



**A MARKET CONDITIONS AND PROJECT  
EVALUATION SUMMARY OF**

**Griner Gardens  
Northwest corner of Edgewood Avenue and Joyce Avenue  
Nashville, Berrien County, Georgia**

**Effective Date: April 22, 2015  
Report Date: May 6, 2015**

*Prepared For*

**Mr. Dennis Waters  
BSR Trust Management, LLC  
105 Tallapoosa Street  
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*Prepared By*

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May 6, 2015

Mr. Dennis Waters  
BSR Trust Management, LLC  
105 Tallapoosa Street  
Montgomery, AL 36104

**Re: Market Study for Griner Gardens located in Nashville, Georgia**

Dear Mr. Waters:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Nashville, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, (Subject). The purpose of this market study is to assess the viability of the proposed family development Griner Gardens consisting of 48 revenue generating units. Units will be income restricted to households earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, both Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



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## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

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

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Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSIONS**



**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Griner Gardens will be a newly constructed property located in Nashville, Georgia, which will consist of six two-story garden-style buildings and one community building. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

<b>PROPOSED RENTS</b>							
<b>Unit Type</b>	<b>Unit Size (SF)</b>	<b>Number of Units</b>	<b>Asking Rent</b>	<b>Utility Allowance (1)</b>	<b>Gross Rent</b>	<b>2014 LIHTC</b>	<b>HUD Fair</b>
						<b>Maximum Allowable Gross Rent*</b>	<b>Market Rents</b>
<i>50% AMI</i>							
1BR/1BA	810	1	\$285	\$141	\$426	\$426	\$470
2BR/2BA	1,050	5	\$331	\$180	\$511	\$511	\$636
3BR/2BA	1,250	4	\$371	\$219	\$590	\$590	\$792
<i>60% AMI</i>							
1BR/1BA	810	3	\$330	\$141	\$471	\$511	\$470
2BR/2BA	1,050	19	\$340	\$180	\$520	\$613	\$636
3BR/2BA	1,250	16	\$425	\$219	\$644	\$708	\$792
<b>Total</b>		<b>48</b>					

Notes (1) Source of Utility Allowance provided by the Developer.

\*Per the Georgia DCA 2015 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The GA DCA utility allowance is effective as of 7/1/2014; therefore, we have utilized the 2014 maximum income and rent limits.

The Subject will offer the following amenities: balcony/patio, blinds, carpeting, central air conditioning, dishwasher, ceiling fan, garbage disposal, oven, refrigerator, in-unit washer and dryer hookups, off-street parking, picnic area, playground, and community building with a business center, community, exercise facility, central laundry, and on-site management. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is located at the northwest corner of Edgewood Avenue and Joyce Avenue. The Subject site is currently vacant. The Subject site is also south of West Smith Avenue and west of Edgewood Street. Surrounding uses consist of multifamily and single-family uses. Based on our inspection of the neighborhood, retail appeared to be 85 percent occupied. However, there are a limited number of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 31. The Subject site is considered a

desirable building site for rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within 2.5 miles of the Subject site.

### **3. Market Area Definition:**

The PMA is defined as the majority of Berrien County and a portion of Cook and Lanier County. This area is generally known as the area north of State Route 37, north of Ray City, east of Interstate 75, southeast of County Road 246, and south of State Route 82. This area was defined based on interviews with the local housing authority and local market participants. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates primarily from the city limits.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is approximately 13 miles.

### **4. Community Demographic Data:**

The general population in the PMA increased from 2000 to 2010 at a slightly faster rate than the general population in the SMA and nation. From 2010 to 2015 the population in the PMA increased at a similar rate as the population in the SMA, which was slightly faster than the population growth rate in the nation. The above average population growth in the PMA is a positive indication of demand for new housing units, similar to the Subject. From 2015 to 2019 the population in the PMA and SMA is expected to continue to increase, albeit at a slightly slower rate than the population in the nation. The total number of households in the PMA increased at a rate similar to the nation from 2000 to 2010. Over the same period of time, the total number of households in the SMA increased 1.1 percent, slightly faster than the PMA and nation. However, the total number of households in the PMA and SMA is expected to increase significantly slower than the total number of households in the nation through 2019. Overall, the projected increase in households is a positive indicator for the proposed Subject's units.

Renter households earning under \$30,000 in the PMA comprise 66.4 percent of all income cohorts. The Subject

will target households earning between \$14,503 and \$29,460, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Berrien County has declined in 2013, 2014, and 2015. Since 2012, the AMI in Berrien County has decreased 3.6 percent. The Subject's proposed rents are below the 2014 and 2015 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

Overall, the demographic data points to a growing population with household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

## **5. Economic Data:**

Manufacturing, retail trade, and health care/social assistance are the largest industries within the PMA. Nashville is located in rural southern-central Georgia. Manufacturing is the largest industry in the PMA. However, since 2000, the manufacturing industry within the PMA has declined significantly. In 2000, manufacturing represented 25.6 percent of total employment in the PMA, but now represents just 16.3 percent of total employment. The manufacturing industry has experienced a 3.1 percent annual decline in manufacturing employment. Areas of growth have included educational services and health care/social assistance, which are now the third and fourth largest industries in the region.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling "The U.S. Manufacturing Renaissance." This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that comprise the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by domestically decreasing energy costs and increasing labor costs in emerging markets.

In 2009, total employment in the SMA decreased by a larger percentage than total employment in the nation.

However, the following year, the SMA experienced significant employment growth of 12.5 percent. According to the US Census, Tifton, which is located in the SMA, was the ninth fastest growing micro area in the nation from April 2010 to July 2011. Total employment growth in the SMA has been poor in comparison to the nation since 2011. In 2013 the SMA experienced a 0.6 percent decline in total employment and from December 2013 to December 2014, total employment decreased 0.2 percent. In comparison, total employment in the nation increased 1.9 percent from December 2013 to December 2014.

Overall, total employment in the SMA is eight percent above the pre-recession peak total employment. In comparison, total employment in the nation increased 0.8 percent. The strong growth since the recession is a positive factor for the local economy. The unemployment rate in the SMA peaked at 8.9 percent in 2009 and has since declined at a slower pace than the unemployment rate in the nation. The unemployment rate in the nation peaked at 9.6 percent and has declined 4.2 percentage points as of December 2014. The unemployment rate in the nation is currently 1.4 percentage points below the unemployment rate in the SMA.

Overall, the local economy appears healthy based on the strong total employment growth since 2010. However, the total employment in Berrien County, where the Subject is located, has been decreasing, despite the growth in total employment in the SMA. As of December 2014, total employment in Berrien County was at its lowest level in any year of analysis (2002 to 2014). Total employment in Berrien County decreased 3.1 percent in 2014. The weak total employment growth in the PMA is the only notable negative aspect of the proposed development.

## 6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 183 income qualified renter households in the PMA. The following table indicates the capture rates for the Subject's units.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units	Total	Supply	Net Demand	Capture Rate
		Proposed	Demand			
1BR/1BA @50%	\$14,606-\$18,200	1	31	0	31	3.3%
2BR/2BA @50%	\$17,520-\$20,450	5	63	0	63	7.9%
3BR/2BA @50%	\$20,229-\$24,550	4	39	0	39	10.2%
Overall @50%	\$14,606-\$24,550	10	133	0	133	7.5%
1BR/1BA @60%	\$16,149-\$21,840	3	31	0	31	9.6%
2BR/2BA @60%	\$17,829-\$24,540	19	65	0	65	29.4%
3BR/2BA @60%	\$22,080-\$29,460	16	40	0	40	40.0%
Overall @60%	\$16,149-\$29,460	38	136	0	136	28.0%
Overall Demand	\$14,606-\$29,460	48	183	0	183	26.2%

All capture rates are within DCA threshold requirements and indicate demand for the Subject. Overall, we recommend the Subject as proposed.

## 7. Competitive Rental Analysis:

Due to the limited market rent data from the comparable properties in Nashville to support the Subject's one, two, and three-bedroom rents, we also obtained classified rental listings for the city of Nashville.

**CLASSIFIED LISTINGS**

Unit Type	Address	City	Rent	Comments
1BR/1BA	201 Hazel Street	Nashville	\$300	Built 1999, 400 square feet
1BR/1BA	201 Hazel Street	Nashville	\$400	Built 1999, 400 square feet
2BR/1BA	919 Dogwood	Nashville	\$600	Single-family
2BR/1BA	East Marion Avenue	Nashville	\$550	Mobile home
3BR/1.5BA	1108 Wilma Street	Nashville	\$550	Single-family home, 1,292 square feet
3BR/2BA	2013 Enigma Highway	Nashville	\$1,050	Single-family, 1,554 square feet
3BR/1BA	808 Zimmerman Street	Nashville	\$575	Single-family, 1,000 square feet
3BR/1BA	706 Dianne Street	Nashville	\$600	Single-family, 939 square feet
3BR/1BA	1108 Wilma Street	Nashville	\$550	Single-family, 1,292 square feet
3BR/2BA	276 Foxworth Trail	Nashville	\$1,100	Single-family home, 2,213 square feet, two acres of land
3BR/2BA	1304 Marie McGill	Nashville	\$900	Single-family home, 1,500 square feet, built 2001

Source: Hotpads.com, Craigslist.com, April 2015

Rental data in Nashville is limited. Despite our best efforts, we were unable to obtain additional information about rental properties in Nashville. One of the two-bedroom classified listings is a mobile home. The highest three-bedroom classified listing is a single-family home with nearly two acres of land. The home is also 75 percent larger than the proposed unit sizes at the Subject. The classified listing, 1304 Marie McGill, offers a slightly larger space

than the Subject and was built in 2001. The property offers a garage and exhibits good to excellent condition.

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

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**Subject Comparison to Market Rents**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR @ 50%	\$285	\$336	\$725	\$449	37%
2 BR @ 50%	\$331	\$245	\$990	\$567	42%
3 BR @ 50%	\$371	\$314	\$925	\$610	39%
1 BR @ 60%	\$330	\$336	\$725	\$449	27%
2 BR @ 60%	\$340	\$245	\$990	\$567	40%
3 BR @ 60%	\$425	\$314	\$925	\$610	30%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average of all the comparables, both LIHTC and market rate. The Subject’s

proposed LIHTC rents are higher than the surveyed minimum. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be superior to the market rate inventory. However, due to the difference in location, we have included a table with rental data obtained for Nashville.

**Subject Comparison to Market Rents - Nashville**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR @50%	\$285	\$300	\$400	\$366	22%
2 BR @50%	\$331	\$245	\$600	\$461	28%
3 BR @50%	\$371	\$550	\$1,100	\$761	51%
1 BR @60%	\$330	\$300	\$400	\$366	10%
2 BR @60%	\$340	\$245	\$600	\$461	26%
3 BR @60%	\$425	\$550	\$1,100	\$761	44%

It should be noted that the surveyed maximum classified listing was for a single-family home with approximately two acres of land and a pond. The Subject’s proposed one, two, and three-bedroom rents are below the surveyed average rents in Nashville. Overall, it appears that the Subject’s proposed rents are reasonable when compared to the surveyed market rents in Nashville.

The Subject’s proposed 50 percent AMI rents are set at the maximum allowable levels and the Subject’s proposed 60 percent AMI rents are set significantly below the maximum allowable level. The Groves and Magnolia Place were constructed in 2006 and 1995, respectively. These properties reported vacancy rates of 2.1 to 5.4 percent, with an average of 2.1 percent. According to management at The Groves, the property also maintains a waiting list of 52 households and one of the vacant three-bedroom units is currently pre-leased. Overall, the LIHTC properties located in Tifton are performing well.

The Groves appears to be achieving 50 percent rents above the maximum allowable levels, which is due to a variety of factors including variances in utility structures and placed in service date. The Subject’s proposed 50 percent rents are set well below The Groves and slightly higher than Magnolia Place. The following table illustrates the rent differential between Nashville (Subject location) and Tifton (The Groves and Magnolia Place location). We believe the income difference is an appropriate proxy for the rent differential.

**2012 Median Household Income Comparison**

City	Median Household Income	Differential With Subject
Nashville, GA	\$26,453	-
Tifton, GA	\$30,638	16%

Source: City-Data.com, March 2015

As illustrated in the previous table, the median household income in Tifton is approximately 16 percent higher than Nashville. Based upon conversations with local market participants, Tifton offers a superior location when compared to Nashville due to its employment options, housing choices, and available shopping and services. Therefore, The Groves and Magnolia Place offer superior locations when compared to the Subject. The Subject will be new construction and will exhibit excellent condition upon completion. The Groves was constructed in 2006 and currently exhibits good condition. Magnolia Place was constructed in 1995 and currently exhibits average condition. Upon completion, the Subject will be slightly superior to The Groves and superior to Magnolia Place. Additionally, the Subject will offer slightly inferior amenities in comparison to The Groves and slightly superior amenities in comparison to Magnolia Place. The Subject will lack in-unit washer and dryers, exterior storage, basketball court, and swimming pool, which are all offered at the Groves. Overall, we believe the Subject will be inferior to The Groves, based on location, amenities, and condition. The following table illustrates the Subject’s rent advantage for the 50 percent units when compared to The Groves.

**50% Comparison**

Property Name	County	1BR	2BR	3BR
Nashville Family (Subject)	Berrien	\$285	\$331	\$371
The Groves	Tift	\$336	\$392	\$469
<b>Subject Rent Advantage</b>		<b>17.9%</b>	<b>18.4%</b>	<b>26.4%</b>

The Subject’s proposed 50 percent rents appear reasonable when compared to the rents being achieved at The Groves. The following table illustrates the Subject’s rent advantage for the 60 percent units when compared to The Groves.

**60% Comparison**

Property Name	County	1BR	2BR	3BR
Nashville Family (Subject)	Berrien	\$330	\$340	\$425
The Groves	Tift	\$380	\$392	\$489
<b>Subject Rent Advantage</b>		<b>15.2%</b>	<b>15.3%</b>	<b>15.1%</b>



As illustrated in the previous table, the proposed rents at the Subject offer a 15 percent discount to the rents at The Groves. Based on the inferior location of the proposed Subject, we believe the proposed rents are reasonable in comparison to The Groves. The Subject will be uniquely positioned to compete in the local rental market as there are no existing LIHTC properties in Nashville. The average LIHTC vacancy rate among the comparable properties is 2.1 percent, which indicates strong demand for affordable housing. We believe there is demand for affordable housing in the PMA and that the Subject will be able to achieve the proposed rents, while maintaining a vacancy rate of seven percent or less.

### 8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from several LIHTC and market rate properties located in Tifton. Tifton is located approximately 25 miles northwest of Nashville. There has been no new construction in the Subject's market area over the past decade. Several of the following properties have been used as comparables in our report.

#### ABSORPTION

Comparable Property	Rent Structure	Location	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Tifton Estates	LIHTC/Market	Tifton	Family	2010	34	8
Cypress Suites	Market	Tifton	Family	2008	40	7
The Groves	LIHTC/Market	Tifton	Family	2006	96	3

As illustrated in the previous table, the properties constructed between 2006 and 2010 reported absorption rates of three to eight units per month, with an average of six units per month. The newest LIHTC/market rate developments reported the fastest absorption rates. Based upon conversations with local market participants, Tifton offers a superior location when compared to Nashville due to its employment options, housing choices, and available shopping and services. Therefore, we would expect the Subject to experience a slower absorption rate than the newest comparables in Tifton. We estimate that the Subject will experience an absorption rate of five units per month, which equates to an initial lease up period of nine months.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.1 percent. The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC properties and generally similar in-unit amenities in comparison to the market rate comparable properties. The Subject will offer dishwashers, ceiling fans, and garbage disposals, which several of the comparable properties lack. The Subject will generally offer superior property amenities, with the exception of The Groves. The Subject will offer slightly inferior property amenities in comparison to The Groves. The Subject will offer a business center/computer lab, community room, exercise facility, picnic area, and playground, which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. The proposed Subject's weakness only apparent is the proposed location. The comparable properties in Tifton offer superior locations based on access to centers of employment, locational amenities, and median household income. We have accounted for the differences in location in our analysis. In general, the Subject will be slightly superior to superior to the comparable properties. We believe the Subject's proposed rents are achievable in the market and offer a significant discount in comparison to average market rents. We believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

**Summary Table:**

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

Development Name:	<b>Griner Gardens</b>	Total # Units:	<b>48</b>
Location:	Northwest corner of Edgewood Avenue and Joyce Avenue	# LIHTC Units:	<b>48</b>
	Nashville, Berrien County, Georgia 31639		
PMA Boundary:	This area is generally known as the area north of State Route 37, north of Ray City, east of Interstate 75, southeast of County Road 246, and south of State Route 82.		
	Farthest Boundary Distance to Subject:		13

**Rental Housing Stock** (found on page 46)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	87	7	91.9%
Market-Rate Housing	2	N/A	N/A	N/A
Assisted/Subsidized Housing not to include LIHTC	3	87	7	91.9%
<b>LIHTC</b>	0	N/Ap	N/Ap	N/Ap
Stabilized Comps	9	419	24	94.3%
Properties in Construction & Lease Up	0	N/Ap	N/Ap	N/Ap

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
1	1BR@50%	1	810	\$285	\$449	\$0.55	37%	\$725	\$0.90
5	2BR@50%	2	1,050	\$331	\$567	\$0.54	42%	\$990	\$0.94
4	3BR@50%	2	1,250	\$371	\$610	\$0.49	40%	\$925	\$0.74
3	1BR@60%	1	810	\$330	\$449	\$0.55	27%	\$725	\$0.90
19	2BR@60%	2	1,050	\$340	\$567	\$0.54	40%	\$990	\$0.94
16	3BR@60%	2	1,250	\$425	\$610	\$0.49	30%	\$925	\$0.74

**Demographic Data** (found on pages 32, 47 & 54)

	2010		2015		Jan-17	
Renter Households	2,316	31.20%	2,548	33.70%	2,571	33.80%
Income-Qualified Renter HHs (LIHTC)	705	30.42%	775	30.42%	782	30.42%

**Targeted Income-Qualified Renter Household Demand** (found on page 57)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	5	5	N/Ap	N/Ap	7
Existing Households (Overburdened + Substandard)	N/Ap	138	141	N/Ap	N/Ap	190
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
<b>Total Primary Market Demand</b>	<b>N/Ap</b>	<b>143</b>	<b>146</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>197</b>
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	<b>N/Ap</b>	<b>143</b>	<b>146</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>197</b>

**Capture Rates** (found on page 57)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	7.50%	28.00%	N/Ap	N/Ap	26.20%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

<b>Project Address and Development Location:</b>	The Subject site is located at the northwest corner of Edgewood Avenue and Joyce Avenue, Nashville, Berrien County, Georgia 31639. The Subject site is currently vacant.
<b>Construction Type:</b>	The Subject will consist of six two-story garden-style buildings and one community building.
<b>Occupancy Type:</b>	The Subject will target the general population.
<b>Special Population Target:</b>	None.
<b>Number of Units by Bedroom Type and AMI Level:</b>	See following property profile.
<b>Unit Size:</b>	See following property profile.
<b>Structure Type:</b>	See following property profile.
<b>Rents and Utility Allowances:</b>	See following property profile.
<b>Existing or Proposed Project Based Rental Assistance:</b>	The Subject will not operate with additional project-based rental assistance.
<b>Proposed Development Amenities:</b>	See following property profile.

