,698

Comments:

This property consists of 56 one-bedroom units, 112 two-bedroom units, and 24 three-bedroom units with rents ranging from \$920 to \$1,275. The property was in good condition at the time of the sale and was approximately 97 percent occupied. The income and capitalization rate information was confirmed with the broker.

Verification: Costar; Broker (Derrick Bloom, Jones Lang LaSalle, 404-995-2287)

VALUATION ANALYSIS

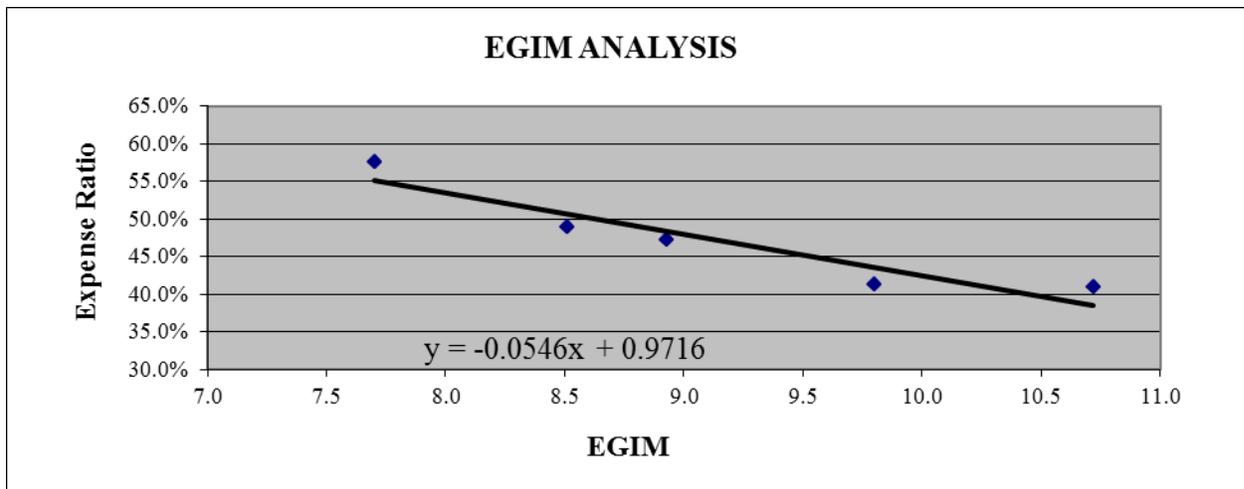
The sales selected for this analysis are summarized in the following table.

SALES COMPARISON

	Property	Location	Year Built	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	River Crossing Apartments	Savannah, GA	1978	Jan-15	\$14,125,000	176	\$80,256	8.5	6.0%
2	Georgetown Crossing	Savannah, GA	1994	Jun-14	\$15,850,000	168	\$94,345	8.9	5.9%
3	Courtney Station Apartments	Savannah, GA	2008	Apr-13	\$35,250,000	300	\$117,500	10.7	5.5%
4	Carrington Square Apartments	Pooler, GA	2007	Feb-13	\$30,540,000	288	\$106,042	7.7	5.5%
5	Preston Grove Apartments	Savannah, GA	1999	Aug-12	<u>\$18,950,000</u>	<u>192</u>	<u>\$98,698</u>	<u>9.8</u>	<u>6.0%</u>
	Average				\$22,943,000	225	\$99,368	9.1	5.7%

EGIM Analysis

We first estimate the Subject’s value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject’s anticipated effective gross income into an estimate of value. The following chart highlights the correlation between the EGIM and the expense ratios reported by the comparable sales utilized in our analysis.



	Sale Price	EGI	Expenses	Expense Ratio	EGIM
As Proposed Restricted	\$4,800,000	\$731,530	\$448,434	61%	6.5
As Proposed Unrestricted	\$10,400,000	\$1,097,630	\$480,897	44%	9.5
Comparable #1	\$14,125,000	\$1,659,228	\$811,728	49%	8.5
Comparable #2	\$15,850,000	\$1,775,150	\$840,000	47%	8.9
Comparable #3	\$35,250,000	\$3,288,750	\$1,350,000	41%	10.7
Comparable #4	\$30,540,000	\$3,964,700	\$2,285,000	58%	7.7
Comparable #5	\$18,950,000	\$1,938,600	\$1,137,000	59%	9.8

We have estimated EGIMs of 6.5 to 9.5 for the restricted and unrestricted scenarios. The Subject’s indicated value using the EGIM method is presented in the following table.