Griner Gardens

**Location** Northwest corner of Edgewood Avenue and Joyce Avenue  
Nashville, GA 31639

**Units** 48

**Type** Garden  
(2 stories)

**Year Built / Renovated** 2017 / n/a



Utilities

<b>A/C</b>	not included -- central	<b>Other Electric</b>	not included
<b>Cooking</b>	not included -- electric	<b>Water</b>	not included
<b>Water Heat</b>	not included -- electric	<b>Sewer</b>	not included
<b>Heat</b>	not included -- electric	<b>Trash Collection</b>	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 (2 stories)	1	810	\$285	\$0	@50%	n/a	N/A	N/A	no
1	1	Garden (2 stories)	3	810	\$330	\$0	@60%	n/a	N/A	N/A	no
2	2	Garden (2 stories)	5	1,050	\$331	\$0	@50%	n/a	N/A	N/A	no
2	2	Garden (2 stories)	19	1,050	\$340	\$0	@60%	n/a	N/A	N/A	no
3	2	Garden (2 stories)	4	1,250	\$371	\$0	@50%	n/a	N/A	N/A	no
3	2	Garden (2 stories)	16	1,250	\$425	\$0	@60%	n/a	N/A	N/A	no

Amenities

<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Washer/Dryer hookup	<b>Security</b>	none
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	none

<b>Scope of Renovations:</b>	<b>The Subject will be new construction</b>
<b>Current Rents:</b>	<b>The Subject will be new construction</b>
<b>Current Occupancy:</b>	<b>The Subject will be new construction</b>
<b>Current Tenant Income:</b>	<b>The Subject will be new construction</b>
<b>Placed in Service Date:</b>	The Subject is expected to be completed by January 2017.
<b>Conclusion:</b>	The Subject will be an excellent-quality garden-style apartment complex, superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**



**1. Date of Site Visit and Name of Site Inspector:**

Sterling Battle visited the site on April 22, 2015.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

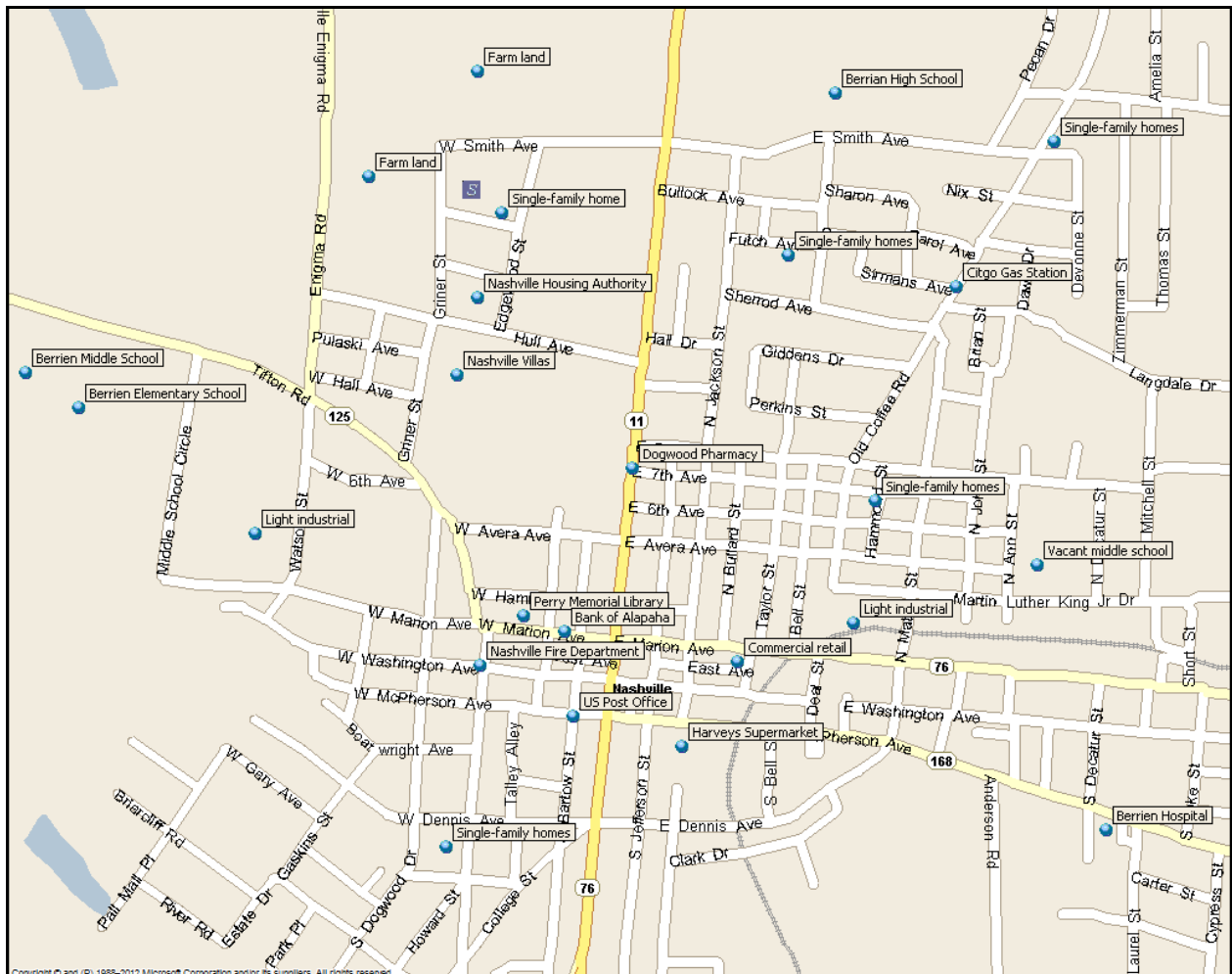
The Subject site has frontage along the south side of Smith Avenue, the east side of Griner Street, the north side of Joyce Avenue, and the west side of Edgewood Street.

*Visibility/Views:*

The Subject will be located on the northwest corner of Edgewood Avenue and Joyce Avenue. Visibility and views from the site will be average. The Subject will have views of farm land to the north and west. Views to the east and south will consist of single-family homes. The Nashville Housing Authority and Nashville Estates, a senior rural development community, are located directly south of the Subject site.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject site is located at the northwest corner of Edgewood Avenue and Joyce Avenue. The Subject site is currently vacant. The Subject site is also south of West Smith Avenue and west of Edgewood Street. North and west of the Subject site is farm land. Directly south of the Subject site are single-family homes, which exhibit average condition. Additionally, south of the Subject site is the Nashville Housing Authority and Nashville Estates, a senior rural development community that was excluded from our analysis, which exhibit average condition. Further south is the comparable property Nashville Villas. Southeast of the Subject site is downtown Nashville. Commercial uses are located along Marion Avenue. Based on our site inspection, the average commercial occupancy rate is approximately 85 percent. Southwest of the Subject site are the Berrien Elementary School and Berrien Middle School, which exhibit good condition. There are two light industrial uses located southwest of the Subject site. Southeast of the Subject site are additionally light industrial uses, located along the rail road. Directly east of the Subject site are single-family homes in average condition. Further east of the Subject are single-family homes, which exhibit average to good condition. Berrien High School, which exhibits good condition, is located east of the Subject site. Further southeast of the Subject site is the Berrien Hospital, which exhibits average condition. The Berrien County Airport and an Industrial Park are located east of the Subject site. The industrial uses exhibit average to good condition.

*Positive/Negative Attributes of Site:* Positive aspects of the Subject site include, the Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition. Additionally, the Subject site is located within one mile of downtown Nashville.

### **3. Physical Proximity to Locational Amenities:**

The Subject is located within 2.5 miles of all locational amenities. Additionally, it is within one mile of downtown Nashville, which offer commercial retail uses.

4. Pictures of Site and Adjacent Uses:



*Subject site*



*Subject site*



*View north along Edgewood Street*



*View south along Edgewood Street*



*View east along Hull Avenue*



*View west along Hull Avenue*



*Nashville Estates directly south of the Subject site*



*Nashville Estates directly south of the Subject site*



*Farmers & Merchants Bank*



*Gas station*



*Commercial retail uses*



*Dogwood Pharmacy*



*Nashville Post Office*



*Commercial retail uses*



*Downtown Nashville retail uses*



*Harvey's grocery store*



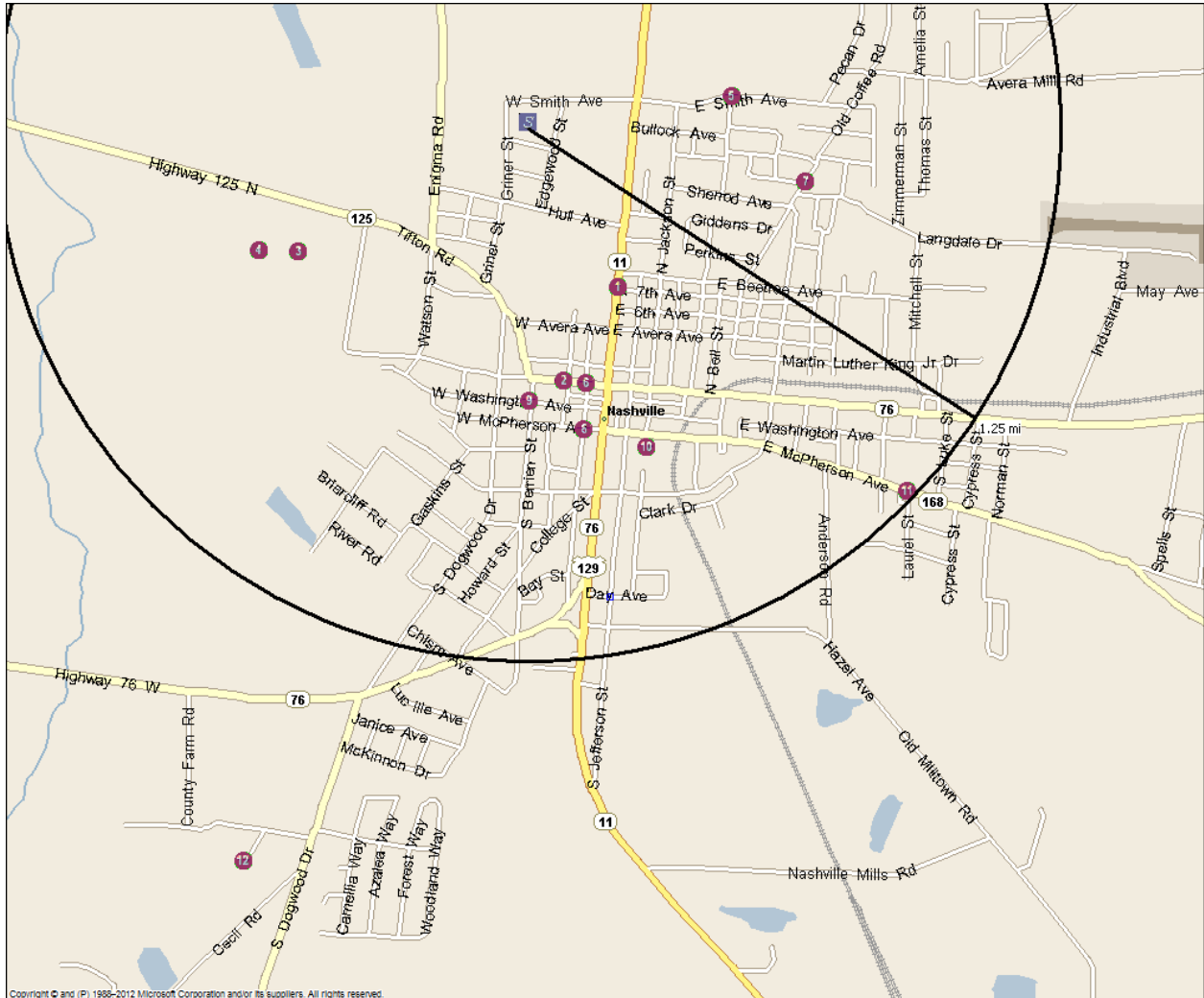
*Typical single-family home*



*Typical single-family home*

**5. Proximity to Locational Amenities:**

The following table details the Subject’s distance from key locational amenities.



**LOCATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	Dogwood Pharmacy	0.6 miles
2	Perry Memorial Library	0.6 miles
3	Berrien Elementary School	0.7 miles
4	Berrien Middle School	0.7 miles
5	Berrian High School	0.7 miles
6	Bank of Alapaha	0.7 miles
7	Citgo Gas Station	0.9 miles
8	US Post Office	1.0 miles
9	Nashville Fire Department	1.0 miles
10	Harveys Supermarket	1.1 miles
11	Berrien Hospital	1.6 miles
12	Nashville Police Department	2.5 miles

**6. Description of Land Uses:**

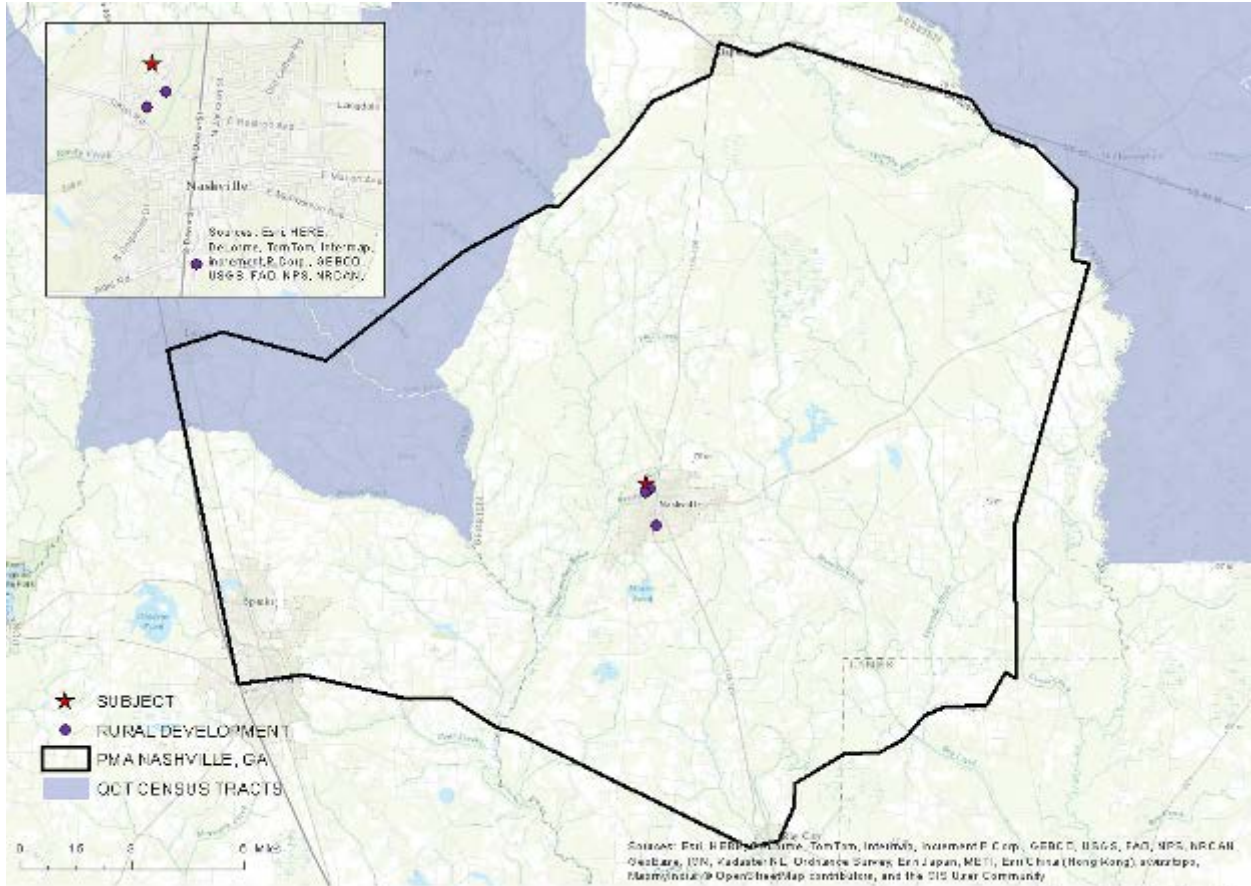
North and west of the Subject site is farm land. Directly south of the Subject site are single-family homes, which exhibit average condition. Additionally, south of the Subject site is the Nashville Housing Authority and Nashville Estates, a senior rural development community that was excluded from our analysis, which exhibit average condition. Further south is the comparable property Nashville Villas. Southeast of the Subject site is downtown Nashville. Commercial uses are located along Marion Avenue. Based on our site inspection, the average commercial occupancy rate is approximately 85 percent. Southwest of the Subject site are the Berrien Elementary School and Berrien Middle School, which exhibit good condition. There are two light industrial uses located southwest of the Subject site. Southeast of the Subject site are additionally light industrial uses, located along the rail road. Directly east of the Subject site are single-family homes in average condition. Further east of the Subject are single-family homes, which exhibit average to good condition. Berrien High School, which exhibits good condition, is located east of the Subject site. Further southeast of the Subject site is the Berrien Hospital, which exhibits average condition. The Berrien County Airport and an Industrial Park are located east of the Subject site. The industrial uses exhibit average to good condition.

7. Existing Assisted Rental Housing

Property Map:

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

Name	Address	City	Type	Map Color	Included/Excluded	Reason for Exclusion
Griner Gardens	Edgewood Avenue and Joyce Avenue	Nashville	LIHTC	Red Star	N/Ap	N/Ap
Nashville Villas	406 Hull Avenue	Nashville	Rural Development/Market Rate		Included	N/Ap
Pine Acres Apartments	203 Hazel Avenue	Nashville	Rural Development/Market Rate		Included	N/Ap
Nashville Estates	505 Griner Street	Nashville	Rural Development		Excluded	Subsidized, dissimilar tenancy



Nashville, GA





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

We did not witness any road/infrastructure improvements during our field work.

**9. Access, Ingress/Egress and  
Visibility of site:**

The Subject site can be accessed from Griner Street and Joyce Avenue, which are two-lane neighborhood roads. Note that the northern portion of Griner Street and Smith Avenue are not paved. North Davis Street/State Route 11/State Highway 129 is located 0.4 miles east of the Subject. North Davis Street is the major road that runs north/south through Nashville. North Davis Street provides access to downtown Nashville and runs north to Alapaha and south to Ray City. Overall, access and visibility are considered average.

**10. Environmental Concerns:**

None visible upon site inspection.

**11. Conclusion:**

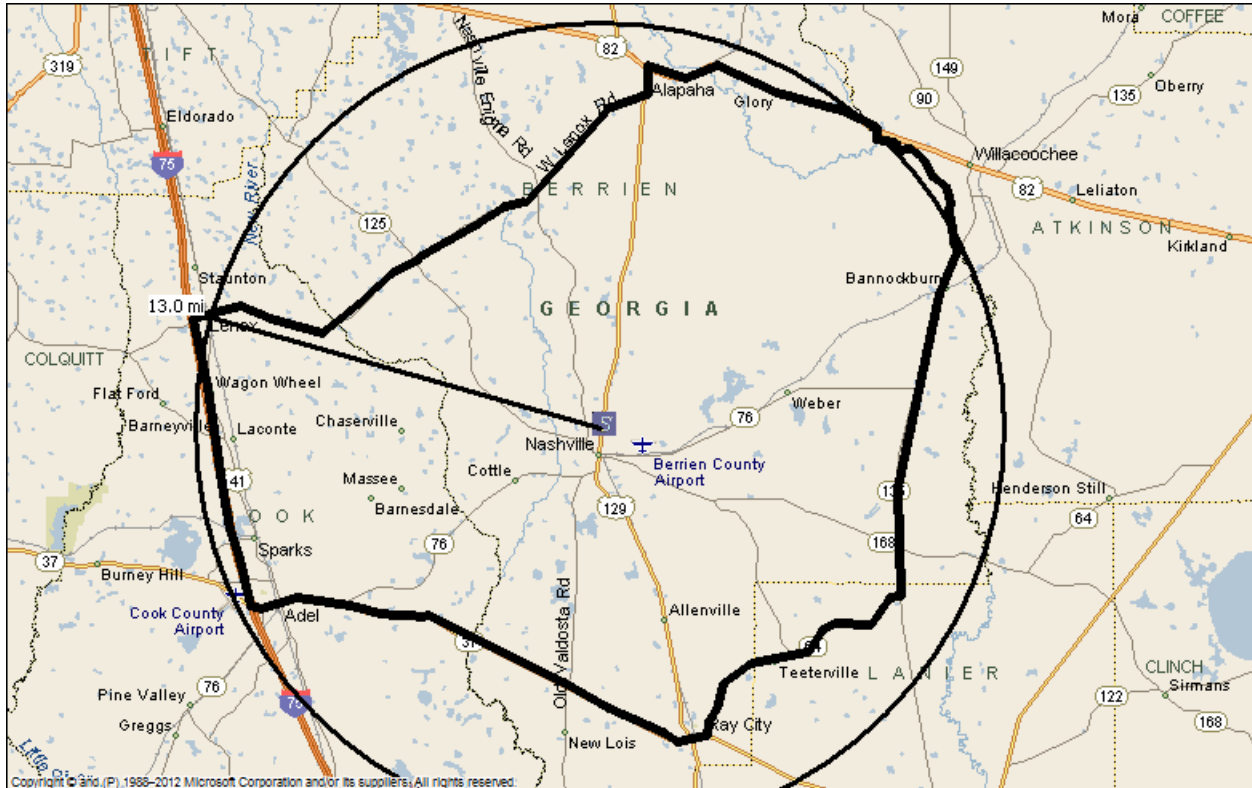
The Subject site is located at the northwest corner of Edgewood Avenue and Joyce Avenue. The Subject site is currently vacant. The Subject site is also south of West Smith Avenue and west of Edgewood Street. Surrounding uses consist of multifamily and single-family uses. Based on our inspection of the neighborhood, retail appeared to be 85 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 31. The Subject site is considered a desirable building site for rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, which are within 2.5 miles of the Subject site.

## **D. MARKET AREA**

## PRIMARY MARKET AREA

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

## Primary Market Area Map

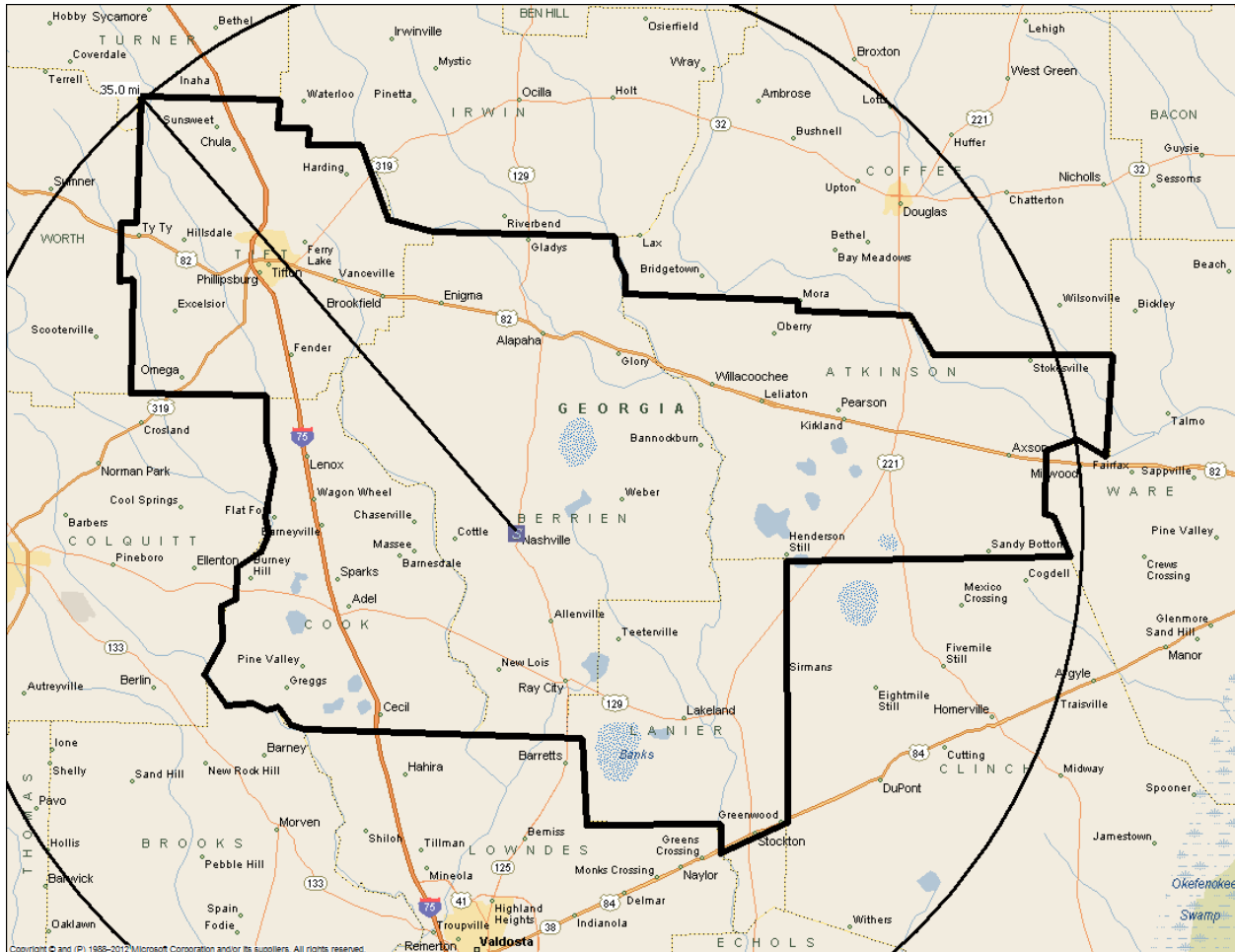


The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA), which consists of Tift, Berrien, Atkinson, Cook and the majority of Lanier County, are areas of growth or contraction.

The PMA is defined as the majority of Berrien County and a portion of Cook and Lanier County. This area is generally identified as the area north of State Route 37, north of Ray City, east of Interstate 75, southeast of County Road 246, and south of State Route 82. This area was defined based on interviews with the local housing authority and local market participants. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates primarily from the city limits. The PMA is approximately 338 square miles.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is approximately 13 miles.

The following map illustrates the Secondary Market Area (SMA), which is approximately 1,486 square miles.



## **E. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Metropolitan Statistical Area (MSA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2019.

TOTAL POPULATION						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	-
2000	17,506	-	84,986	-	281,421,906	-
2010	19,576	1.2%	94,720	1.1%	308,745,538	1.0%
2015	20,116	0.5%	97,324	0.5%	314,467,933	0.4%
Projected Mkt Entry January 2017	20,265	0.5%	98,052	0.5%	318,733,873	0.9%
2019	20,512	0.4%	99,266	0.4%	325,843,774	0.7%

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

### POPULATION BY AGE GROUP

PMA					
Age Cohort	2000	2010	2015	Projected Mkt Entry January 2017	2019
0-4	1,234	1,353	1,351	1,364	1,386
5-9	1,336	1,390	1,376	1,375	1,374
10-14	1,394	1,421	1,370	1,370	1,371
15-19	1,260	1,446	1,285	1,276	1,260
20-24	1,067	1,135	1,316	1,261	1,168
25-29	1,158	1,109	1,272	1,314	1,383
30-34	1,210	1,156	1,204	1,234	1,284
35-39	1,297	1,263	1,198	1,217	1,248
40-44	1,263	1,337	1,332	1,287	1,213
45-49	1,109	1,404	1,362	1,345	1,317
50-54	1,093	1,376	1,411	1,387	1,348
55-59	923	1,211	1,353	1,359	1,369
60-64	836	1,168	1,193	1,234	1,303
65-69	719	914	1,087	1,106	1,138
70-74	517	737	785	856	974
75-79	436	531	568	596	643
80-84	342	313	346	364	394
85+	310	312	308	320	339
<b>Total</b>	<b>17,504</b>	<b>19,576</b>	<b>20,117</b>	<b>20,265</b>	<b>20,512</b>

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

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	PMA			SMA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
2000	17,504	15,180	2,324	84,986	74,962	10,024
2010	19,576	16,769	2,807	94,720	82,658	12,062
2015	20,117	17,023	3,094	97,321	83,879	13,442
Projected Mkt Entry January 2017	20,265	17,023	3,242	98,051	83,896	14,155
2019	20,512	17,024	3,488	99,268	83,924	15,344

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

The general population in the PMA increased from 2000 to 2010 at a slightly faster rate than the general population in the SMA and nation. From 2010 to 2015 the population in the PMA increased at a similar rate as the population in the SMA, which was slightly faster than the population growth rate in the nation. The above average population growth in the PMA is a positive indication of demand for new housing units, similar to the Subject. From 2015 to 2019 the population in the PMA and SMA is expected to continue to increase, albeit at a slightly slower rate than the population in the nation. The majority of the population in the PMA is non-elderly; however, the non-elderly population growth rate is expected to be slightly lower than the elderly population growth rate through 2019.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	6,729	-	31,513	-	105,991,193	-
2010	7,425	1.0%	35,080	1.1%	116,716,292	1.0%
2015	7,564	0.4%	36,118	0.6%	118,979,182	0.4%
Projected Mkt Entry January 2017	7,614	0.4%	36,390	0.5%	120,661,324	0.9%
2019	7,697	0.4%	36,842	0.4%	123,464,895	0.8%

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

AVERAGE HOUSEHOLD SIZE						
Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.56	-	2.63	-	2.58	-
2010	2.60	0.2%	2.64	0.0%	2.58	0.0%
2015	2.60	0.0%	2.63	0.0%	2.58	0.0%
Projected Mkt Entry January 2017	2.61	0.1%	2.63	0.0%	2.58	0.0%
2019	2.61	0.0%	2.63	0.0%	2.57	0.0%

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

The total number of households in the PMA increased at a rate similar to the nation from 2000 to 2010. Over the same period of time, the total number of households in the SMA increased 1.1 percent, slightly faster than the PMA and nation. However, the total number of households in the PMA and SMA is expected to increase significantly slower than the total number of households in the nation through 2019. Average household size in the PMA is currently 2.60 persons; this is expected to increase slightly through 2019. Overall, the projected increase in households is a positive indicator for the proposed Subject's units. Additionally, the Subject is located in a rural area and the majority of rural areas across the country are experiencing stable or decreasing populations and number of households. Therefore, given the rural location, the moderate population and total households growth in the PMA is a very positive indication of future demand.

## 2b. Households by Tenure

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

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	4,953	73.6%	1,776	26.4%	22,401	71.1%	9,112	28.9%
2010	5,109	68.8%	2,316	31.2%	23,120	65.9%	11,960	34.1%
2015	5,016	66.3%	2,548	33.7%	22,881	63.4%	13,237	36.6%
Projected Mkt Entry January 2017	5,043	66.2%	2,571	33.8%	23,047	63.3%	13,343	36.7%
2019	5,089	66.1%	2,608	33.9%	23,323	63.3%	13,519	36.7%

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

Owner-occupied housing units dominate the PMA and are slightly more dominant in the MSA. The percent of renter-occupied housing in the PMA is similar to the national average of approximately 33 percent. The percentage of renter-occupied units and number of renter-occupied units is expected to increase slightly through 2019.

## 2c. Households by Income

The following table depicts senior household income in 2015, the projected market entry January 2017, and 2019 for the PMA.

Income Cohort	RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA							
	2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	498	21.5%	585	23.0%	586	22.8%	588	22.5%
\$10,000-19,999	605	26.1%	685	26.9%	684	26.6%	683	26.2%
\$20,000-29,999	412	17.8%	421	16.5%	429	16.7%	441	16.9%
\$30,000-39,999	260	11.2%	321	12.6%	329	12.8%	341	13.1%
\$40,000-49,999	219	9.5%	221	8.7%	211	8.2%	193	7.4%
\$50,000-59,999	142	6.1%	127	5.0%	135	5.2%	148	5.7%
\$60,000-74,999	47	2.0%	48	1.9%	49	1.9%	50	1.9%
\$75,000-99,999	67	2.9%	83	3.3%	88	3.4%	97	3.7%
\$100,000-124,999	34	1.5%	35	1.4%	35	1.4%	36	1.4%
\$125,000-149,999	24	1.0%	16	0.6%	17	0.7%	19	0.7%
\$150,000-199,999	5	0.2%	4	0.2%	7	0.3%	12	0.4%
\$200,000+	4	0.2%	0	0.0%	0	0.0%	1	0.0%
<b>Total</b>	<b>2,316</b>	<b>100.0%</b>	<b>2,548</b>	<b>100.0%</b>	<b>2,571</b>	<b>100.0%</b>	<b>2,608</b>	<b>100.0%</b>

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

Renter households earning under \$30,000 in the PMA comprise 66.4 percent of all income cohorts. The Subject will target households earning between \$14,503 and \$29,460, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Berrien County has declined in 2013, 2014, and 2015. Since 2012, the AMI in Berrien County has decreased 3.6 percent. The Subject's proposed rents are below the 2014 and 2015 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.



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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA										
	2000		2010		2015		Projected Mkt Entry January 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	525	29.5%	722	31.2%	807	31.7%	811	31.5%	818	31.4%
With 2 Persons	486	27.4%	561	24.2%	617	24.2%	624	24.3%	637	24.4%
With 3 Persons	330	18.6%	384	16.6%	417	16.4%	421	16.4%	427	16.4%
With 4 Persons	228	12.8%	327	14.1%	355	13.9%	358	13.9%	362	13.9%
With 5+ Persons	208	11.7%	323	13.9%	353	13.8%	357	13.9%	364	14.0%
Total Renter	1,776	100.0%	2,316	100.0%	2,548	100.0%	2,571	100.0%	2,608	100.0%

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

The household size with the largest percentage of households is one person households, followed by two person households. In general, households with one and two people are expected to remain stable. The Subject will be a general household development with one, two, and three-bedroom floor plans, so this large percentage of one, two, and three person households bodes well for the proposed Subject.

### Conclusion

The general population in the PMA increased from 2000 to 2010 at a slightly faster rate than the general population in the SMA and nation. From 2010 to 2015 the population in the PMA increased at a similar rate as the population in the SMA, which was slightly faster than the population growth rate in the nation. The above average population growth in the PMA is a positive indication of demand for new housing units, similar to the Subject. From 2015 to 2019 the population in the PMA and SMA is expected to continue to increase, albeit at a slightly slower rate than the population in the nation. The total number of households in the PMA increased at a rate similar to the nation from 2000 to 2010. Over the same period of time, the total number of households in the SMA increased 1.1 percent, slightly faster than the PMA and nation. However, the total number of households in the PMA and SMA is expected to increase significantly slower than the total number of households in the nation through 2019. Overall, the projected increase in households is a positive indicator for the proposed Subject's units.

Renter households earning under \$30,000 in the PMA comprise 66.4 percent of all income cohorts. The Subject will target households earning between \$14,503 and \$29,460, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Berrien County has declined in 2013, 2014, and 2015. Since 2012, the AMI in Berrien County has decreased 3.6 percent. The Subject's proposed rents are below the 2014 and 2015 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

Overall, the demographic data points to a growing population with household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

## **F. EMPLOYMENT TRENDS**

## EMPLOYMENT TRENDS

The Subject is located in Nashville, Berrien County, Georgia. The Subject, as proposed, will be a family property with strict income limits.

Nashville is located in rural southern-central Georgia. Manufacturing is the largest industry in the PMA. However, since 2000, the manufacturing industry within the PMA has declined significantly. In 2000, manufacturing represented 25.6 percent of total employment in the PMA, but now represents just 16.3 percent of total employment. The manufacturing industry has experienced a 3.1 percent annual decline in manufacturing employment. Areas of growth have included educational services and health care/social assistance, which are now the third and fourth largest industries in the region.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling “The U.S. Manufacturing Renaissance.” This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that comprise the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by domestically decreasing energy costs and increasing labor costs in emerging markets.

According to a press release from the governor of Georgia, Chaparral Boats recently announced an expansion of their existing facility in Berrien County, which will create 50 new jobs in the area. Additionally, another press release from the governor indicated that between 2014 and 2016, Coyote MFG Co. is investing \$2.5 million into a new manufacturing facility in Nashville. This expansion will create 200 new jobs over those two years.

## 1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Berrien County. Note that the data below was the most recent data available.

Total Jobs in Berrien County, Georgia		
Year	Total Employment	% Change
2005	8,294	-
2006	8,530	2.77%
2007	8,588	0.68%
2008	8,401	-2.23%
2009	8,000	-5.01%
2010	7,113	-12.47%
2011	7,067	-0.65%
2012	6,960	-1.54%
2013	6,812	-2.17%
2014	6,872	0.87%
2014 YTD Average	6,603	-4.07%
Feb-14	6,691	-
Feb-15	6,519	-2.64%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

As illustrated in the table above, Berrien County experienced a weakening economy during the national recession. The county began feeling the effects of the national recession with its first employment decrease of the decade in 2008. The local economy has experienced a prolonged downturn with total employment decreases from 2008 to 2013. From February 2014 and February 2015, covered employment declined 2.64 percent. The continued total employment declines indicate a weak local economy.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Berrien County as of March 2014.

### March 2014 Covered Employment Berrien County, Georgia

	Number	Percent
<b>Total, all industries</b>	<b>2,398</b>	-
<b>Goods-producing</b>	<b>1,060</b>	-
Natural resources and mining	134	5.59%
Construction	54	2.25%
Manufacturing	872	36.36%
<b>Service-providing</b>	<b>1,338</b>	-
Trade, transportation, and utilities	613	25.56%
Information	43	1.79%
Financial activities	137	5.71%
Professional and business services	64	2.67%
Education and health services	204	8.51%
Leisure and hospitality	217	9.05%
Other services	42	1.75%
Unclassified	18	0.75%

Source: Bureau of Labor Statistics, 2015

Manufacturing is the largest industry in Berrien County, which is due to the Chaparral Boats facility and their suppliers. Trade, transportation, and utilities are the second largest percentage of total employment in Berrien County. These industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. Manufacturing the next largest industry within the PMA and has experienced significant declines since 2000, as previously mentioned. However, educational and health services are the fourth largest industry and is typically considered a stable industry.

## 2014 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	1,139	16.3%	15,162,651	10.6%
Retail Trade	1,119	16.0%	16,592,605	11.6%
Health Care/Social Assistance	977	14.0%	20,080,547	14.0%
Educational Services	823	11.8%	12,979,314	9.1%
Accommodation/Food Services	415	5.9%	10,849,114	7.6%
Construction	373	5.3%	8,291,595	5.8%
Agric/Forestry/Fishing/Hunting	369	5.3%	1,800,354	1.3%
Public Administration	295	4.2%	6,713,073	4.7%
Other Services (excl Publ Adm)	291	4.2%	7,850,739	5.5%
Admin/Support/Waste Mgmt Svcs	226	3.2%	6,316,579	4.4%
Wholesale Trade	224	3.2%	3,628,118	2.5%
Finance/Insurance	198	2.8%	6,884,133	4.8%
Transportation/Warehousing	185	2.6%	5,898,791	4.1%
Prof/Scientific/Tech Services	121	1.7%	9,808,289	6.8%
Real Estate/Rental/Leasing	91	1.3%	2,627,562	1.8%
Utilities	77	1.1%	1,107,105	0.8%
Information	39	0.6%	2,577,845	1.8%
Arts/Entertainment/Recreation	29	0.4%	3,151,821	2.2%
Mgmt of Companies/Enterprises	5	0.1%	97,762	0.1%
Mining	3	0.0%	868,282	0.6%
<b>Total Employment</b>	<b>6,999</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

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

Manufacturing, retail trade, and health care/social assistance are the largest industries within the PMA. Combined they represent 46.2 percent of total employment within the PMA. Manufacturing has decreased 3.1 percent annually since 2000. And the overall decline in total employment can be attributed to the loss of manufacturing jobs in the PMA. Educational Services and Health care/social assistance has increased 1.6 and 1.3 percent, respectively since 2000, which has partially replaced the lost manufacturing jobs. However, the economy remains largely dependent on manufacturing, which is considered a weakness of the local economy. The PMA is overrepresented in the manufacturing, retail trade, agric/forestry/fishing/hunting, and educational services, relative to the nation. Comparatively, accommodation/food services, construction, and public administration are underrepresented in the PMA.

### 3. Major Employers

The following table is a list of the top employers in Berrien County, GA.

#### MAJOR EMPLOYERS

#	Employer	Product	Employees
1	Chaparral Boats	Manufacturing cabin cruiser & sports boats	600
2	Berrien County School District	Public education	436
3	Berrien Nursing Center	Health care	125
4	Berrien County Government	Local government	125
5	South Georgia Medical Center	Health care	104
6	Dupont Pine Products	Lumber	60
7	B&H Electronics	Manufacturing wire harness for boats	50
8	City of Nashville	Local government	44
9	Coyote Manufacturing	Manufacturing marine accessories	35
10	Atlas Manufacturing	Manufacturing greenhouses	30

Source: Berrien County Development Authority, April 2015

The previous table illustrates the top 10 employers in Berrien County, Georgia. A variety of major employers are represented on the list. Chaparral Boats is the largest employer in the county, with a significantly higher number of employees than the remaining large employers. B&H Electronics and Coyote Manufacturing are suppliers to Chaparral Boats, which is a cabin cruiser and sports boat manufacturer. Two of the top five employers are in the healthcare sector, which is a stable industry and the third largest employment sector in the PMA. The top 10 employers represent 23 percent of the total employment in the PMA, which is considered significant.

#### Berrien County Development Authority

We attempted to contact the Berrien County Development Authority. However, our calls were not returned. Based on our online research, according to a press release from the governor of Georgia, Chaparral Boats recently announced an expansion of their existing facility in Berrien County, which will create 50 new jobs in the area. Additionally, another press release from the governor indicated that between 2014 and 2016, Coyote MFG Co. is investing \$2.5 million into a new manufacturing facility in Nashville. This expansion will create 200 new jobs over those two years.

According to the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN) list, there have been no announced layoffs within the PMA since 2013.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA and nation from 2004 to December 2014.