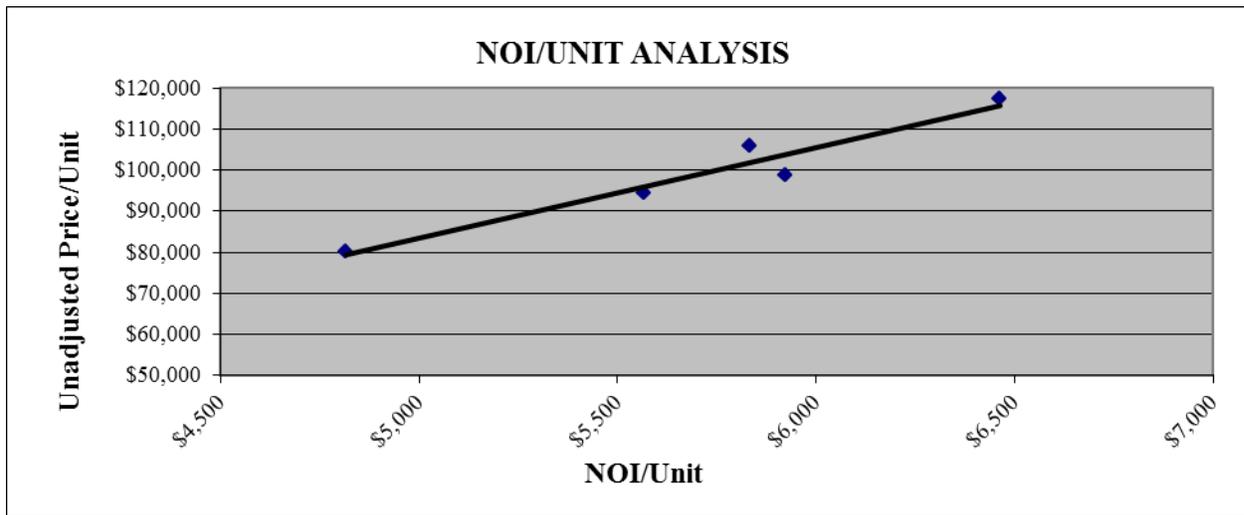
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	6.5	\$731,530	\$4,800,000
As Proposed Unrestricted	9.5	\$1,097,630	\$10,400,000

NOI/UNIT ANALYSIS

The available sales data also permits the use of the NOI/Unit analysis. This NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject. As the graph illustrates there is a direct relationship between the NOI and the sale price of the comparable properties.



The tables below summarize the calculated adjustment factors and the indicated adjusted prices.

NOI/UNIT ANALYSIS

As Proposed Restricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$2,831	/	\$4,815	=	0.59	X	\$80,256	=	\$47,183
2	\$2,831	/	\$5,566	=	0.51	X	\$94,345	=	\$47,983
3	\$2,831	/	\$6,463	=	0.44	X	\$117,500	=	\$51,472
4	\$2,831	/	\$5,832	=	0.49	X	\$106,042	=	\$51,472
5	\$2,831	/	<u>\$5,922</u>	=	<u>0.48</u>	X	<u>\$98,698</u>	=	<u>\$47,183</u>
			\$5,720		0.50		\$99,368		\$49,058

NOI/UNIT ANALYSIS
As Proposed Unrestricted

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$6,167	/	\$4,815	=	1.28	X	\$80,256	=	\$102,789
2	\$6,167	/	\$5,566	=	1.11	X	\$94,345	=	\$104,531
3	\$6,167	/	\$6,463	=	0.95	X	\$117,500	=	\$112,133
4	\$6,167	/	\$5,832	=	1.06	X	\$106,042	=	\$112,133
5	\$6,167	/	<u>\$5,922</u>	=	<u>1.04</u>	X	<u>\$98,698</u>	=	<u>\$102,789</u>
			\$5,720		1.09		\$99,368		\$106,875