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	SMA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	3,531	-	3.6%	-	139,252,000	-	5.5%	-
2005	3,686	4.4%	3.9%	0.3%	141,730,000	1.8%	5.1%	-0.4%
2006	3,831	3.9%	3.8%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	3,893	1.6%	3.8%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	3,952	1.5%	5.8%	2.0%	145,362,000	-0.5%	5.8%	1.2%
2009	3,750	-5.1%	8.9%	3.1%	139,877,000	-3.8%	9.3%	3.5%
2010	4,220	12.5%	8.8%	-0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	4,291	1.7%	8.5%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	4,301	0.2%	7.5%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2013	4,275	-0.6%	7.2%	-0.3%	143,929,000	1.0%	7.0%	-1.1%
2014 YTD Average*	4,281	-0.5%	7.1%	-0.5%	146,305,333	2.7%	6.2%	-1.9%
Dec-2013	4,277	-	7.3%	-	144,423,000	-	6.5%	-
Dec-2014	4,267	-0.2%	6.8%	-0.5%	147,190,000	1.9%	5.4%	-1.1%

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

\*2014 data is through Dec

As the previous table demonstrates, total employment growth prior to the national recession was moderate to strong. In 2009, total employment in the SMA decreased by a larger percentage than total employment in the nation. However, the following year, the SMA experienced significant employment growth of 12.5 percent. According to the US Census, Tifton, which is located in the SMA, was the ninth fastest growing micro area in the nation from April 2010 to July 2011. Total employment growth in the SMA has been poor in comparison to the nation since 2011. In 2013 the SMA experienced a 0.6 percent decline in total employment and from December 2013 to December 2014, total employment decreased 0.2 percent. In comparison, total employment in the nation increased 1.9 percent from December 2013 to December 2014.

Overall, total employment in the SMA is eight percent above the pre-recession peak total employment. In comparison, total employment in the nation increased 0.8 percent. The strong growth since the recession is a positive factor for the local economy.

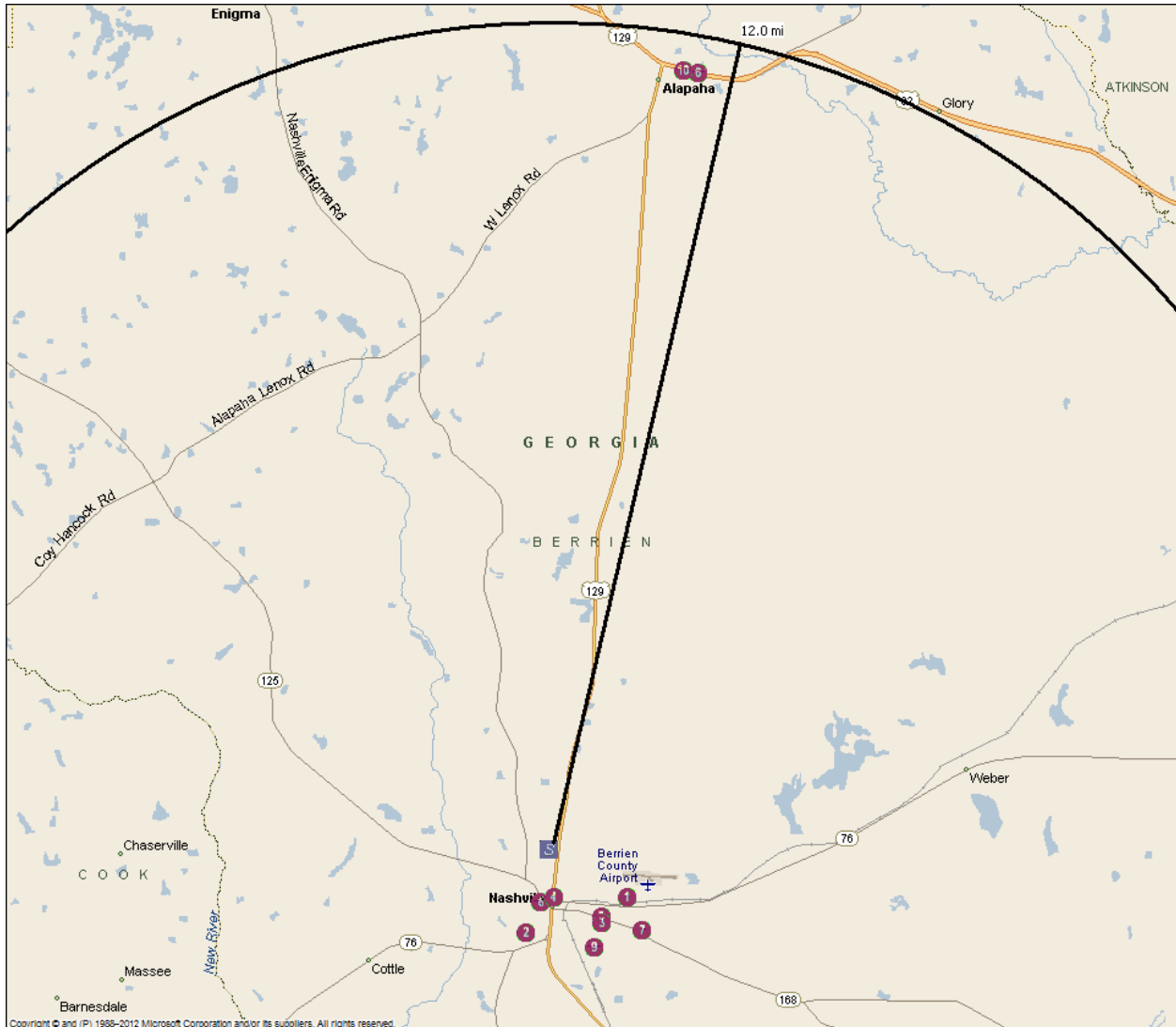
The unemployment rate in the SMA peaked at 8.9 percent in 2009 and has since declined at a slower pace than the unemployment rate in the nation. The unemployment rate in the nation peaked at 9.6 percent and has declined 4.2 percentage points as of December 2014. The unemployment rate in the nation is currently 1.4 percentage points below the unemployment rate in the SMA.

Overall, the local economy appears healthy based on the strong total employment growth since 2010. However, the total employment in Berrien County, where the Subject is located, has been decreasing, despite the growth in total employment in the SMA. As of December 2014, total employment in Berrien County was at its lowest level in any year of analysis (2002 to 2014). Total employment in Berrien County decreased 3.1 percent in 2014. The weak total employment growth in the PMA is the only notable negative aspect of the proposed development.



### 5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Berrien County, Georgia.



#### MAJOR EMPLOYERS

#	Employer	Product	Employees
1	Chaparral Boats	Manufacturing cabin cruiser & sports boats	600
2	Berrien County School District	Public education	436
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10	Atlas Manufacturing	Manufacturing greenhouses	30

Source: Berrien County Development Authority, April 2015

## Conclusion

Manufacturing, retail trade, and health care/social assistance are the largest industries within the PMA. Nashville is located in rural southern-central Georgia. Manufacturing is the largest industry in the PMA. However, since 2000, the manufacturing industry within the PMA has declined significantly. In 2000, manufacturing represented 25.6 percent of total employment in the PMA, but now represents just 16.3 percent of total employment. The manufacturing industry has experienced a 3.1 percent annual decline in manufacturing employment. Areas of growth have included educational services and health care/social assistance, which are now the third and fourth largest industries in the region.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling “The U.S. Manufacturing Renaissance.” This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that comprise the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by domestically decreasing energy costs and increasing labor costs in emerging markets.

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Overall, total employment in the SMA is eight percent above the pre-recession peak total employment. In comparison, total employment in the nation increased 0.8 percent. The strong growth since the recession is a positive factor for the local economy. The unemployment rate in the SMA peaked at 8.9 percent in 2009 and has since declined at a slower pace than the unemployment rate in the nation. The unemployment rate in the nation peaked at 9.6 percent and has declined 4.2 percentage points as of December 2014. The unemployment rate in the nation is currently 1.4 percentage points below the unemployment rate in the SMA.

Overall, the local economy appears healthy based on the strong total employment growth since 2010. However, the total employment in Berrien County, where the Subject is located, has been decreasing, despite the growth in total employment in the SMA. As of December 2014, total employment in Berrien County was at its lowest level in any year of analysis (2002 to 2014). Total employment in Berrien County decreased 3.1 percent in 2014. The weak total employment growth in the PMA is the only notable negative aspect of the proposed development.

## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

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

### **1. Income Restrictions**

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a 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). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

### **2. Affordability**

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for senior households. 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 January 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2014 household population estimates are inflated to January 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 January 2017. This number takes the overall growth from 2014 to January

2017 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 or placed in service from 2013 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 from 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 allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following demand analysis.

**PMA Occupancy**

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

PMA OCCUPANCY							
Property Name	Occupancy	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject	
Nashville Villas	94%	Rural Development/Market Rate	Family	Included	N/Ap	0.2 miles	
Pine Acres Apartments	79%	Rural Development/Market Rate	Family	Included	N/Ap	1.6 miles	
Nashville Estates	100%	Rural Development	Senior	Excluded	Subsidized, dissimilar tenancy	0.2 miles	
Cypress Wood Apartments	N/A	Market	Family	Excluded	Unable to contact	1.0 miles	
Ice House Apartments	N/A	Market	Family	Excluded	Unable to contact	0.8 miles	
<b>Total</b>	<b>92%</b>						

**Rehab Developments and PBRA**

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

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

**Capture Rates**

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

Renter Household Income Distribution 2015-2019							
Griner Gardens							
PMA							
	2015		Projected Mkt Entry January 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	585	23.0%	586	22.8%	588	22.5%	0.4%
\$10,000-19,999	685	26.9%	684	26.6%	683	26.2%	-0.3%
\$20,000-29,999	421	16.5%	429	16.7%	441	16.9%	4.5%
\$30,000-39,999	321	12.6%	329	12.8%	341	13.1%	5.8%
\$40,000-49,999	221	8.7%	211	8.2%	193	7.4%	-14.6%
\$50,000-59,999	127	5.0%	135	5.2%	148	5.7%	14.1%
\$60,000-74,999	48	1.9%	49	1.9%	50	1.9%	3.5%
\$75,000-99,999	83	3.3%	88	3.4%	97	3.7%	13.9%
\$100,000-124,999	35	1.4%	35	1.4%	36	1.4%	3.5%
\$125,000-149,999	16	0.6%	17	0.7%	19	0.7%	15.5%
\$150,000-199,999	4	0.2%	7	0.3%	12	0.4%	61.4%
\$200,000+	0	0.0%	0	0.0%	1	0.0%	100.0%
Total	2,548	100.0%	2,571	100.0%	2,608	100.0%	0

Renter Household Income Distribution 2015 to Projected Market Entry January 2017					
Griner Gardens					
PMA					
	2015		Projected Mkt Entry January 2017		Percent Growth
	#	%	#	%	
\$0-9,999	585	23.0%	586	22.8%	0.2%
\$10,000-19,999	685	26.9%	684	26.6%	-0.1%
\$20,000-29,999	421	16.5%	429	16.7%	1.7%
\$30,000-39,999	321	12.6%	329	12.8%	2.2%
\$40,000-49,999	221	8.7%	211	8.2%	-5.0%
\$50,000-59,999	127	5.0%	135	5.2%	5.8%
\$60,000-74,999	48	1.9%	49	1.9%	1.3%
\$75,000-99,999	83	3.3%	88	3.4%	5.7%
\$100,000-124,999	35	1.4%	35	1.4%	1.3%
\$125,000-149,999	16	0.6%	17	0.7%	6.5%
\$150,000-199,999	4	0.2%	7	0.3%	37.3%
\$200,000+	0	0.0%	0	0.0%	100.0%
Total	2,548	100.0%	2,571	100.0%	0.9%

Tenure Prj Mrkt Entry January 2017	
Renter	33.8%
Owner	66.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry January 2017		
Size	Number	Percentage
1 Person	812	31.5%
2 Person	627	24.3%
3 Person	422	16.4%
4 Person	358	13.9%
5+ Person	359	13.9%
Total	2,578	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	525	29.5%
2 Person	486	27.4%
3 Person	330	18.6%
4 Person	228	12.8%
5+ Person	208	11.7%
Total	1,776	100.0%

50%AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$14,606		
Maximum Income Limit			\$24,550		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	January 2017			
\$0-9,999	586	22.8%			
\$10,000-19,999	684	26.6%	\$5,393	53.9%	369
\$20,000-29,999	429	16.7%	\$4,550	45.5%	195
\$30,000-39,999	329	12.8%			
\$40,000-49,999	211	8.2%			
\$50,000-59,999	135	5.2%			
\$60,000-74,999	49	1.9%			
\$75,000-99,999	88	3.4%			
\$100,000-124,999	35	1.4%			
\$125,000-149,999	17	0.7%			
\$150,000-199,999	7	0.3%			
\$200,000+	0	0.0%			
	2,571	100.0%			564
Percent of renter households within limits versus total number of renter households					21.95%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$14,606		
Maximum Income Limit			\$24,550		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	5	22.8%			
\$10,000-19,999	6	26.6%	\$5,393	53.9%	3
\$20,000-29,999	4	16.7%	\$4,550	45.5%	2
\$30,000-39,999	3	12.8%			
\$40,000-49,999	2	8.2%			
\$50,000-59,999	1	5.2%			
\$60,000-74,999	0	1.9%			
\$75,000-99,999	1	3.4%			
\$100,000-124,999	0	1.4%			
\$125,000-149,999	0	0.7%			
\$150,000-199,999	0	0.3%			
\$200,000+	0	0.0%			
	23	100.0%			5
Percent of renter households within limits versus total number of renter households					21.95%

Does the Project Benefit from Rent Subsidy? (Y/N) No  
 Type of Housing (Family vs Senior) Family  
 Location of Subject (Rural versus Urban) Urban  
 Percent of Income for Housing 35%  
 2000 Median Income \$29,657  
 2015 Median Income \$33,461  
 Change from 2015 to Prj Mrkt Entry January 2017 \$3,804  
 Total Percent Change 11.4%  
 Average Annual Change 0.8%  
 Inflation Rate 0.8%  
 Maximum Allowable Income \$24,550  
 Maximum Allowable Income Inflation Adjusted \$24,550  
 Maximum Number of Occupants 5  
 Rent Income Categories 50%  
 Initial Gross Rent for Smallest Unit \$426  
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$426

No		
Family		
Urban		
35%		
\$29,657		
\$33,461		
\$3,804		
11.4%		
0.8%		
0.8%	Two year adjustment	1.0000
\$24,550		
\$24,550		
5		
50%		
\$426		
\$426		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	10%	90%	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 2015 to Prj Mrkt Entry January 2017

Income Target Population		50%
New Renter Households PMA		23
Percent Income Qualified		22.0%
New Renter Income Qualified Households		5

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		2,571
Income Qualified		22.0%
Income Qualified Renter Households		564
Percent Rent Overburdened Prj Mrkt Entry January 2017		24.1%
Rent Overburdened Households		136

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		564
Percent Living in Substandard Housing		0.3%
Households Living in Substandard Housing		2

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		138
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		138
Total New Demand		5
Total Demand (New Plus Existing Households)		143

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

By Bedroom Demand

One Person	31.5%	45
Two Persons	24.3%	35
Three Persons	16.4%	23
Four Persons	13.9%	20
Five Persons	13.9%	20
Total	100.0%	143

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	60%	27
Of two-person households in 1BR units	10%	3
Of one-person households in 2BR units	40%	18
Of two-person households in 2BR units	90%	31
Of three-person households in 2BR units	60%	14
Of three-person households in 3BR units	40%	9
Of four-person households in 3BR units	80%	16
Of five-person households in 3BR units	70%	14
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	6
Total Demand		143
Check		OK
Total Demand by Bedroom		50%
1 BR		31
2 BR		63
3 BR		39
Total Demand		133
Additions To Supply 2015 to Prj Mrkt Entry January 2017		50%
1 BR		0
2 BR		0
3 BR		0
Total		0
Net Demand		50%
1 BR		31
2 BR		63
3 BR		39
Total		133
Developer's Unit Mix		50%
1 BR		1
2 BR		5
3 BR		4
Total		10
Capture Rate Analysis		50%
1 BR		3.3%
2 BR		7.9%
3 BR		10.2%
Total		7.5%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,520		
Maximum Income Limit			\$29,460		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	January 2017			
\$0-9,999	586	22.8%			
\$10,000-19,999	684	26.6%	\$2,479	24.8%	170
\$20,000-29,999	429	16.7%	\$9,460	94.6%	406
\$30,000-39,999	329	12.8%			
\$40,000-49,999	211	8.2%			
\$50,000-59,999	135	5.2%			
\$60,000-74,999	49	1.9%			
\$75,000-99,999	88	3.4%			
\$100,000-124,999	35	1.4%			
\$125,000-149,999	17	0.7%			
\$150,000-199,999	7	0.3%			
\$200,000+	0	0.0%			
	2,571	100.0%			575
Percent of renter households within limits versus total number of renter households					22.38%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$17,520		
Maximum Income Limit			\$29,460		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry January 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	5	22.8%			
\$10,000-19,999	6	26.6%	\$2,479	24.8%	1
\$20,000-29,999	4	16.7%	\$9,460	94.6%	4
\$30,000-39,999	3	12.8%			
\$40,000-49,999	2	8.2%			
\$50,000-59,999	1	5.2%			
\$60,000-74,999	0	1.9%			
\$75,000-99,999	1	3.4%			
\$100,000-124,999	0	1.4%			
\$125,000-149,999	0	0.7%			
\$150,000-199,999	0	0.3%			
\$200,000+	0	0.0%			
	23	100.0%			5
Percent of renter households within limits versus total number of renter households					22.38%

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

2015 Median Income

Change from 2015 to Prj Mrkt Entry January 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%		
\$29,657		
\$33,461		
\$3,804		
11.4%		
0.8%		
0.8%	Two year adjustment	1.0000
\$29,460		
\$29,460		
5		
60%		
\$511		
\$511		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	10%	90%	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 2015 to Prj Mrkt Entry January 2017

Income Target Population	60%
New Renter Households PMA	23
Percent Income Qualified	22.4%
New Renter Income Qualified Households	5

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	2,571
Income Qualified	22.4%
Income Qualified Renter Households	575
Percent Rent Overburdened Prj Mrkt Entry January 2017	24.1%
Rent Overburdened Households	139

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	575
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	2

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		141
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		141
Total New Demand		5
Total Demand (New Plus Existing Households)		146

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

By Bedroom Demand

One Person	31.5%	46
Two Persons	24.3%	35
Three Persons	16.4%	24
Four Persons	13.9%	20
Five Persons	13.9%	20
Total	100.0%	146

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	60%	28
Of two-person households in 1BR units	10%	4
Of one-person households in 2BR units	40%	18
Of two-person households in 2BR units	90%	32
Of three-person households in 2BR units	60%	14
Of three-person households in 3BR units	40%	10
Of four-person households in 3BR units	80%	16
Of five-person households in 3BR units	70%	14
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	6
Total Demand		146
Check		OK
Total Demand by Bedroom		60%
1 BR		31
2 BR		65
3 BR		40
Total Demand		136
Additions To Supply 2015 to Prj Mrkt Entry January 2017		60%
1 BR		0
2 BR		0
3 BR		0
Total		0
Net Demand		60%
1 BR		31
2 BR		65
3 BR		40
Total		136
Developer's Unit Mix		60%
1 BR		3
2 BR		19
3 BR		16
Total		38
Capture Rate Analysis		60%
1 BR		9.6%
2 BR		29.4%
3 BR		40.0%
Total		28.0%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$14,606		
Maximum Income Limit			\$29,460		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	January 2017			
\$0-9,999	586	22.8%			
\$10,000-19,999	684	26.6%	\$5,393	53.9%	369
\$20,000-29,999	429	16.7%	\$9,460	94.6%	406
\$30,000-39,999	329	12.8%			
\$40,000-49,999	211	8.2%			
\$50,000-59,999	135	5.2%			
\$60,000-74,999	49	1.9%			
\$75,000-99,999	88	3.4%			
\$100,000-124,999	35	1.4%			
\$125,000-149,999	17	0.7%			
\$150,000-199,999	7	0.3%			
\$200,000+	0	0.0%			
	2,571	100.0%			775
Percent of renter households within limits versus total number of renter households					30.14%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$14,606		
Maximum Income Limit			\$29,460		
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Change in Households PMA 2015 to	Prj Mrkt Entry January 2017			
\$0-9,999	5	22.8%			
\$10,000-19,999	6	26.6%	\$5,393	53.9%	3
\$20,000-29,999	4	16.7%	\$9,460	94.6%	4
\$30,000-39,999	3	12.8%			
\$40,000-49,999	2	8.2%			
\$50,000-59,999	1	5.2%			
\$60,000-74,999	0	1.9%			
\$75,000-99,999	1	3.4%			
\$100,000-124,999	0	1.4%			
\$125,000-149,999	0	0.7%			
\$150,000-199,999	0	0.3%			
\$200,000+	0	0.0%			
	23	100.0%			7
Percent of renter households within limits versus total number of renter households					30.14%

Does the Project Benefit from Rent Subsidy? (Y/N) No  
 Type of Housing (Family vs Senior) Family  
 Location of Subject (Rural versus Urban) Urban  
 Percent of Income for Housing 35%  
 2000 Median Income \$29,657  
 2015 Median Income \$33,461  
 Change from 2015 to Prj Mrkt Entry January 2017 \$3,804  
 Total Percent Change 11.4%  
 Average Annual Change 0.8%  
 Inflation Rate 0.8%  
 Maximum Allowable Income \$29,460  
 Maximum Allowable Income Inflation Adjusted \$29,460  
 Maximum Number of Occupants 5  
 Rent Income Categories Overall  
 Initial Gross Rent for Smallest Unit \$426  
 Initial Gross Rent for Smallest Unit Inflation Adjusted \$426

No		
Family		
Urban		
35%		
\$29,657		
\$33,461		
\$3,804		
11.4%		
0.8%		
0.8%	wo year adjustment	1.0000
\$29,460		
\$29,460		
5		
Overall		
\$426		
\$426		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	10%	90%	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 2015 to Prj Mrkt Entry January 2017

Income Target Population		Overall
New Renter Households PMA		23
Percent Income Qualified		30.1%
New Renter Income Qualified Households		7

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		2,571
Income Qualified		30.1%
Income Qualified Renter Households		775
Percent Rent Overburdened Prj Mrkt Entry January 2017		24.1%
Rent Overburdened Households		187

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		775
Percent Living in Substandard Housing		0.38%
Households Living in Substandard Housing		3

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		190
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		190
Total New Demand		7
Total Demand (New Plus Existing Households)		197

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

By Bedroom Demand

One Person	31.5%	62
Two Persons	24.3%	48
Three Persons	16.4%	32
Four Persons	13.9%	27
Five Persons	13.9%	27
Total	100.0%	197

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	37
Of two-person households in 1BR units	10%	5
Of one-person households in 2BR units	40%	25
Of two-person households in 2BR units	90%	43
Of three-person households in 2BR units	60%	19
Of three-person households in 3BR units	40%	13
Of four-person households in 3BR units	80%	22
Of five-person households in 3BR units	70%	19
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	8
Total Demand		197
Check		OK

Total Demand by Bedroom	Overall
1 BR	42
2 BR	87
3 BR	54
Total Demand	183

Additions To Supply 2015 to Prj Mrkt Entry January 2017	Overall
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	Overall
1 BR	42
2 BR	87
3 BR	54
Total	183

Developer's Unit Mix	Overall
1 BR	4
2 BR	24
3 BR	20
Total	48

Capture Rate Analysis	Overall
1 BR	9.5%
2 BR	27.5%
3 BR	37.1%
Total	26.2%



## Conclusions

We have conducted such an analysis to determine a base of demand for the proposed Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 0.4 percent between 2015 and 2019.
- 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.

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 3.3 to 10.2 percent, with an overall capture rate of 7.5 percent. The Subject's capture rates at the 60 percent AMI level will range from 9.6 to 40.0 percent, with an overall capture rate of 28.0 percent. The Subject's overall capture rate is 26.2 percent. Therefore, we believe there is adequate demand for the Subject.

Among the various capture rates, the three-bedroom 60 percent capture rate for the proposed Subject is the highest. Both LIHTC comparable properties offer three-bedroom units. Magnolia Place is exhibiting a vacancy rate of 11.1 percent in three-bedroom units, but only has a total of two vacant units. The Groves, which is considered the most comparable property, is currently exhibiting a vacancy rate of zero percent with a waiting list for three-bedroom units. Upon completion, the Subject will be slightly superior to The Groves and superior to Magnolia Place. Therefore, we believe the capture rates are reasonable and there is demand for the proposed three-bedroom units at the Subject.

## CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents	Proposed Rents
1BR/1BA @50%	\$14,606-\$18,200	1	31	0	31	3.3%	Nine months	\$449	\$336-\$725	\$282
2BR/2BA @50%	\$17,520-\$20,450	5	63	0	63	7.9%	Nine months	\$567	\$245-\$990	\$328
3BR/2BA @50%	\$20,229-\$24,550	4	39	0	39	10.2%	Nine months	\$610	\$314-\$925	\$368
Overall @50%	\$14,606-\$24,550	10	133	0	133	7.5%	Nine months	-	-	-
1BR/1BA @60%	\$16,149-\$21,840	3	31	0	31	9.6%	Nine months	\$449	\$336-\$725	\$330
2BR/2BA @60%	\$17,829-\$24,540	19	65	0	65	29.4%	Nine months	\$567	\$245-\$990	\$340
3BR/2BA @60%	\$22,080-\$29,460	16	40	0	40	40.0%	Nine months	\$610	\$314-\$925	\$425
Overall @60%	\$16,149-\$29,460	38	136	0	136	28.0%	Nine months	-	-	-
Overall Demand	\$14,606-\$29,460	48	183	0	183	26.2%	Nine months	-	-	-

## Demand and Net Demand

	HH at 50% AMI (\$14,503 to \$24,550)	HH at 60% AMI (\$16,149 to \$29,460)	All Tax Credit Households
Demand from New Households (age and income appropriate)	5	5	7
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	2	3
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	136	139	187
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>143</b>	<b>146</b>	<b>197</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
<b>Equals Total Demand</b>	<b>143</b>	<b>146</b>	<b>197</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
<b>Equals Net Demand*</b>	<b>143</b>	<b>146</b>	<b>197</b>

\*Not adjusted for bedroom specific demand

## **H. COMPETITIVE RENTAL ANALYSIS**

**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 nine “true” comparable properties containing 419 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 poor; there are zero LIHTC properties in the PMA. There are no LIHTC properties located within Berrien County. We have extended our search to the Secondary Market Area (SMA). We have included seven comparable properties, which are located outside of the PMA, in Tifton. Overall, we believe that the Subject will offer an inferior location in comparison to the properties in Tifton. The Subject will target the general population. We have also included two LIHTC properties that target the general population and offer similar unit types in comparison to the proposed Subject. The comparable LIHTC properties are located 24.7 to 28.6 miles from the proposed Subject.

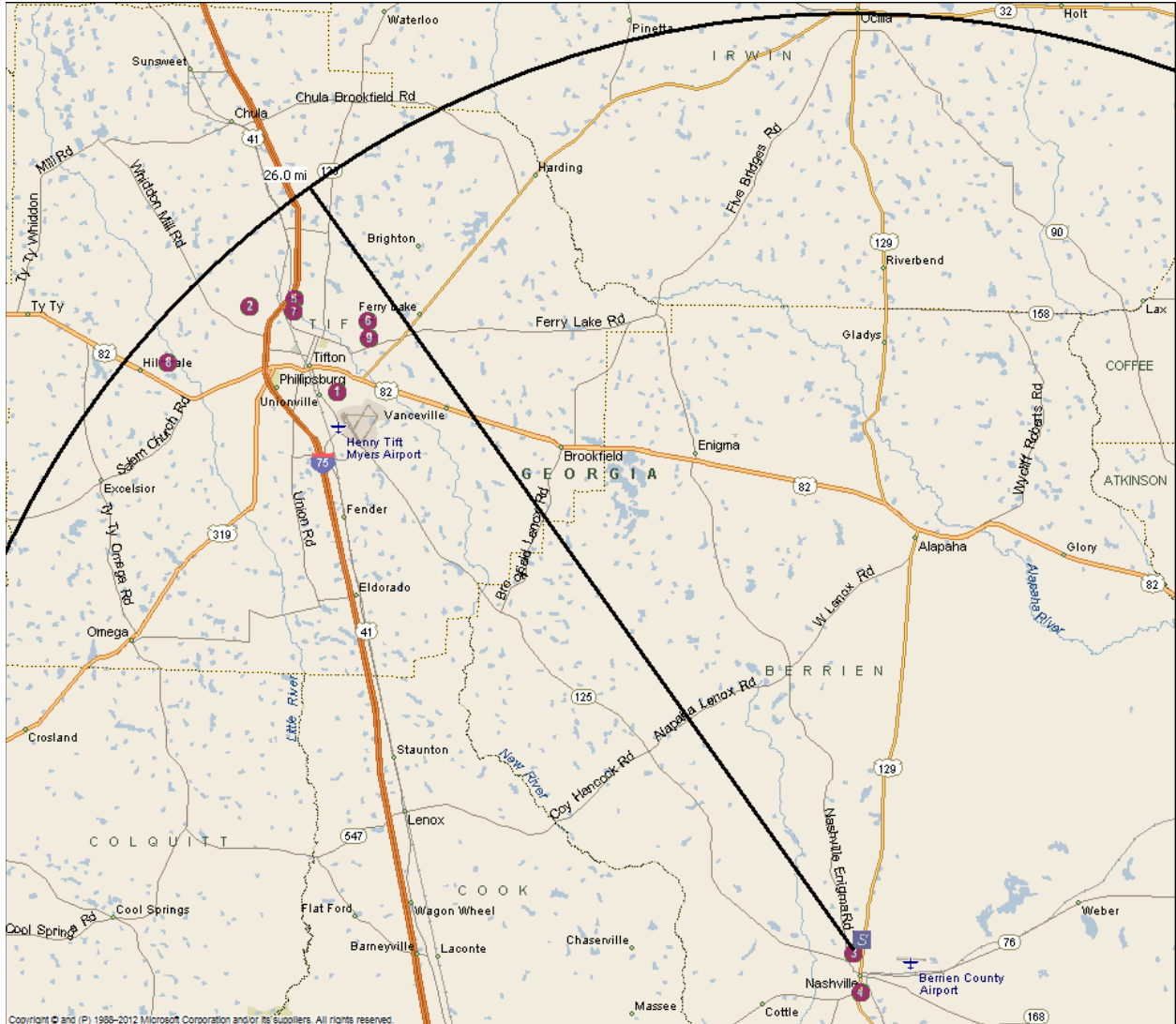
The availability of market rate data is considered poor. We were unable to contact the small market rate developments in Nashville. We have included two rural development and market rate properties that are located in Nashville. Additionally, we have included five conventional properties located in Tifton, which are located outside of the PMA. The comparable market rate properties are located between 0.2 and 31.4 miles from the Subject site. These comparables were built or renovated between the 1970s and 2008. There are a limited number of new construction market rate properties in the area. Overall, we believe the market rate properties we have used in our analysis are the most comparable.

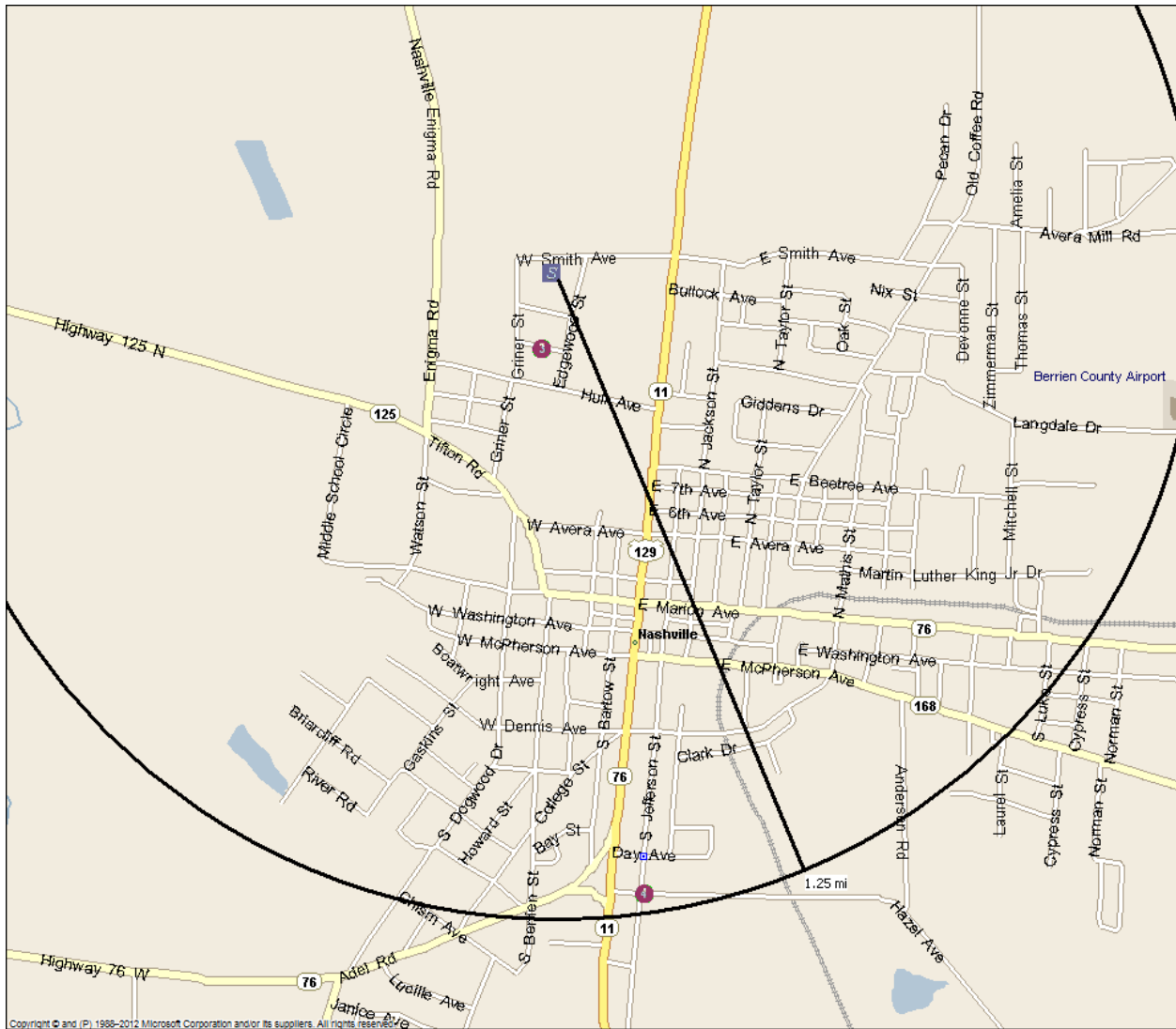
**Excluded Properties**

The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES						
Property Name	Occupancy	Type	Tenancy	Reason for Exclusion	Distance from Subject	
Nashville Villas	94%	Rural Development/Market Rate	Family	N/Ap	0.2 miles	
Pine Acres Apartments	79%	Rural Development/Market Rate	Family	N/Ap	1.6 miles	
Nashville Estates	100%	Rural Development	Senior	Subsidized, dissimilar tenancy	0.2 miles	
Cypress Wood Apartments	N/A	Market	Family	Unable to contact	1.0 miles	
Ice House Apartments	N/A	Market	Family	Unable to contact	0.8 miles	

### Comparable Rental Property Map





**COMPARABLE PROPERTIES**

#	Property Name	City	Type	Distance
1	Magnolia Place	Tifton	LIHTC	24.7 miles
2	The Groves	Tifton	LIHTC/Market	28.6 miles
3	Nashville Villas	Nashville	Rural Development/Market Rate	0.2 miles
4	Pine Acres Apartments	Nashville	Rural Development/Market Rate	1.6 miles
5	Cypress Suites	Tifton	Market	26.7 miles
6	Park Place	Tifton	Market	30.8 miles
7	Sunnyside Apartments	Tifton	Market	26.3 miles
8	The Oaks At Carpenter	Tifton	Market	30.3 miles
9	Turtle Cove	Tifton	Market	31.4 miles

1. The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Griner Gardens Northwest corner of Edgewood Avenue and Joyce Avenue Nashville, GA 31639 Berrien County	n/a	Garden (2 stories) 2017 / n/a	@50%, @60%	1BR / 1BA	1	2.10%	@50%	\$255	810	no		N/A	N/A
					1BR / 1BA	3	6.20%	@60%	\$330	810	no	N/A	N/A	
					2BR / 2BA	5	10.40%	@50%	\$331	1,050	no	N/A	N/A	
					2BR / 2BA	19	39.60%	@60%	\$340	1,050	no	N/A	N/A	
					3BR / 2BA	4	8.30%	@50%	\$371	1,250	no	N/A	N/A	
					3BR / 2BA	16	33.30%	@60%	\$425	1,250	no	N/A	N/A	
					48	100%								
1	Magnolia Place 4 Pertilla Place Tifton, GA 31794 Tift County	24.7 miles	One-story 1995 / n/a	@50%	2BR / 1BA	19	51.40%	@50%	\$293	900	yes	Yes	0	0.00%
					3BR / 1.5BA	18	48.60%	@50%	\$314	1,100	yes	No	2	11.10%
						37	100%							2
2	The Groves 2826 Rainwater Road Tifton, GA 31793 Tift County	28.6 miles	Garden (2 stories) 2006 / n/a	@30%, @50%, @60%, Market	1BR / 1BA	3	3.10%	@30%	\$157	857	yes	Yes	0	0.00%
					1BR / 1BA	15	15.60%	@50%	\$336	857	yes	Yes	0	0.00%
					1BR / 1BA	1	1.00%	@60%	\$380	857	yes	Yes	0	0.00%
					1BR / 1BA	5	5.20%	Market	\$485	475	n/a	Yes	0	0.00%
					2BR / 2BA	5	5.20%	@30%	\$182	1,137	yes	Yes	0	0.00%
					2BR / 2BA	30	31.20%	@50%	\$392	1,137	yes	Yes	0	0.00%
					2BR / 2BA	3	3.10%	@60%	\$392	1,137	yes	Yes	0	0.00%
					2BR / 2BA	10	10.40%	Market	\$560	1,137	n/a	Yes	0	0.00%
					3BR / 2BA	2	2.10%	@30%	\$220	1,270	yes	Yes	0	0.00%
					3BR / 2BA	15	15.60%	@50%	\$469	1,270	yes	Yes	0	0.00%
					3BR / 2BA	2	2.10%	@60%	\$489	1,270	yes	Yes	0	0.00%
					3BR / 2BA	5	5.20%	Market	\$635	1,270	n/a	Yes	0	0.00%
										96	100%			
3	Cypress Suites 98 Kent Road Tifton, GA 31794 Tift County	26.7 miles	Garden (2 stories) 2008 / n/a	Market	1BR / 1BA	8	20.00%	Market	\$725	768	n/a	No	0	0.00%
					2BR / 2BA	16	40.00%	Market	\$875	1,331	n/a	No	1	6.20%
					3BR / 2BA	16	40.00%	Market	\$925	1,534	n/a	No	1	6.20%
						40	100%							2
4	Nashville Villas 406 Hull Avenue Nashville, GA 31639 Berrien County	0.2 miles	Garden 1970s / n/a	Market, Rural Development (Project Based Rental Assistance - PBRA)	1BR / 1BA	N/A	N/A	Market	\$400	700	n/a	No	N/A	N/A
					1BR / 1BA	10	32.30%	Rural Development	N/A	700	n/a	Yes	N/A	N/A
					2BR / 1.5BA	N/A	N/A	Market	\$415	1,000	n/a	Yes	N/A	N/A
					2BR / 1.5BA	21	67.70%	Rural Development	N/A	1,000	n/a	Yes	N/A	N/A
						31	100%							2
5	Park Place 2610 Emmett Ave Tifton, GA 31794 Tift County	30.8 miles	Garden (2 stories) 1983 / n/a	Market	1BR / 1BA	28	46.70%	Market	\$362	725	n/a	Yes	2	7.10%
					2BR / 1.5BA	32	53.30%	Market	\$495	1,000	n/a	Yes	0	0.00%
						60	100%							2
6	Pine Acres Apartments 203 Hazel Avenue Nashville, GA 31639 Berrien County	1.6 miles	Garden 1982 / n/a	Market, Rural Development (Project Based Rental Assistance -	2BR / 1BA	10	41.70%	Market	\$245	1,000	n/a	No	5	50.00%
					2BR / 1BA	14	58.30%	Rural Development	N/A	1,000	n/a	No	0	0.00%
						24	100%							5
7	Sunnyside Apartments 909 20th Street West Tifton, GA 31794 Tift County	26.3 miles	One-story 1985 / 2000	Market	Studio / 1BA	6	8.30%	Market	\$450	288	n/a	No	0	0.00%
					1BR / 1BA	56	77.80%	Market	\$457	576	n/a	No	3	5.40%
					2BR / 1BA	7	9.70%	Market	\$545	864	n/a	No	2	28.60%
					2BR / 2BA	3	4.20%	Market	\$545	864	n/a	No	0	0.00%
					72	100%							5	6.90%
8	The Oaks At Carpenter 101 Oak Forest Lane Tifton, GA 31793 Tift County	30.3 miles	Garden (2 stories) 2008 / n/a	Market	2BR / 2BA	20	55.60%	Market	\$725	1,050	n/a	No	1	5.00%
					3BR / 2BA	16	44.40%	Market	\$825	1,350	n/a	No	1	6.20%
						36	100%							2
9	Turtle Cove 198 Osprey Circle Tifton, GA 31794 Tift County	31.4 miles	Single Family 2001 / n/a	Market	2BR / 2BA	20	87.00%	Market	\$875	1,100	n/a	No	2	10.00%
					2BR / 2BA	3	13.00%	Market	\$990	1,100	n/a	No	3	100.00%
						23	100%							5