Comparable sales three and four were constructed between 2007 and 2008 and are the most similar to the proposed Subject in terms of age and condition. Comparables one, two and five were constructed between 1978 and 1999 and are slightly inferior to the Subject in terms of age and condition. Sale two is located in a generally similar location as the Subject. The Sales are located in Savannah or Pooler and have slightly superior to superior locations relative to the Subject. Based upon the comparable properties, we have concluded to a price per unit within the middle of the range. Value indications via the NOI per unit analysis are summarized below.

NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	100	\$49,000	\$4,900,000
As Proposed Unrestricted	100	\$107,000	\$10,700,000

Conclusion

We utilized the EGIM, the NOI/Unit, and the per unit adjustment analyses to estimate the Subject's value using the sales comparison approach. These two methods must be reconciled into a single value estimate. Both techniques provide a reasonable indication of the Subject's value. While the EGIM analysis is considered to be a reasonable method of valuation, the NOI/unit analysis is typically considered to be the better approach due to its concentration on NOI or a point more reflective of investor returns, and its use with relation to the sales prices.

The Subject's prospective market value of the real estate As Restricted assuming the proposed LIHTC rents "**As Complete and Stabilized**", via the Sales Comparison Approach, as of March 23, 2015 is:

FOUR MILLION NINE HUNDRED THOUSAND DOLLARS
(\$4,900,000)

The Subject's hypothetical market value of the real estate assuming achievable market rents "**As Complete and Stabilized**", via the Sales Comparison Approach, as of March 23, 2015 is:

TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

RECONCILIATION

RECONCILIATION

We were asked to provide an estimate of the Subject's value with LIHTC restrictions and without restricted operations. We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

AS IS VACANT LAND			
Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	100	\$8,000	\$800,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"			
Scenario		Loss To Lease	Indicated Value (Rounded)
As Complete Restricted		\$170,423	\$4,700,000
As Complete Unrestricted		\$491,417	\$10,200,000
DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	5.75%	\$283,097	\$4,900,000
As Proposed Unrestricted	5.75%	\$616,733	\$10,700,000
EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	6.5	\$731,530	\$4,800,000
As Proposed Unrestricted	9.5	\$1,097,630	\$10,400,000
NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"			
Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	100	\$49,000	\$4,900,000
As Proposed Unrestricted	100	\$107,000	\$10,700,000
VALUE AT LOAN MATURITY - RESTRICTED			
	Year	Indicated Value (Rounded)	
Restricted	30 years	\$6,500,000	
VALUE AT LOAN MATURITY - UNRESTRICTED			
	Year	Indicated Value (Rounded)	
Unrestricted	30 years	\$13,900,000	
TAX CREDIT VALUATION			
	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$9,068,989	0.99	\$9,000,000
State LIHTC	\$9,068,989	0.45	\$4,100,000
FAVORABLE FINANCING VALUATION			
	Indicated Value (Rounded)		
Restricted & Unrestricted	\$1,500,000		

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject will be an income producing in nature, this approach is the most applicable method of valuing the Subject property. Furthermore, when valuing

the intangible items it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past three years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a NOI/unit analysis. These analyses provide a good indication of the Subject's market value.

In the final analysis, we considered the influence of the two approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach.

“As Is” Land Value

The Subject's indicated restricted “Land Value”, as of March 23, 2015 is:

**EIGHT HUNDRED THOUSAND DOLLARS
(\$800,000)**

Upon Completion Assuming Restricted Rents

The Subject's hypothetical market value of the real estate assuming proposed restricted rental rates, “Upon Completion,” as of March 23, 2015, is:

**FOUR MILLION SEVEN HUNDRED THOUSAND
(\$4,700,000)**

Upon Completion Assuming Unrestricted Rents

The Subject's hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of March 23, 2015, is:

**TEN MILLION TWO HUNDRED THOUSAND
(\$10,200,000)**

As Complete and Stabilized Restricted

The Subject's estimated market value “As Complete and Stabilized” assuming proposed restricted rental rates, as of March 23, 2015, is:

**FOUR MILLION NINE HUNDRED THOUSAND
(\$4,900,000)**

As Complete and Stabilized Unrestricted

The Subject's estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of March 23, 2015, is:

TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS
(\$10,700,000)

Prospective Market Value as Restricted 30 years (Loan Maturity),

The prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2044, as of March 23, 2015, is:

SIX MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$6,500,000)

Prospective Market Value as Proposed Unrestricted at 30 years (Loan Maturity)

The hypothetical prospective market value at 30 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2044, as of March 23, 2015, is:

THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$13,900,000)

Tax Credit Value

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of March 23, 2015, is:

Federal
NINE MILLION DOLLARS
(\$9,000,000)

State
FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$4,100,000)

Favorable Financing

The estimated present value of the favorable financing, as of March 23, 2015, is

ONE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$1,500,000)

Please refer to the assumptions and limiting conditions regarding the valuation and hypothetical value conclusions.

MARKETING TIME PROJECTION:

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "as is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of 12 months or less is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the PwC survey. This estimate assumes a strong advertising and marketing program during the marketing period.

Reasonable Exposure Time:

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the "estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market." Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of nine to 12 months appears adequate.

Addendum A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.

21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

SPECIFIC ASSUMPTIONS

The terms of the subsidy programs are preliminary as of the appraisal's effective date, March 23, 2015; therefore, any description of such terms is intended to reflect the current expectations and perceptions of market participants along with available factual data. The terms should be judged on the information available when the forecasts are made, not whether specific items in the forecasts or programs are realized. The program terms outlined in this report, as of March 23, 2015, form the basis upon which the value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter the stated terms subsequent to the date of this report.

The prospective value estimates reported herein are prepared using assumptions stated in this report which are based on the owner's/developer's plan to complete the Subject. As of March 23, 2015, the Subject's completion date is in 2017.

Prospective value estimates, which are by the nature hypothetical estimates, are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized. The market conditions outlined in the report will be as of the last inspection date of the Subject, and these conditions will form the basis upon which the prospective value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter market conditions and/or the proposed property improvements subsequent to the date of the report.

At the clients' request we appraised the Subject property under a hypothetical condition. The hypothesis is that the developer proposes to use private financing and assistance from Low Income Housing Tax Credits to construct the Subject.

CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- We have performed a concurrent market study of the subject property and a prior appraisal on the Subject Phase I within the three year period immediately preceding acceptance of this appraisal assignment;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- Rebecca S. Arthur has not made a personal inspection of the property that is the Subject of this report, but reviewed all comparable and market data. Ed Mitchell made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and are competent to perform such analyses.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Rebecca S. Arthur, MAI has completed the requirements of the continuing education program of the Appraisal Institute.



Rebecca S. Arthur, MAI
Partner



Edward R. Mitchell
Certified General Real Estate Appraiser
GA License # 4649
Expiration Date: 4/30/2016

Addendum B

Qualifications of Consultants

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI**

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Designated Member of the Appraisal Institute (MAI)
Member of Commercial Real Estate Women (CREW) Network
Member of National Council of Housing Market Analysts (NCHMA)

State of Arkansas Certified General Real Estate Appraiser No. CG2682N
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Michigan Certified General Real Estate Appraiser No. 1201074011
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

Forecasting Revenue, December 2012
USPAP Update, May 2012
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
Business Practices and Ethics, December 2010
HUD MAP Third Party Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006

Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

Institute for Professional Education and Development (IPED): Tax Credit Seminars
Institute for Responsible Housing Preservation (IRHP): Annual Meetings
National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
AHF Live! Affordable Housing Finance Magazine Annual Conference
Kansas Housing Conference

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

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

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

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

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

II. Professional Experience

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

III. Assignments

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

IV. Licensure

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

K. DAVID ADAMESCU

I. Education

The Ohio State University, Columbus, OH
Masters of City and Regional Planning
Bachelors of Arts, Economics

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP
Project Director, VWB Research
Field Analyst, The Danter Company

III. Real Estate Assignments

A representative of assignments relating to research and market feasibility studies includes:

- Written and supervised the production of affordable rental housing market studies for projects located throughout the continental United States as well as Alaska. The preponderance of experience is with the Section 42 Low-income Housing Tax Credit, HUD Section 8, and USDA Rural Development programs.
- Additional experience authoring market feasibility analyses for market-rate rental housing, condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Assisted in numerous appraisals of proposed LIHTC rental housing, commercial office, and commercial retail properties. Analysis typically includes physical inspection of the property and market, concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination, operating expense analysis to determine cost estimates, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

Addendum C
Subject Photos



Subject site



Subject site



View toward Phase I



View to north toward future phases



View north along Randolph Street



View south along Randolph Street



Public Housing in neighborhood (Fred Wessel's)



Commercial in neighborhood



Commercial in neighborhood



Commercial in neighborhood

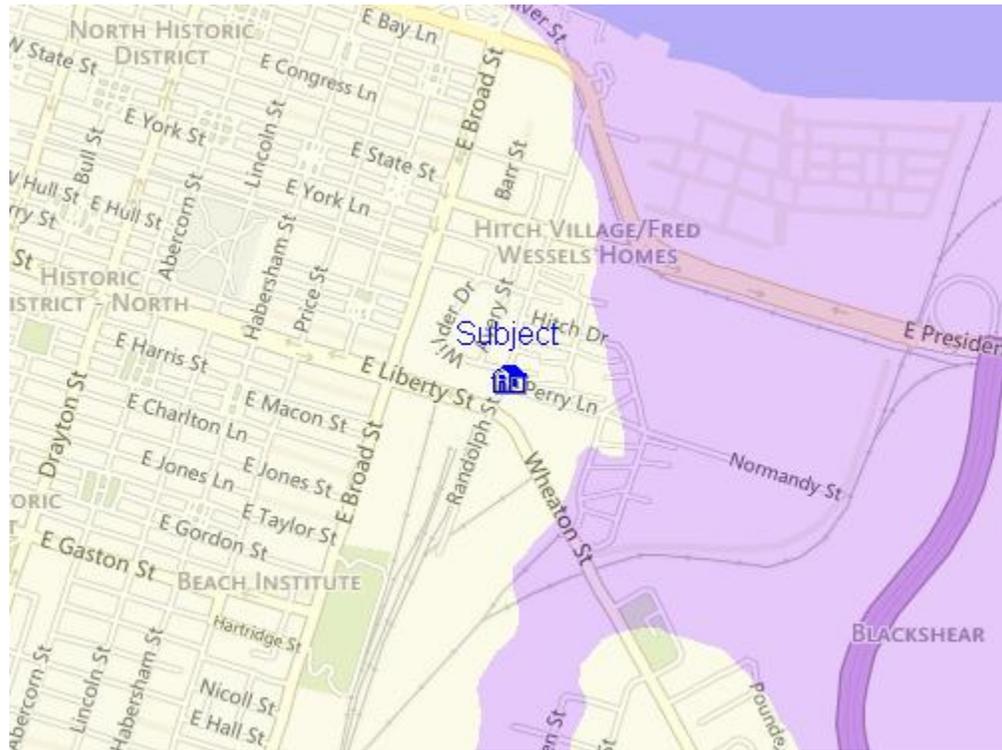


Single-family in neighborhood



Single-family in neighborhood

Addendum D
Flood Plain Map



Flood Map Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Addendum E
Developer's Budget and Proforma