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

Effective Rent Date:	Apr-15	Units Surveyed:	419	Weighted Occupancy:	95.20%
		Market Rate	286	Market Rate	93.00%
		Tax Credit	133	Tax Credit	100.00%

One Bedroom One Bath			Two Bedrooms Two Bath			Three Bedrooms Two Bath		
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	Property	Average	Property	Average	Property	Average
<b>RENT</b>	Cypress Suites	\$725	Turtle Cove	\$990	Cypress Suites	\$925
	The Groves * (M)	\$485	Cypress Suites	\$875	The Oaks At Carpenter	\$825
	Sunnyside Apartments	\$457	Turtle Cove	\$875	The Groves * (M)	\$635
	Nashville Villas	\$400	The Oaks At Carpenter	\$725	The Groves * (60%)	\$489
	The Groves * (60%)	\$380	The Groves * (M)	\$560	The Groves * (50%)	\$469
	Park Place	\$362	Sunnyside Apartments	\$545	<b>Griner Gardens * (60%)</b>	<b>\$425</b>
	The Groves * (50%)	\$336	Park Place (1.5BA)	\$495	<b>Griner Gardens * (50%)</b>	<b>\$371</b>
	<b>Griner Gardens * (60%)</b>	<b>\$330</b>	Nashville Villas (1.5BA)	\$415	Magnolia Place * (1.5BA 50%)	\$314
	<b>Griner Gardens * (50%)</b>	<b>\$285</b>	The Groves * (50%)	\$392	The Groves * (30%)	\$220
	The Groves * (30%)	\$157	The Groves * (60%)	\$392		
			<b>Griner Gardens * (60%)</b>	<b>\$340</b>		
			<b>Griner Gardens * (50%)</b>	<b>\$331</b>		
			Magnolia Place * (1BA 50%)	\$293		
			Pine Acres Apartments (1BA)	\$245		
			The Groves * (30%)	\$182		
<b>SQUARE FOOTAGE</b>	The Groves * (30%)	857	Cypress Suites	1,331	Cypress Suites	1,534
	The Groves * (50%)	857	The Groves * (30%)	1,137	The Oaks At Carpenter	1,350
	The Groves * (60%)	857	The Groves * (50%)	1,137	The Groves * (30%)	1,270
	<b>Griner Gardens * (50%)</b>	<b>810</b>	The Groves * (60%)	1,137	The Groves * (50%)	1,270
	<b>Griner Gardens * (60%)</b>	<b>810</b>	The Groves * (M)	1,137	The Groves * (60%)	1,270
	Cypress Suites	768	Turtle Cove	1,100	The Groves * (M)	1,270
	Park Place	725	Turtle Cove	1,100	<b>Griner Gardens * (50%)</b>	<b>1,250</b>
	Nashville Villas	700	<b>Griner Gardens * (50%)</b>	<b>1,050</b>	<b>Griner Gardens * (60%)</b>	<b>1,250</b>
	Sunnyside Apartments	576	<b>Griner Gardens * (60%)</b>	<b>1,050</b>	Magnolia Place * (1.5BA 50%)	1,100
	The Groves * (M)	475	The Oaks At Carpenter	1,050		
			Nashville Villas (1.5BA)	1,000		
			Park Place (1.5BA)	1,000		
			Pine Acres Apartments (1BA)	1,000		
			Magnolia Place * (1BA 50%)	900		
			Sunnyside Apartments	864		
<b>RENT PER SQUARE FOOT</b>	The Groves * (M)	\$1.02	Turtle Cove	\$0.90	The Oaks At Carpenter	\$0.61
	Cypress Suites	\$0.94	Turtle Cove	\$0.80	Cypress Suites	\$0.60
	Sunnyside Apartments	\$0.79	The Oaks At Carpenter	\$0.69	The Groves * (M)	\$0.50
	Nashville Villas	\$0.57	Cypress Suites	\$0.66	The Groves * (60%)	\$0.39
	Park Place	\$0.50	Sunnyside Apartments	\$0.63	The Groves * (50%)	\$0.37
	The Groves * (60%)	\$0.44	Park Place (1.5BA)	\$0.50	<b>Griner Gardens * (60%)</b>	<b>\$0.34</b>
	<b>Griner Gardens * (60%)</b>	<b>\$0.41</b>	The Groves * (M)	\$0.49	<b>Griner Gardens * (50%)</b>	<b>\$0.30</b>
	The Groves * (50%)	\$0.39	Nashville Villas (1.5BA)	\$0.42	Magnolia Place * (1.5BA 50%)	\$0.29
	<b>Griner Gardens * (50%)</b>	<b>\$0.35</b>	The Groves * (50%)	\$0.34	The Groves * (30%)	\$0.17
	The Groves * (30%)	\$0.18	The Groves * (60%)	\$0.34		
			Magnolia Place * (1BA 50%)	\$0.33		
			<b>Griner Gardens * (60%)</b>	<b>\$0.32</b>		
			<b>Griner Gardens * (50%)</b>	<b>\$0.32</b>		
			Pine Acres Apartments (1BA)	\$0.24		
			The Groves * (30%)	\$0.16		



# PROPERTY PROFILE REPORT

## Magnolia Place

**Effective Rent Date** 2/23/2015  
**Location** 4 Pertilla Place  
 Tifton, GA 31794  
 Tift County  
**Distance** 24.7 miles  
**Units** 37  
**Vacant Units** 2  
**Vacancy Rate** 5.4%  
**Type** One-story  
**Year Built/Renovated** 1995 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Meadow Crossing  
**Tenant Characteristics** Varied tenancy from Tift County and surrounding counties; 50% seniors  
**Contact Name** Joyce  
**Phone** 229-382-1344



### Market Information

**Program** @50%  
**Annual Turnover Rate** 19%  
**Units/Month Absorbed** 2  
**HCV Tenants** 22%  
**Leasing Pace** Within one week  
**Annual Chg. in Rent** None  
**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** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	One-story	19	900	\$373	\$0	@50%	Yes	0	0.0%	yes	None
3	1.5	One-story	18	1,100	\$413	\$0	@50%	No	2	11.1%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$373	\$0	\$373	-\$80	\$293
3BR / 1.5BA	\$413	\$0	\$413	-\$99	\$314

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Oven  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Refrigerator

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
 Off-Street Parking  
 Playground

Central Laundry  
 On-Site Management

#### Premium

None

#### Other

None

## **Magnolia Place, continued**

### **Comments**

The contact reported that the property maintains a waiting list that is four households long. The contact reported that occupancy at the property is typical for the winter season and that the property is expected to be fully occupied within 30 days. The contact reported that the property offers two parking spaces per unit.

## Magnolia Place, continued

### Trend Report

#### Vacancy Rates

2Q12	2Q13	2Q14	1Q15
8.1%	2.7%	5.4%	5.4%

### Trend: @50%

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	5.3%	\$348	\$0	\$348	\$268
2013	2	0.0%	\$363	\$0	\$363	\$283
2014	2	0.0%	\$373	\$0	\$373	\$293
2015	1	0.0%	\$373	\$0	\$373	\$293

#### 3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	11.1%	\$388	\$0	\$388	\$289
2013	2	5.6%	\$403	\$0	\$403	\$304
2014	2	11.1%	\$413	\$0	\$413	\$314
2015	1	11.1%	\$413	\$0	\$413	\$314

### Trend: Comments

2Q12	Rents have increased since the last interview in 2009. There is one household on the property's waiting list. The property is managed by Investors Management Company (IMC).
2Q13	Rents have increased slightly in the past year. Property manager indicated that turnover in the past year was higher than the preceding year but could not provide insight as to the cause. However, it was also indicated that vacancies fill quickly, usually within a week. The property is managed by Investors Management Company (IMC).
2Q14	There are pending applications for both vacancies.
1Q15	The contact reported that the property maintains a waiting list that is four households long. The contact reported that occupancy at the property is typical for the winter season and that the property is expected to be fully occupied within 30 days. The contact reported that the property offers two parking spaces per unit.

Photos



# PROPERTY PROFILE REPORT

## The Groves

<b>Effective Rent Date</b>	4/07/2015
<b>Location</b>	2826 Rainwater Road Tifton, GA 31793 Tift County
<b>Distance</b>	28.6 miles
<b>Units</b>	96
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2006 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	12/19/2006
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Majority are from the Tifton area with 10% seniors.
<b>Contact Name</b>	Candace
<b>Phone</b>	229-388-1283



### Market Information

<b>Program</b>	@30%, @50%, @60%, Market
<b>Annual Turnover Rate</b>	19%
<b>Units/Month Absorbed</b>	3
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- gas
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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	857	\$157	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	15	857	\$336	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	1	857	\$380	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	5	475	\$485	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	1,137	\$182	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	30	1,137	\$392	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	3	1,137	\$392	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	10	1,137	\$560	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,270	\$220	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	15	1,270	\$469	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	2	1,270	\$489	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	5	1,270	\$635	\$0	Market	Yes	0	0.0%	N/A	None

## The Groves, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$157	\$0	\$157	\$0	\$157	1BR / 1BA	\$336	\$0	\$336	\$0	\$336
2BR / 2BA	\$182	\$0	\$182	\$0	\$182	2BR / 2BA	\$392	\$0	\$392	\$0	\$392
3BR / 2BA	\$220	\$0	\$220	\$0	\$220	3BR / 2BA	\$469	\$0	\$469	\$0	\$469
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$380	\$0	\$380	\$0	\$380	1BR / 1BA	\$485	\$0	\$485	\$0	\$485
2BR / 2BA	\$392	\$0	\$392	\$0	\$392	2BR / 2BA	\$560	\$0	\$560	\$0	\$560
3BR / 2BA	\$489	\$0	\$489	\$0	\$489	3BR / 2BA	\$635	\$0	\$635	\$0	\$635

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Coat Closet  
 Exterior Storage  
 Oven  
 Walk-In Closet  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Dishwasher  
 Ceiling Fan  
 Refrigerator  
 Washer/Dryer

#### Security

Perimeter Fencing

#### Services

None

#### Property

Basketball Court  
 Clubhouse/Meeting  
 Central Laundry  
 On-Site Management  
 Playground

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

#### Premium

None

#### Other

None

### Comments

The contact reported that the property currently maintains a waiting list that is 50-60 households long. The contact reported that the property offers approximately two parking spaces per unit. When asked about the demand for affordable housing in the area, the contact reported that it remains strong. The contact added that the property usually maintains a lengthy waiting list which often 'scares potential tenants away.' Demand for 50 and 60 percent LIHTC units is very high. Contact stated there is not enough housing in Tifton. The contact reported that the property accepts Housing Choice Vouchers, none of which reside in the market rate units.

# The Groves, continued

## Trend Report

### Vacancy Rates

2Q13	2Q14	1Q15	2Q15
1.0%	5.2%	2.1%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$147	\$0	\$147	\$147
2014	2	N/A	\$157	\$0	\$157	\$157
2015	1	0.0%	\$157	\$0	\$157	\$157
2015	2	0.0%	\$157	\$0	\$157	\$157

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$191	\$0	\$191	\$191
2014	2	N/A	\$182	\$0	\$182	\$182
2015	1	0.0%	\$182	\$0	\$182	\$182
2015	2	0.0%	\$182	\$0	\$182	\$182

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$211	\$0	\$211	\$211
2014	2	N/A	\$220	\$0	\$220	\$220
2015	1	0.0%	\$220	\$0	\$220	\$220
2015	2	0.0%	\$220	\$0	\$220	\$220

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$370	\$0	\$370	\$370
2014	2	N/A	\$380	\$0	\$380	\$380
2015	1	0.0%	\$380	\$0	\$380	\$380
2015	2	0.0%	\$380	\$0	\$380	\$380

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$382	\$0	\$382	\$382
2014	2	N/A	\$392	\$0	\$392	\$392
2015	1	0.0%	\$392	\$0	\$392	\$392
2015	2	0.0%	\$392	\$0	\$392	\$392

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$479	\$0	\$479	\$479
2014	2	N/A	\$489	\$0	\$489	\$489
2015	1	0.0%	\$489	\$0	\$489	\$489
2015	2	0.0%	\$489	\$0	\$489	\$489

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$326	\$0	\$326	\$326
2014	2	N/A	\$336	\$0	\$336	\$336
2015	1	0.0%	\$336	\$0	\$336	\$336
2015	2	0.0%	\$336	\$0	\$336	\$336

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	3.3%	\$382	\$0	\$382	\$382
2014	2	N/A	\$392	\$0	\$392	\$392
2015	1	0.0%	\$392	\$0	\$392	\$392
2015	2	0.0%	\$392	\$0	\$392	\$392

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$459	\$0	\$459	\$459
2014	2	N/A	\$469	\$0	\$469	\$469
2015	1	6.7%	\$469	\$0	\$469	\$469
2015	2	0.0%	\$469	\$0	\$469	\$469

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$475	\$0	\$475	\$475
2014	2	N/A	\$485	\$0	\$485	\$485
2015	1	0.0%	\$485	\$0	\$485	\$485
2015	2	0.0%	\$485	\$0	\$485	\$485

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$550	\$0	\$550	\$550
2014	2	N/A	\$560	\$0	\$560	\$560
2015	1	0.0%	\$560	\$0	\$560	\$560
2015	2	0.0%	\$560	\$0	\$560	\$560

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$625	\$0	\$625	\$625
2014	2	N/A	\$635	\$0	\$635	\$635
2015	1	20.0%	\$635	\$0	\$635	\$635
2015	2	0.0%	\$635	\$0	\$635	\$635

### Trend: Comments

- 2Q13** Contact stated that there is a waiting list for all apartments and that she does not believe any of the apartments are at maximum allowable rents.
- 2Q14** There are pending applications for the five vacant units. The waiting list consists of approximately 30 households. The percentage of voucher holders was not available.
- 1Q15** The contact reported that the property currently maintains a waiting list that is 52 households long. The contact reported that the vacancy on the LIHTC three-bedroom unit currently has an application pending on it. The contact reported that the property offers approximately two parking spaces per unit. When asked about the demand for affordable housing in the area, the contact reported that it remains strong. The contact added that the property usually maintains a lengthy waiting list. The contact reported that the property accepts Housing Choice Vouchers, none of which reside in the market rate units.
- 2Q15** The contact reported that the property currently maintains a waiting list that is 50-60 households long. The contact reported that the property offers approximately two parking spaces per unit. When asked about the demand for affordable housing in the area, the contact reported that it remains strong. The contact added that the property usually maintains a lengthy waiting list which often 'scares potential tenants away.' Demand for 50 and 60 percent LIHTC units is very high. Contact stated there is not enough housing in Tifton. The contact reported that the property accepts Housing Choice Vouchers, none of which reside in the market rate units.



# The Groves, continued

## Photos



# PROPERTY PROFILE REPORT

## Cypress Suites

**Effective Rent Date** 4/08/2015  
**Location** 98 Kent Road  
 Tifton, GA 31794  
 Tift County  
**Distance** 26.7 miles  
**Units** 40  
**Vacant Units** 2  
**Vacancy Rate** 5.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2008 / N/A  
**Marketing Began** N/A  
**Leasing Began** 1/14/2008  
**Last Unit Leased** N/A  
**Major Competitors** Virginia Place, Cottage Creek  
**Tenant Characteristics** Mixed tenancy, predominately working professionals, with 10% seniors.  
**Contact Name** Julie Walker  
**Phone** 229-386-2727



### Market Information

**Program** Market  
**Annual Turnover Rate** 10%  
**Units/Month Absorbed** 7  
**HCV Tenants** 0%  
**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** 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)	8	768	\$725	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	16	1,331	\$875	\$0	Market	No	1	6.2%	N/A	None
3	2	Garden (2 stories)	16	1,534	\$925	\$0	Market	No	1	6.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$725	\$0	\$725	\$0	\$725
2BR / 2BA	\$875	\$0	\$875	\$0	\$875
3BR / 2BA	\$925	\$0	\$925	\$0	\$925

## Cypress Suites, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpet/Hardwood  
Central A/C  
Dishwasher  
Oven  
Washer/Dryer hookup

Blinds  
Carpeting  
Coat Closet  
Ceiling Fan  
Refrigerator

**Security**

None

**Services**

None

**Property**

Off-Street Parking  
Playground

Picnic Area

**Premium**

None

**Other**

Gazebo

### Comments

The contact reported that the property does not currently have a waiting list. The contact reported that garbage is included in the rent, as well as pest control. The contact reported that the property offers approximately two parking spaces per unit for two and three-bedroom units, and one parking space per unit for one-bedroom units. The contact was unable to comment on the demand for affordable housing in the area. Units typically stay vacant for less than one month.

**Trend Report**

**Vacancy Rates**

2Q13	2Q14	1Q15	2Q15
8.3%	2.5%	2.5%	5.0%

**Trend: Market**

**1BR / 1BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$725	\$0	\$725	\$725
2014	2	0.0%	\$725	\$0	\$725	\$725
2015	1	0.0%	\$725	\$0	\$725	\$725
2015	2	0.0%	\$725	\$0	\$725	\$725

**2BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	6.2%	\$875	\$0	\$875	\$875
2014	2	6.2%	\$875	\$0	\$875	\$875
2015	1	6.2%	\$875	\$0	\$875	\$875
2015	2	6.2%	\$875	\$0	\$875	\$875

**3BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	16.7%	\$925	\$0	\$925	\$925
2014	2	0.0%	\$925	\$0	\$925	\$925
2015	1	0.0%	\$925	\$0	\$925	\$925
2015	2	6.2%	\$925	\$0	\$925	\$925

**Trend: Comments**

- 2Q13** Property manager stated that the annual turnover rate is approximately six or seven units, but these are filled within two months in general. Manager also stated that there is a Phase 2 in development given the strong demand for luxury apartments in the area, which she said was a niche not filled by any nearby housing developments.
- They do not accept housing choice voucher tenants.
- 2Q14** Management believes the local rental market is stable but could not comment on the level of demand for affordable housing.
- 1Q15** The contact reported that the property does not typically maintain a waiting list. Occupancy at the property is reported as typical for the winter season. The contact reported that garbage is included in the rent, as well as pest control. The contact reported that the property offers approximately two parking spaces per unit for two and three-bedroom units, and one parking space per unit for one-bedroom units. The contact was unable to comment on the demand for affordable housing in the area.
- 2Q15** The contact reported that the property does not currently have a waiting list. The contact reported that garbage is included in the rent, as well as pest control. The contact reported that the property offers approximately two parking spaces per unit for two and three-bedroom units, and one parking space per unit for one-bedroom units. The contact was unable to comment on the demand for affordable housing in the area. Units typically stay vacant for less than one month.

Photos



# PROPERTY PROFILE REPORT

## Nashville Villas

<b>Effective Rent Date</b>	3/03/2015
<b>Location</b>	406 Hull Avenue Nashville, GA 31639 Berrien County
<b>Distance</b>	0.2 miles
<b>Units</b>	31
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	6.5%
<b>Type</b>	Garden
<b>Year Built/Renovated</b>	1970s / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Pine Acres
<b>Tenant Characteristics</b>	Majority from Berrien County
<b>Contact Name</b>	Phyllis
<b>Phone</b>	229-686-5072



### Market Information

<b>Program</b>	Market, Rural Development (Project
<b>Annual Turnover Rate</b>	13%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	Increased six to 12 percent
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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	N/A	700	\$400	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden	10	700	N/A	\$0	Rural Development (Project Based Rental Assistance - PBRA)	Yes	N/A	N/A	N/A	None
2	1.5	Garden	N/A	1,000	\$415	\$0	Market	Yes	N/A	N/A	N/A	None
2	1.5	Garden	21	1,000	N/A	\$0	Rural Development (Project Based Rental Assistance - PBRA)	Yes	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$400	\$0	\$400	\$0	\$400	1BR / 1BA	N/A	\$0	N/A	\$0	N/A
2BR / 1.5BA	\$415	\$0	\$415	\$0	\$415	2BR / 1.5BA	N/A	\$0	N/A	\$0	N/A

## Nashville Villas, continued

### Amenities

**In-Unit**

Blinds  
Central A/C  
Oven  
Washer/Dryer hookup

Carpeting  
Exterior Storage  
Refrigerator

**Security**

Patrol

**Services**

None

**Property**

Off-Street Parking  
Playground

On-Site Management

**Premium**

None

**Other**

None

### Comments

The property currently maintains a waiting list that is three to four months long. They are processing applications for their vacancies.