DEVELOPMENT BUDGET

USE	Total	RTC Basis	LIHTC Basis	Construction
Pre-Development				
Property Appraisal	7,500		7,500	7,500
Market Study	7,500		7,500	7,500
Environmental Reports	10,000		10,000	10,000
Soil Borings	15,000		15,000	15,000
Boundary and Topo Survey	14,000		14,000	14,000
Zoning/Site Plan Fees	100		100	100
Other	-		-	-
Subtotal	54,100		54,100	54,100
Acquisition				
Land	-		-	-
Site Demolition	-		-	-
Acquisition Legal Fees	-		-	-
Existing Structures	-		-	-
Subtotal	-		-	-
Site Improvements				
Site Preparation (On-Site)	1,221,000		1,121,000	1,221,000
Site Preparation (Off-Site)	-		-	-
Subtotal	1,221,000		1,121,000	1,221,000
Construction				
Residential Structures - New	7,300,000		7,300,000	7,300,000
Residential Structures - Rehab	-		-	-
Accessory Structures	-		-	-
Subtotal	7,300,000		7,300,000	7,300,000
Contractor Services				
Builder's Overhead	170,000		170,000	170,000
Builder's Profit	511,000		511,000	511,000
General Requirements	511,000		511,000	511,000
Subtotal	1,192,000		1,192,000	1,192,000
Construction Contingency				
Non GC Work Scope Pd by Owner	-		-	-
Construction Contingency	485,650		485,650	485,650
Construction Period Financing				
Bridge Loan Fee & Interest	-		-	-
Construction Loan Fees	70,000		70,000	70,000
Construction Loan Interest	350,000		122,500	350,000
Construction Legal Fees	60,000		60,000	60,000
Construction Inspection Fees	11,200		11,200	11,200
Construction Real Estate Taxes	10,935		10,935	10,935
Construction Insurance	97,130		97,130	97,130
Title and Recording Fees	30,000		30,000	30,000
Payment & Performance Bonds	97,130		97,130	97,130
Other - Lender/In Due Diligence	25,000		25,000	25,000
Subtotal	751,395		523,895	751,395
Professional Services				
Architectural Fee - Design	204,504		204,504	204,504
Architectural Fee - Supervision	51,126		51,126	51,126
Green Building Consultant Fee	20,000		20,000	20,000
Green Building Certification Fee	20,000		20,000	20,000
Accessibility Inspections & Review	6,400		6,400	6,400
Construction Materials Testing	40,000		40,000	40,000
Engineering	75,000		75,000	75,000
Real Estate Attorney	5,000		5,000	5,000
Accounting	50,000		20,000	50,000
As-Built Survey	7,500		7,500	7,500
Other Contractor Cost Cert	15,000		15,000	15,000
Subtotal	494,530		464,530	494,530
Local Government Fees				
Building Permits	58,852		58,852	58,852
Impact Fees	-		-	-
Water Tap Fees	37,600		37,600	37,600
Sewer Tap Fees	75,200		75,200	75,200
Subtotal	171,652		171,652	171,652
Permanent Financing Fees				
Permanent Loan Fees	-		-	-
Permanent Loan Legal Fees	-		-	-
Title and Recording Fees	-		-	-
Bond Issuance/Premium	-		-	-
Cost of Issuance/Underwriter's Discount	-		-	-
Other -	-		-	-
Other	-		-	-
Subtotal	-		-	-
DCA-Related Costs				
DCA HOME Loan Pre-App Fee	-		-	-
Tax Credit Application Fee	6,500		-	6,500
DCA Waiver & Pre-Approval Fees	1,000		-	1,000
LIHTC Allocation Processing Fee	72,552		-	72,552
LIHTC Compliance Monitoring Fee	80,000		-	80,000
DCA Front End Analysis Fee (HOME)	-		-	-
DCA Final Inspection Fee	3,000		-	3,000
Other -	-		-	-
Other	-		-	-
Subtotal	163,052		-	163,052
Equity Costs				
Partnership Organization Fees	5,000		-	5,000
Tax Credit Legal Opinion	20,000		-	20,000
Syndicator Legal Fees	30,000		-	30,000
Other	-		-	-
Subtotal	55,000		-	55,000
Developer's Fee				
Developer's Overhead	-		-	-
Consultant's Fee	-		-	-
Developer's Profit	-		-	-
Subtotal	1,793,000		1,793,000	896,500
Start-Up and Reserves				
Marketing	75,000		-	75,000
Rent-Up Reserves/Working Capital	149,591		-	149,591
Operating Deficit Reserve	280,787		-	-
Replacement Reserve	-		-	-
Furniture, Fixtures & Equipment	75,000		75,000	75,000
Other	-		-	-
Subtotal	580,377		75,000	299,591
Other Costs				
Relocation	-		-	-
Other	-		-	-
Other	-		-	-
Subtotal	-		-	-
Total Development Cost	14,261,756		12,840,872	13,084,469
Per Unit Cost	142,618		128,409	130,845
	2,353,924		(over)/under cost limit	

FINANCING CALCULATIONS			
HISTORIC TAX CREDIT CALCULATION			
Eligible Basis			
Credit	20%		
Total HTC	-	99.99%	-
Sales Price			0
Total Proceeds			7.44%
9% CREDIT CALCULATION			
Total Basis	12,840,872		
Less HTC	-		
Eligible Basis	12,840,872	130%	16,693,133
Applicable Fraction		79.66%	13,298,079
Credit			7.44%
Basic Method Calculation			989,377
Tax Credit Allocation			906,899
Credit Reservation Fee			72,552
LIHTC BENEFITS			
Allocation			
9% LIHTC	9,068,989	99.99%	9,068,083
Federal Proceeds	0.88		7,979,913
State Proceeds	0.45		4,080,637
Total	1.33		12,060,550

FINANCING				
	Max Debt	Needed 1st MTG	RHFF	CDBG
Loan Amount	2,881,591	-	2,200,000	-
Amortization	30	30	40	30
Rate	5.50%	5.50%	0.50%	3.00%
Debt Service	196,336	-	112,802	-
Loan Fee Rate		1.00%	0.00%	1.50%
Loan Fee	-	-	-	-
Operating Deficit Reserve	6 months DS	56,401		
CONSTRUCTION LOANS				
Loan Amount	6,876,749	-	2,200,000	-
Interest Rate	4.17%	3.00%	0.50%	0.00%
Term (Months)	24	18	24	24
Origination Fee Rate	1.00%	0.50%	0.00%	0.00%
Origination Fee	68,767	-	-	\$0
Construction Interest	344,112	-	\$7,700	-
Bridge Loan Fees & Interest	-	-	-	-

CONSTRUCTION FINANCING				
Total Construction Budget	13,084,469			
Construction	6,876,749			
Line of Credit	-			
RHFF	2,200,000			
CDBG	-			
HTC	-	10%		
LIHTC	4,007,721	33%		
Total Sources	13,084,469			
Gap	-			

SOURCES & USES	
Total Development Budget	14,261,756
Sources	
HTC Proceeds	-
Federal LIHTC	7,979,913
State LIHTC	4,080,637
First Mortgage	-
RHFF	2,200,000
CDBG	-
Total	14,260,550
Deferred Developer Fee	1,206

% of Developer Fee Deferred 0.00

50% Dev Fee 896,500
overrun (895,294)

Gap Method Calculation	
TDC	14,261,756
Less Non Tax Credit Sources	(2,200,000)
Equity Gap	12,061,756
Divide by 10	10
Annual Equity Required	1,206,176
Divided by Equity Factor	1.33
Annual Credit Required	906,899