# Nashville Villas, continued

## Trend Report

### Vacancy Rates

<b>2Q14</b>	<b>1Q15</b>
6.5%	6.5%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$355	\$0	\$355	\$355
2015	1	N/A	\$400	\$0	\$400	\$400

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$390	\$0	\$390	\$390
2015	1	N/A	\$415	\$0	\$415	\$415

### Trend: Rural Development

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	N/A	\$0	N/A	N/A
2015	1	N/A	N/A	\$0	N/A	N/A

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	N/A	\$0	N/A	N/A
2015	1	N/A	N/A	\$0	N/A	N/A

### Trend: Comments

**2Q14** The property consists of 15 units with project-based rental assistance and 16 market rate units. There is a waiting list of five households. Management is in the process of marketing the vacant units. Management believes that there is demand for additional affordable housing at lower rent and income levels. None of the unsubsidized units are filled by voucher holders.

**1Q15** The property currently maintains a waiting list that is three to four months long. They are processing applications for their vacancies.



Photos



# PROPERTY PROFILE REPORT

## Park Place

<b>Effective Rent Date</b>	2/23/2015
<b>Location</b>	2610 Emmett Ave Tifton, GA 31794 Tift County
<b>Distance</b>	30.8 miles
<b>Units</b>	60
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	3.3%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1983 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	10% seniors; Majority are from Tift County; Some from Ashburn, Omega, Ocilla, Lenox, Albany, small surrounding towns; Some teach at local colleges
<b>Contact Name</b>	Casey
<b>Phone</b>	229.386.0205



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	9%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	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)	28	725	\$425	\$0	Market	Yes	2	7.1%	N/A	None
2	1.5	Garden (2 stories)	32	1,000	\$575	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	-\$63	\$362
2BR / 1.5BA	\$575	\$0	\$575	-\$80	\$495

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Dishwasher		
Refrigerator		
Blinds		
Central A/C		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting	None	None
Off-Street Parking		
Swimming Pool		
Central Laundry		
On-Site Management		
Tennis Court		

## **Park Place, continued**

### **Comments**

The contact reported that the property currently maintains a waiting list that is approximately eight households long. The contact reported that the current vacancies do not have applications pending. The contact reported that the property offers two parking spaces for two bed-room units, and one parking space for one-bedroom units.

## Park Place, continued

### Trend Report

#### Vacancy Rates

2Q12	2Q13	2Q14	1Q15
1.7%	3.3%	0.0%	3.3%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	3.6%	\$425	\$0	\$425	\$362
2013	2	0.0%	\$425	\$0	\$425	\$362
2014	2	0.0%	\$425	\$0	\$425	\$362
2015	1	7.1%	\$425	\$0	\$425	\$362

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$525	\$0	\$525	\$445
2013	2	6.2%	\$525	\$0	\$525	\$445
2014	2	0.0%	\$575	\$0	\$575	\$495
2015	1	0.0%	\$575	\$0	\$575	\$495

### Trend: Comments

**2Q12** Casey stated that all units come with W/D connections and that the rents listed are the rents for the units. When asked about the fireplace units and carrying a premium, he said they just vary by what is available and they assess at that time if they will charge the premium for it. He also stated that their annual turnover was approximately 9%.

Casey was not able to provide and viable data on whether there is demand for additional family housing in the area, subsidized or not.

**2Q13** Contact stated that there is generally only four/five apartments that turnover per year. Housing vouchers are not accepted

**2Q14** N/A

**1Q15** The contact reported that the property currently maintains a waiting list that is approximately eight households long. The contact reported that the current vacancies do not have applications pending. The contact reported that the property offers two parking spaces for two bed-room units, and one parking space for one-bedroom units.

# PROPERTY PROFILE REPORT

## Pine Acres Apartments

**Effective Rent Date** 2/03/2015  
**Location** 203 Hazel Avenue  
 Nashville, GA 31639  
 Berrien County  
**Distance** 1.6 miles  
**Units** 24  
**Vacant Units** 5  
**Vacancy Rate** 20.8%  
**Type** Garden  
**Year Built/Renovated** 1982 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mostly from Berrien County.  
**Contact Name** Jay  
**Phone** 229-425-0353



### Market Information

**Program** Market, Rural Development (Project)  
**Annual Turnover Rate** 13%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Within two months  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden	10	1,000	\$325	\$0	Market	No	5	50.0%	N/A	None
2	1	Garden	14	1,000	N/A	\$0	Rural Development (Project Based Rental Assistance - PBRA)	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$325	\$0	\$325	-\$80	\$245	2BR / 1BA	N/A	\$0	N/A	-\$80	N/A

### Amenities

In-Unit	Security	Services
Balcony/Patio Central A/C Refrigerator	None	None
Carpeting Oven		
Property	Premium	Other
Off-Street Parking	None	None
On-Site Management		

## **Pine Acres Apartments, continued**

### **Comments**

The contact indicated that the high vacancy is typical of the property and was unable to provide an explanation.

## Pine Acres Apartments, continued

### Trend Report

#### Vacancy Rates

2Q14	1Q15
25.0%	20.8%

### Trend: Market

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	60.0%	\$325	\$0	\$325	\$245
2015	1	50.0%	\$325	\$0	\$325	\$245

### Trend: Rural Development

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A

### Trend: Comments

**2Q14** The property offers 14 subsidized units and 10 market rate units. There are six vacant market rate units. Management reported that vacancy of 20 to 25 percent has been typical over the past several years due to the downturn in the local economy. He stated that several local manufacturers have closed or reduced employment. The contact stated that most of the jobs in the region are located in Tifton and Valdosta.

**1Q15** The contact indicated that the high vacancy is typical of the property and was unable to provide an explanation.

Photos





# PROPERTY PROFILE REPORT

## Sunnyside Apartments

<b>Effective Rent Date</b>	4/15/2015
<b>Location</b>	909 20th Street West Tifton, GA 31794 Tift County
<b>Distance</b>	26.3 miles
<b>Units</b>	72
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	2.8%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1985 / 2000
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Amelia Apartments, Park Place, Huntington
<b>Tenant Characteristics</b>	Students, single, couples, 14 percent seniors
<b>Contact Name</b>	Laura
<b>Phone</b>	229-386-2066



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	50%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within 30 days
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	One-story	6	288	\$450	\$0	Market	No	0	0.0%	N/A	None
1	1	One-story	56	576	\$520	\$0	Market	No	1	1.8%	N/A	None
2	1	One-story	7	864	\$625	\$0	Market	No	1	14.3%	N/A	None
2	2	One-story	3	864	\$625	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$450	\$0	\$450	\$0	\$450
1BR / 1BA	\$520	\$0	\$520	-\$63	\$457
2BR / 1BA	\$625	\$0	\$625	-\$80	\$545
2BR / 2BA	\$625	\$0	\$625	-\$80	\$545

## Sunnyside Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Microwave  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Oven  
Vaulted Ceilings

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

None

### Comments

The contact reported that the tenant characteristics varying, but majority are singles or families. No rent change within the last year.

## Sunnyside Apartments, continued

### Trend Report

#### Vacancy Rates

3Q09	2Q14	1Q15	2Q15
0.0%	6.9%	6.9%	2.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$549	\$0	\$549	\$486
2014	2	N/A	\$520	\$0	\$520	\$457
2015	1	5.4%	\$520	\$0	\$520	\$457
2015	2	1.8%	\$520	\$0	\$520	\$457

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$629	\$0	\$629	\$549
2014	2	N/A	\$625	\$0	\$625	\$545
2015	1	28.6%	\$625	\$0	\$625	\$545
2015	2	14.3%	\$625	\$0	\$625	\$545

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$649	\$0	\$649	\$569
2014	2	N/A	\$625	\$0	\$625	\$545
2015	1	0.0%	\$625	\$0	\$625	\$545
2015	2	0.0%	\$625	\$0	\$625	\$545

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$499	\$0	\$499	\$499
2014	2	N/A	\$450	\$0	\$450	\$450
2015	1	0.0%	\$450	\$0	\$450	\$450
2015	2	0.0%	\$450	\$0	\$450	\$450

### Trend: Comments

3Q09	N/A
2Q14	There is one pending application. Management reported a high student tenancy.
1Q15	There is one pending application. Management reported a high student tenancy, which contributes to the property's high turnover rate.
2Q15	The contact reported that the tenant characteristics varying, but majority are singles or families. No rent change within the last year.

Photos



# PROPERTY PROFILE REPORT

## The Oaks At Carpenter

<b>Effective Rent Date</b>	4/08/2015
<b>Location</b>	101 Oak Forest Lane Tifton, GA 31793 Tift County
<b>Distance</b>	30.3 miles
<b>Units</b>	36
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	5.6%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2008 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Varied tenancy from the local area, mostly families, few seniors.
<b>Contact Name</b>	Carol Stewart
<b>Phone</b>	229-850-0970



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	approx 3%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- gas
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	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)	20	1,050	\$725	\$0	Market	No	1	5.0%	N/A	None
3	2	Garden (2 stories)	16	1,350	\$825	\$0	Market	No	1	6.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$725	\$0	\$725	\$0	\$725
3BR / 2BA	\$825	\$0	\$825	\$0	\$825

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Cable/Satellite/Internet		
Central A/C		
Ceiling Fan		
Oven		
Washer/Dryer hookup		
Blinds		
Carpeting		
Dishwasher		
Microwave		
Refrigerator		
Property	Premium	Other
Off-Street Parking	None	None

## **The Oaks At Carpenter, continued**

### **Comments**

The contact added that demand for the units at the property remains strong. Two-bedroom units are in the highest demand in the area, according to the contact.

## The Oaks At Carpenter, continued

### Trend Report

#### Vacancy Rates

2Q13	2Q14	1Q15	2Q15
0.0%	0.0%	0.0%	5.6%

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$725	\$0	\$725	\$725
2014	2	0.0%	\$725	\$0	\$725	\$725
2015	1	0.0%	\$725	\$0	\$725	\$725
2015	2	5.0%	\$725	\$0	\$725	\$725

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$825	\$0	\$825	\$825
2014	2	0.0%	\$825	\$0	\$825	\$825
2015	1	0.0%	\$825	\$0	\$825	\$825
2015	2	6.2%	\$825	\$0	\$825	\$825

### Trend: Comments

- 2Q13** Contact stated that the property now consists of 36 units. There are three vacant three-bedroom apartments all currently have extensive renovations completed. The property has received many inquiries about these three-bedroom apartments.
- 2Q14** According to management, there are currently two additional buildings under construction at the property. In total, the new buildings will offer eight, two-bedroom units and eight, three-bedroom units. Construction is expected to be complete by year end 2014.
- 1Q15** Management confirmed that the two additional buildings being constructed on the property have completed construction in 2014. Management confirmed that the two new buildings offer eight, two-bedroom units and eight, three-bedroom units. The contact reported that the property does not typically maintain a waiting list. The contact reported that the property offers two parking spaces per unit. The contact added that demand for the units at the property remains strong. Two-bedroom units are in the highest demand in the area, according to the contact.
- 2Q15** The contact added that demand for the units at the property remains strong. Two-bedroom units are in the highest demand in the area, according to the contact.

Photos







## Turtle Cove, continued

### Trend Report

#### Vacancy Rates

2Q09	3Q09	2Q14	1Q15
0.0%	0.0%	0.0%	21.7%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$825	\$0	\$825	\$825
2009	3	0.0%	\$825	\$0	\$825	\$825
2014	2	0.0%	\$875	\$0	\$875	\$875
2015	1	21.7%	\$875 - \$990	\$0	\$875 - \$990	\$875 - \$990

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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### Trend: Comments

- 2Q09** Prior interviews show that the property offers one- and three-bedroom units but the contact indicated that the property only offers two-bedroom units. The contact estimated that approximately 15 out of the 20 units are occupied by senior households with a senior age 55 or older.
- 3Q09** The contact estimated that approximately 15 out of the 20 units are occupied by senior households with an average age 55 or older.
- 2Q14** The contact estimated that approximately 80 to 90 percent of the units are occupied by senior households.
- 1Q15** The contact estimated that approximately 80 to 90 percent of the units are occupied by senior households. Management reported that units are updated as they turnover. There are currently three new single-family homes are being constructed at the property. These units will rent for \$990 per month. Each unit comes with an attached garage.

Photos



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

### Housing Choice Vouchers

The following table illustrates the percentage of Housing Choice Voucher tenants at the comparable properties.

TENANTS WITH VOUCHERS		
Property name	Rent Structure	Housing Choice Voucher Tenants
Magnolia Place	LIHTC/Market	22%
The Groves	LIHTC	0%
Nashville Villas	Rural Development/Market Rate	0%
Pine Acres Apartments	Rural Development/Market Rate	0%
Cypress Suites	Market	0%
Park Place	Market	0%
Sunnyside Apartments	Market	0%
The Oaks At Carpenter	Market	0%
Turtle Cove	Market	0%
<b>Average</b>		<b>2%</b>

Note that Magnolia Place is the only comparable property with Housing Choice Voucher tenants. The voucher usage in the local market appears to be low. Therefore, we expect the Subject to operate with a similar percentage of voucher tenants to Magnolia Place. We believe the Subject will operate with approximately 20 percent Housing Choice Vouchers.

### Lease Up History

We were able to obtain absorption information from several LIHTC and market rate properties located in Tifton. Tifton is located approximately 25 miles northwest of Nashville. There has been no new construction in the Subject's market area over the past decade. Several of the following properties have been used as comparables in our report.

ABSORPTION						
Comparable Property	Rent Structure	Location	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Tifton Estates	LIHTC/Market	Tifton	Family	2010	34	8
Cypress Suites	Market	Tifton	Family	2008	40	7
The Groves	LIHTC/Market	Tifton	Family	2006	96	3

As illustrated in the previous table, the properties constructed between 2006 and 2010 reported absorption rates of three to eight units per month, with an average of six units per month. The newest LIHTC/market rate developments reported the fastest absorption rates. Based upon conversations with local market participants, Tifton offers a superior location when compared to Nashville due to its employment options, housing choices, and available shopping and services. Therefore, we would expect the Subject to experience a slower absorption rate than the newest comparables in Tifton. We estimate that the Subject will experience an absorption rate of five units per month, which equates to an initial lease up period of nine months.

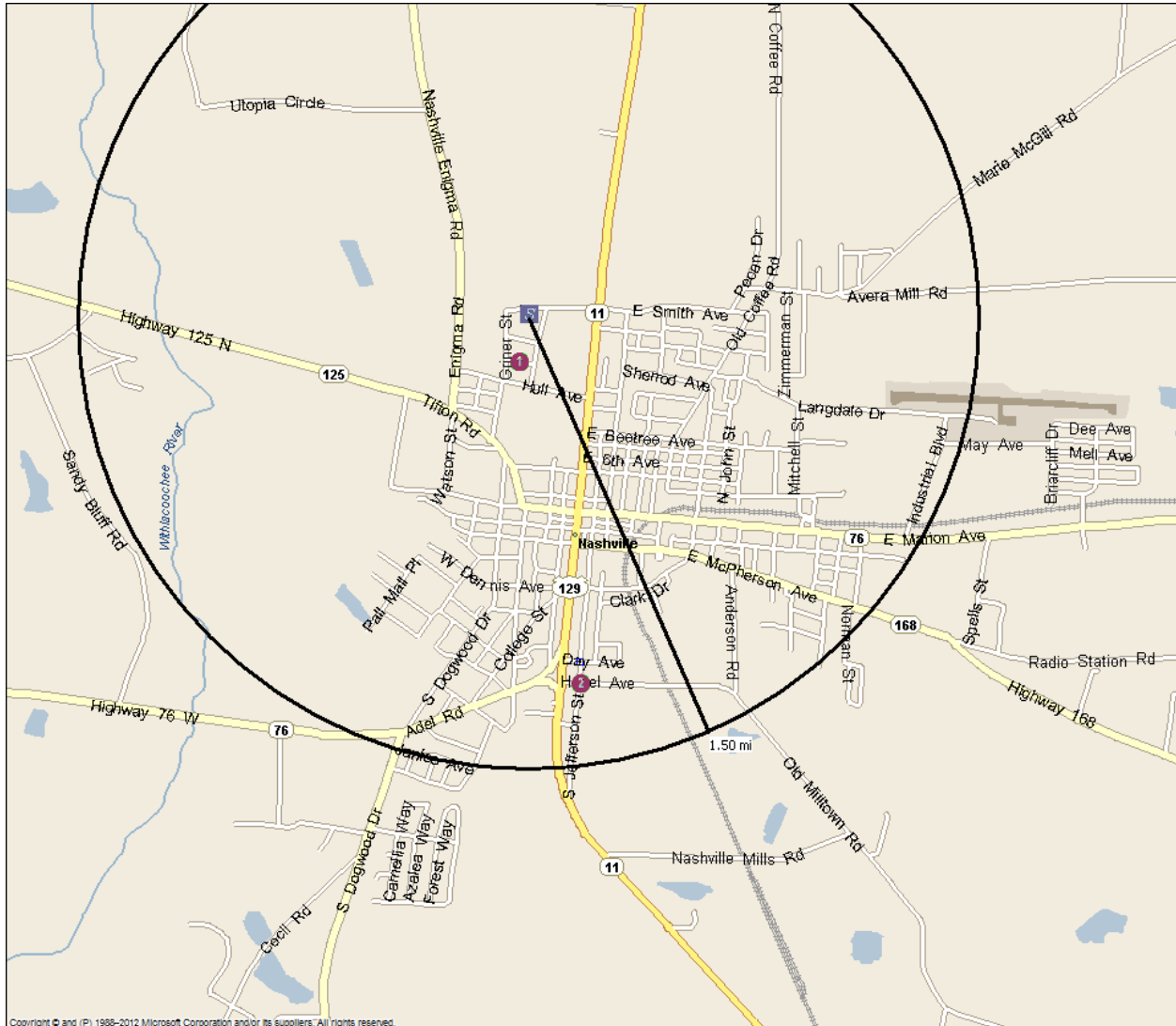
### Phased Developments

The proposed Subject is not part of a phased development.

**Rural Areas**

The Subject is located in a rural area in Berrien County.

**3. Competitive Project Map**



**COMPETITIVE PROPERTIES**

#	Property Name	City	Type	Distance
1	Nashville Villas	Nashville	Rural Development/Market Rate	0.2 miles
2	Pine Acres Apartments	Nashville	Rural Development/Market Rate	1.6 miles

4. Amenities

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

UNIT MATRIX REPORT										
Comp.#	Griner Gardens	Magnolia Place	The Groves	Nashville Villas	Pine Acres Apartments	Cypress Suites	Park Place	Sunnyside Apartments	The Oaks At Carpenter	Turtle Cove
Comp.#	Subject	1	2	3	4	5	6	7	8	9
<b>Property Information</b>										
Property Type	Garden (2 stories)	One-story	Garden (2 stories)	Garden	Garden	Garden (2 stories)	Garden (2 stories)	One-story	Garden (2 stories)	Single Family
Year Built / Renovated	2017 / n/a	1995 / n/a	2006 / n/a	1970s / n/a	1982 / n/a	2008 / n/a	1983 / n/a	1985 / 2000	2008 / n/a	2001 / n/a
Market (Conv./Subsidy Type)	LIHTC	LIHTC	LIHTC/Market	Rural Development	Rural Development	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	yes	no	yes	yes	no	no
Sewer	no	yes	no	no	yes	no	yes	yes	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>In-Unit Amenities</b>										
Balcony/Patio	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	yes	no
Carpet/Hardwood	no	no	no	no	no	yes	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	yes	no	no	yes	no	yes	no	yes
Dishwasher	yes	no	yes	no	no	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	no	no	yes	no	no
Ceiling Fan	yes	no	yes	no	no	yes	no	no	yes	no
Garbage Disposal	yes	no	no	no	no	yes	no	yes	yes	yes
Microwave	no	no	no	no	no	no	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	no	no	yes	no	no	no	no	no	no	no
Washer/Dryer	no	no	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Property Amenities</b>										
Basketball Court	no	no	yes	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	yes	no	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	no	no	yes	no	no	no
Exercise Facility	yes	no	yes	no	no	no	no	no	no	no
Garage	no	no	no	no	no	no	no	no	no	yes
Central Laundry	yes	yes	yes	no	no	no	yes	yes	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	no	no
Picnic Area	yes	no	yes	no	no	yes	no	no	no	no
Playground	yes	yes	yes	yes	no	yes	no	no	no	no
Swimming Pool	no	no	yes	no	no	no	yes	no	no	no
Tennis Court	no	no	no	no	no	no	yes	no	no	no
<b>Security</b>										
Patrol	no	no	no	yes	no	no	no	no	no	no
Perimeter Fencing	no	no	yes	no	no	no	no	no	no	no

The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC properties and generally similar in-unit amenities in comparison to the market rate comparable properties. The Subject will offer dishwashers, ceiling fans, and garbage disposals, which several of the comparable properties lack. The Groves offers in-unit washers and dryers, which the Subject will not offer and is considered slightly superior to the proposed Subject in terms of in-unit amenities. The Subject will offer generally superior property amenities, with the exception of The Groves. The Subject will offer slightly inferior property amenities in comparison to The Groves. The Subject will offer a business center/computer lab, community room, exercise facility, picnic area, and playground, which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

## 5. Senior Tenancy

The Subject will target the general population.