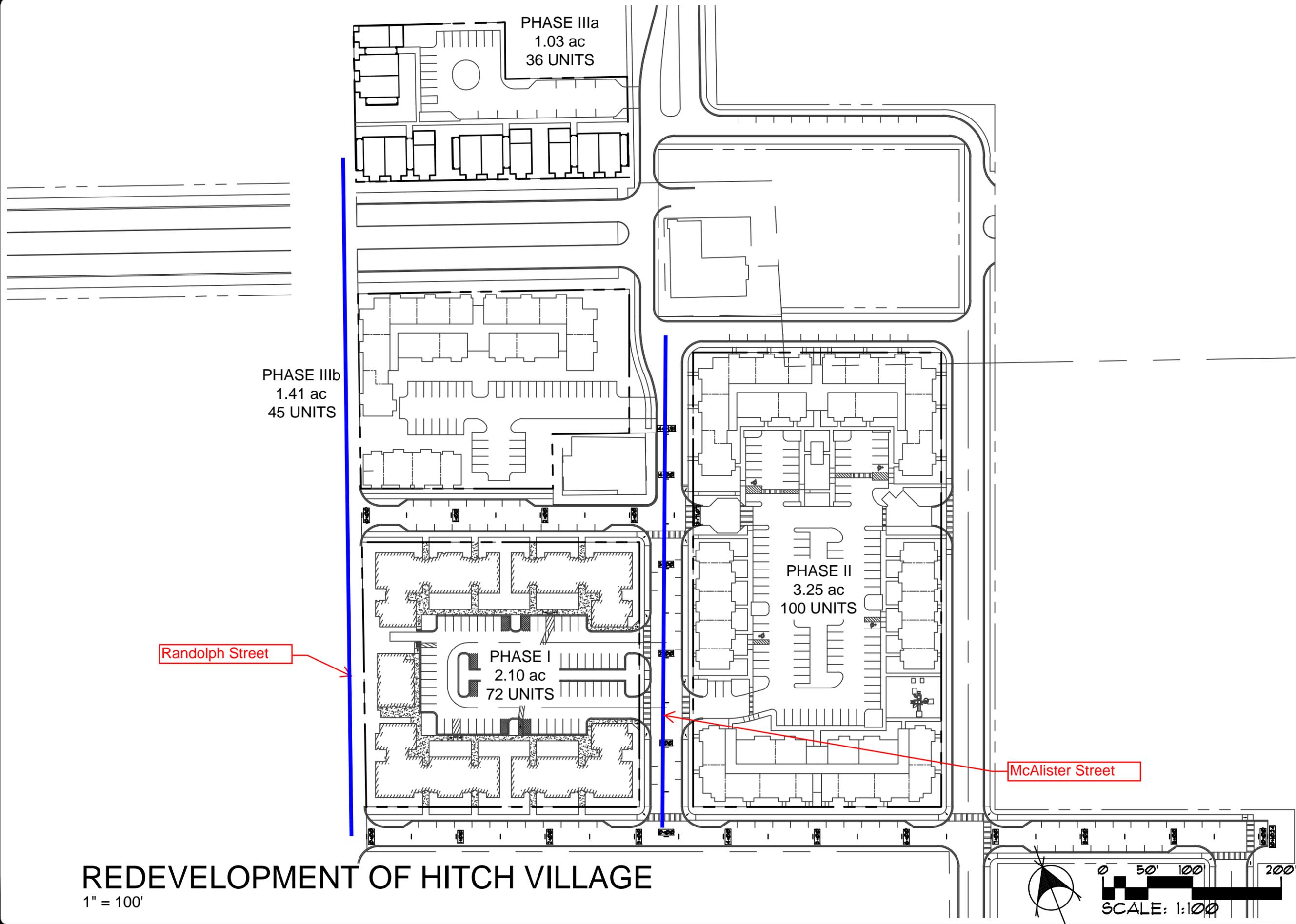
DISCLAIMERS:

	LIHTC Only	TE Bond Deals
Max Developer Fee per Project	1,800,000	2,000,000
Max Developer Fee Allowed	1,793,663	

DCA Underwriting Requirements	Leveraging	Current TDC	Max TDC
Requires Manual Entry		14,261,756	16,615,680
	2% TDC	285,235	332,314
	5% TDC	713,088	830,784
	10% TDC	1,426,176	1,661,568
	15% TDC	2,139,263	2,492,352

Addendum F
Site Plans

PLOTTED: 3/4/2015 2:32:55 PM - DRAWING: P:\HUNT-HAS\2015-025 HITCH II\2015-025-SITE.DWG - PLOTTED BY: LEE FLY - COPYRIGHT 2015



REDEVELOPMENT OF HITCH VILLAGE

1" = 100'

PROJECT	2015-025
DATE	3-4-15
DRAWN BY / CHECKED BY	PLF

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
 25 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-573-2800
HITCH VILLAGE PHASE II
 SAVANNAH, GEORGIA

MRA

NOT RELEASED FOR CONSTRUCTION

SA1

Addendum G
License

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

EDWARD ROGERS MITCHELL

4649

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

23466666

EDWARD ROGERS MITCHELL

4649
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605

ORIGINALLY LICENSED

02/04/1994

END OF RENEWAL
04/30/2016



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

23466666

EDWARD ROGERS MITCHELL

4649
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

23466666