## 6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Magnolia Place	LIHTC/Market	37	2	5.4%
The Groves	LIHTC	96	2	2.1%
Nashville Villas	Rural Development/Market Rate	31	2	6.5%
Pine Acres Apartments	Rural Development/Market Rate	24	5	20.8%
Cypress Suites	Market	40	1	2.5%
Park Place	Market	60	2	3.3%
Sunnyside Apartments	Market	72	5	6.9%
The Oaks At Carpenter	Market	36	0	0.0%
Turtle Cove	Market	<u>23</u>	<u>5</u>	<u>21.7%</u>
<b>LIHTC Average</b>		<b>96</b>	<b>2</b>	<b>2.1%</b>
<b>Rural Development Average</b>		<b>55</b>	<b>7</b>	<b>12.7%</b>
<b>Market Rate Average</b>		<b>231</b>	<b>13</b>	<b>5.6%</b>
<b>Total</b>		<b>419</b>	<b>24</b>	<b>5.7%</b>

The LIHTC comparable properties reported a weighted average vacancy rate of 2.1 percent. Magnolia Place, which was built in 1995, is exhibiting a vacancy rate of 5.4 percent. Both of the vacant units are in three-bedroom units. The property has historically struggled to maintain a stabilized occupancy in the three-bedroom unit types. The historical three-bedroom vacancy rate has ranged from 5.6 percent to 11.1 percent since 2012. The overall vacancy rate has ranged from 2.7 to 8.1 percent since 2012. The property maintains a waiting list of four households for two-bedroom units. The Groves, which was built in 2006 and exhibits slightly superior condition to Magnolia Place, is exhibiting a vacancy rate of 2.1 percent. The property also maintains a waiting list of 52 households and one of the vacant three-bedroom units is currently preleased. The property manager reported that the property typically maintains an extensive waiting list and demand for affordable housing is strong. The market rate properties, which are all located in Tifton, are exhibiting vacancy rates ranging from zero to 6.9 percent. The overall weighted average is 5.6 percent. Four of the five market rate comparables are exhibiting vacancy rates below five percent. Sunnyside Apartments is currently exhibiting a vacancy rate of 6.9 percent. The property maintained a similar vacancy rate in the second quarter 2014. There is one application pending for one of the five vacant units.

We included two Rural Development/market rate properties located in Nashville. These properties reported vacancy rates of 6.5 and 20.8 percent. Nashville Villas consists of 15 units with project-based rental assistance and 16 market rate units. The property has two vacant units, which both have pending applications. The property manager was unable to indicate if the vacancy units were market rate or rural development units. The waiting list for Nashville Villas is currently three to four months long. Management believes that there is demand for additional subsidized housing and units at low rental rates. Pine Acres Apartments offers 14 subsidized units and 10 market rate units. There are five vacant market rate units at this property, illustrating a 50 percent vacancy among those units. Management reported that vacancy of 20 to 25 percent has been typical over the past several years due to the downturn in the local economy. However,

based on the performance of the comparable properties in Tifton, we believe there is demand for the Subject as proposed. The Subject’s proposed rents offer a discount relative to the LIHTC properties in Tifton. Additionally, the Subject will offer excellent condition upon completion and a competitive amenity package. Therefore, we believe the Subject will operate with a vacancy rate of seven percent or less upon completion.

**7. Properties Under Construction and Proposed**

According to the Georgia Department of Community Affairs allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following demand analysis.

**8. Rental Advantage**

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

**Similarity Matrix**

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Magnolia Place	LIHTC	Inferior	Slightly Inferior	Superior	Inferior	Slightly Inferior	-20
2	The Groves	LIHTC/Market	Slightly Superior	Slightly Superior	Superior	Slightly Inferior	Similar	15
3	Nashville Villas	Rural Development/Market Rate	Inferior	Slightly Inferior	Similar	Inferior	Slightly Inferior	-30
4	Pine Acres Apartments	Rural Development/Market Rate	Inferior	Slightly Inferior	Similar	Inferior	Similar	-25
5	Cypress Suites	Market	Inferior	Similar	Superior	Slightly Inferior	Slightly Superior	0
6	Park Place	Market	Inferior	Similar	Superior	Inferior	Similar	-10
7	Sunnyside Apartments	Market	Inferior	Similar	Superior	Inferior	Inferior	-20
8	The Oaks At Carpenter	Market	Inferior	Similar	Superior	Slightly Inferior	Similar	-5
9	Turtle Cove	Market	Inferior	Similar	Superior	Slightly Inferior	Similar	-5

\*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

**LIHTC Rent Comparison - @50%**

Property Name	1BR	2BR	3BR
<b>Griner Gardens (Subject)</b>	<b>\$285</b>	<b>\$331</b>	<b>\$371</b>
<b>Berrien County LIHTC Maximum (Net)</b>	<b>\$285</b>	<b>\$331</b>	<b>\$371</b>
<b>Tift County LIHTC Maximum (Net)</b>	<b>\$317</b>	<b>\$370</b>	<b>\$416</b>
Magnolia Place	-	\$293	\$314
The Groves	\$336	\$392	\$469
<b>Average (excluding Subject)</b>	<b>\$336</b>	<b>\$343</b>	<b>\$392</b>
<b>Achievable LIHTC Rent</b>	<b>\$285</b>	<b>\$331</b>	<b>\$371</b>



**LIHTC Rent Comparison - @60%**

<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
<b>Griner Gardens (Subject)</b>	<b>\$330</b>	<b>\$340</b>	<b>\$425</b>
<b>Berrien County LIHTC Maximum (Net)</b>	<b>\$370</b>	<b>\$433</b>	<b>\$489</b>
<b>Tift County LIHTC Maximum (Net)</b>	<b>\$408</b>	<b>\$480</b>	<b>\$543</b>
The Groves	\$380	\$392	\$489
<b>Average (excluding Subject)</b>	<b>\$380</b>	<b>\$392</b>	<b>\$489</b>
<b>Achievable LIHTC Rent</b>	<b>\$330</b>	<b>\$340</b>	<b>\$425</b>

The Subject’s proposed 50 percent AMI rents are set at the maximum allowable levels and the Subject’s proposed 60 percent AMI rents are set significantly below the maximum allowable level. The Groves and Magnolia Place were constructed in 2006 and 1995, respectively. These properties reported vacancy rates of 2.1 to 5.4 percent, with an average of 2.1 percent. According to management at The Groves, the property also maintains a waiting list of 52 households and one of the vacant three-bedroom units is currently pre-leased. Overall, the LIHTC properties located in Tifton are performing well.

The Groves appears to be achieving 50 percent rents above the maximum allowable levels, which is due to a variety of factors including variances in utility structures and placed in service date. The Subject’s proposed 50 percent rents are set well below The Groves and slightly higher than Magnolia Place. The following table illustrates the rent differential between Nashville (Subject location) and Tifton (The Groves and Magnolia Place location). We believe the income difference is an appropriate proxy for the rent differential.

**2012 Median Household Income Comparison**

<b>City</b>	<b>Median Household Income</b>	<b>Differential With Subject</b>
Nashville, GA	\$26,453	-
Tifton, GA	\$30,638	16%

Source: City-Data.com, March 2015

As illustrated in the previous table, the median household income in Tifton is approximately 16 percent higher than Nashville. Based upon conversations with local market participants, Tifton offers a superior location when compared to Nashville due to its employment options, housing choices, and available shopping and services. Therefore, The Groves and Magnolia Place offer superior locations when compared to the Subject. The Subject will be new construction and will exhibit excellent condition upon completion. The Groves was constructed in 2006 and currently exhibits good condition. Magnolia Place was constructed in 1995 and currently exhibits average condition. Upon completion, the Subject will be slightly superior to The Groves and superior to Magnolia Place. Additionally, the Subject will offer slightly inferior amenities in comparison to The Groves and slightly superior amenities in comparison to Magnolia Place. The Subject will lack in-unit washer and dryers, exterior storage, basketball court, and swimming pool, which are all offered at the Groves. Overall, we believe the Subject will be inferior to The Groves, based on location, amenities, and condition. The following table illustrates the Subject’s rent advantage for the 50 percent units when compared to The Groves.

**50% Comparison**

<b>Property Name</b>	<b>County</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
Nashville Family (Subject)	Berrien	\$285	\$331	\$371
The Groves	Tift	\$336	\$392	\$469
<b>Subject Rent Advantage</b>		<b>17.9%</b>	<b>18.4%</b>	<b>26.4%</b>

The Subject’s proposed 50 percent rents appear reasonable when compared to the rents being achieved at The Groves. The following table illustrates the Subject’s rent advantage for the 60 percent units when compared to The Groves.

**60% Comparison**

<b>Property Name</b>	<b>County</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
Nashville Family (Subject)	Berrien	\$330	\$340	\$425
The Groves	Tift	\$380	\$392	\$489
<b>Subject Rent Advantage</b>		<b>15.2%</b>	<b>15.3%</b>	<b>15.1%</b>

As illustrated in the previous table, the proposed rents at the Subject offer a 15 percent discount to the rents at The Groves. Based on the inferior location of the proposed Subject, we believe the proposed rents are reasonable in comparison to The Groves. The Subject will be uniquely positioned to compete in the local rental market as there are no existing LIHTC properties in Nashville. The average LIHTC vacancy rate among the comparable properties is 2.1 percent, which indicates strong demand for affordable housing. We believe there is demand for affordable housing in the PMA and that the Subject will be able to achieve the proposed rents, while maintaining a vacancy rate of seven percent or less.

**Analysis of “Market Rents”**

Due to the limited market rent data from the comparable properties in Nashville to support the Subject’s one, two, and three-bedroom rents, we also obtained classified rental listings for the city of Nashville.

**CLASSIFIED LISTINGS**

<b>Unit Type</b>	<b>Address</b>	<b>City</b>	<b>Rent</b>	<b>Comments</b>
1BR/1BA	201 Hazel Street	Nashville	\$300	Built 1999, 400 square feet
1BR/1BA	201 Hazel Street	Nashville	\$400	Built 1999, 400 square feet
2BR/1BA	919 Dogwood	Nashville	\$600	Single-family
2BR/1BA	East Marion Avenue	Nashville	\$550	Mobile home
3BR/1.5BA	1108 Wilma Street	Nashville	\$550	Single-family home, 1,292 square feet
3BR/2BA	2013 Enigma Highway	Nashville	\$1,050	Single-family, 1,554 square feet
3BR/1BA	808 Zimmerman Street	Nashville	\$575	Single-family, 1,000 square feet
3BR/1BA	706 Dianne Street	Nashville	\$600	Single-family, 939 square feet
3BR/1BA	1108 Wilma Street	Nashville	\$550	Single-family, 1,292 square feet
3BR/2BA	276 Foxworth Trail	Nashville	\$1,100	Single-family home, 2,213 square feet, two acres of land
3BR/2BA	1304 Marie McGill	Nashville	\$900	Single-family home, 1,500 square feet, built 2001

Source: Hotpads.com, Craigslist.com, April 2015

Rental data in Nashville is limited. Despite our best efforts, we were unable to obtain additional information about rental properties in Nashville. One of the two-bedroom classified listings is a mobile home. The highest three-bedroom classified listing is a single-family home with nearly two acres of land. The home is also 75 percent larger than the proposed unit sizes at the Subject. The classified listing, 1304 Marie McGill, offers a slightly larger space than the Subject and was built in 2001. The property offers a garage and exhibits good to excellent condition.

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

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**Subject Comparison to Market Rents**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR @50%	\$285	\$336	\$725	\$449	37%
2 BR @50%	\$331	\$245	\$990	\$567	42%
3 BR @50%	\$371	\$314	\$925	\$610	39%
1 BR @60%	\$330	\$336	\$725	\$449	27%
2 BR @60%	\$340	\$245	\$990	\$567	40%
3 BR @60%	\$425	\$314	\$925	\$610	30%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average of all the comparables, both LIHTC and market rate. The Subject’s proposed LIHTC rents are higher than the surveyed minimum. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be superior to the market rate inventory. However, due to the difference in location, we have included a table with rental data obtained for Nashville.

**Subject Comparison to Market Rents - Nashville**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR @50%	\$285	\$300	\$400	\$366	22%
2 BR @50%	\$331	\$245	\$600	\$461	28%
3 BR @50%	\$371	\$550	\$1,100	\$761	51%
1 BR @60%	\$330	\$300	\$400	\$366	10%
2 BR @60%	\$340	\$245	\$600	\$461	26%
3 BR @60%	\$425	\$550	\$1,100	\$761	44%

It should be noted that the surveyed maximum classified listing was for a single-family home with approximately two acres of land and a pond. The Subject’s proposed one, two, and three-bedroom rents are below the surveyed average rents in Nashville. Overall, it appears that the Subject’s proposed rents are reasonable when compared to the surveyed market rents in Nashville.

**9. LIHTC Competition – DCA Funded Properties within the PMA**

According to the Georgia Department of Community Affairs allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following demand analysis.

**10. Rental Trends in the PMA**

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

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	4,953	73.6%	1,776	26.4%	22,401	71.1%	9,112	28.9%
2010	5,109	68.8%	2,316	31.2%	23,120	65.9%	11,960	34.1%
2014	5,016	66.3%	2,548	33.7%	22,881	63.4%	13,237	36.6%
Projected Mkt Entry January 2017	5,053	66.2%	2,578	33.8%	23,102	63.3%	13,378	36.7%
2019	5,089	66.1%	2,608	33.9%	23,323	63.3%	13,519	36.7%

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

Owner-occupied housing units dominate the PMA and are slightly more dominant in the MSA. The percent of renter-occupied housing in the PMA is similar to the national average of approximately 33 percent. The percentage of renter-occupied units and number of renter-occupied units is expected to increase slightly through 2019.

*Historical Vacancy*

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

HISTORICAL VACANCY						
Comparable Property	Rent Structure	2Q/TR	2Q/TR	2Q/TR	1Q/TR	2Q/TR
		2012	2013	2014	2015	2015
Magnolia Place	LIHTC/Market	8.1%	2.7%	5.4%	5.4%	N/A
The Groves	LIHTC	0.0%	1.0%	5.2%	2.1%	0.0%
Nashville Villas	Rural Development/Market Rate	N/A	N/A	6.5%	6.5%	N/A
Pine Acres Apartments	Rural Development/Market Rate	N/A	N/A	25.0%	20.8%	N/A
Cypress Suites	Market	2.5%	8.3%	2.5%	2.5%	5.0%
Park Place	Market	1.7%	3.3%	0.0%	3.3%	N/A
Sunnyside Apartments	Market	N/A	N/A	6.9%	6.9%	N/A
The Oaks At Carpenter	Market	0.0%	0.0%	0.0%	0.0%	5.6%
Turtle Cove	Market	N/A	N/A	0.0%	21.7%	N/A

As illustrated in the table, we were able to obtain the historical vacancy rates at several of the comparable properties over the last four years. However, we were not able to obtain all the historical vacancy rates for each individual year. Several of the comparable properties have exhibit elevated vacancy rates. However, the comparable LIHTC properties have historically

maintained stable vacancy rates. Therefore, we believe there is demand for affordable housing in the PMA.

### *Change in Rental Rates*

The following table illustrates rental rate increases as reported by the comparable properties.

<b>RENT GROWTH</b>		
<b>Property name</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Magnolia Place	LIHTC/Market	None
The Groves	LIHTC	None
Nashville Villas	Rural Development/Market Rate	None
Pine Acres Apartments	Rural Development/Market Rate	Increased six to 12 percent
Cypress Suites	Market	None
Park Place	Market	None
Sunnyside Apartments	Market	None
The Oaks At Carpenter	Market	None
Turtle Cove	Market	None

Pine Acres Apartments reported a six to 12 percent rent increase in the past year. The remaining comparable properties exhibited stable rents. The AMI in Berrien County has decreased since 2012, which has caused the maximum allowable LIHTC rents to be held harmless. The two LIHTC properties were built prior to 2012. On March 6, 2015 HUD released the 2015 income limits, which reflect a continued decrease in AMI in the Berrien County. The 2015 AMI remains below the 2012 AMI; therefore, LIHTC properties will continue to be held harmless. The Subject's rents are slightly below the maximum allowable rent level. Therefore, future rent increases will not be directly dependent on growth in the AMI level.

### **11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to RealtyTrac.com statistics, 28 properties in the Subject site's zip code are in some stage of foreclosure as of February 2015. Nashville is experiencing one foreclosure in every 4,833 housing units. Berrien County has a lower foreclosure rate of one in every 8,652 housing units, while Georgia experienced one in every 1,414 housing units, and the nation experienced one foreclosure in every 1,295 housing units. The foreclosure rate within the PMA is significantly below to the national average and state average, which indicates a healthy local housing market.

### **12. Primary Housing Void**

The average LIHTC vacancy rate among the comparable properties is 2.1 percent. There are no LIHTC properties located within Berrien County. The Subject's units will help to fill the housing void in the market.

### **13. Affect of Subject on Other Affordable Units in Market**

There are currently no LIHTC properties within the PMA and the rural development properties in Nashville offer subsidized and market rate units. According to the Georgia Department of Community Affairs allocation lists, no properties have been awarded tax credits within the PMA since 2013. Therefore, the Subject will face limited competition during its initial lease up. We do not believe that the Subject will negatively impact the existing or proposed affordable rental units in the market.

## Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.1 percent. The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC properties and generally similar in-unit amenities in comparison to the market rate comparable properties. The Subject will offer dishwashers, ceiling fans, and garbage disposals, which several of the comparable properties lack. The Subject will generally offer superior property amenities, with the exception of The Groves. The Subject will offer slightly inferior property amenities in comparison to The Groves. The Subject will offer a business center/computer lab, community room, exercise facility, picnic area, and playground, which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. The proposed Subject's only apparent weakness is the proposed location. The comparable properties in Tifton offer superior locations based on access to centers of employment, locational amenities, and median household income. We have accounted for the differences in location in our analysis. In general, the Subject will be slightly superior to superior to the comparable properties. We believe the Subject's proposed rents are achievable in the market and offer a significant discount in comparison to average market rents. We believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

# **I. ABSORPTION & STABILIZATION RATES**

### Stabilization/Absorption Rate

We were able to obtain absorption information from several LIHTC and market rate properties located in Tifton. Tifton is located approximately 25 miles northwest of Nashville. There has been no new construction in the Subject's market area over the past decade. Several of the following properties have been used as comparables in our report.

#### ABSORPTION

Comparable Property	Rent Structure	Location	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Tifton Estates	LIHTC/Market	Tifton	Family	2010	34	8
Cypress Suites	Market	Tifton	Family	2008	40	7
The Groves	LIHTC/Market	Tifton	Family	2006	96	3

As illustrated in the previous table, the properties constructed between 2006 and 2010 reported absorption rates of three to eight units per month, with an average of six units per month. The newest LIHTC/market rate developments reported the fastest absorption rates. Based upon conversations with local market participants, Tifton offers a superior location when compared to Nashville due to its employment options, housing choices, and available shopping and services. Therefore, we would expect the Subject to experience a slower absorption rate than the newest comparables in Tifton. We estimate that the Subject will experience an absorption rate of five units per month, which equates to an initial lease up period of nine months.



## **J. INTERVIEWS**

### **D & G Rentals**

We attempted to contact D & G Rentals, which is the company that operates the Housing Choice Voucher program in Nashville. However, our calls were not returned.

### **City of Nashville Planning and Zoning Office**

We attempted to contact the City of Nashville Planning and Zoning Office, but our calls were not returned. Based on our online research, there are no new market rate multifamily projects under construction within the PMA.

### **Berrien County Development Authority**

We attempted to contact the Berrien County Development Authority. However, our calls were not returned. Based on our online research, according to a press release from the governor of Georgia, Chaparral Boats recently announced an expansion of their existing facility in Berrien County, which will create 50 new jobs in the area. Additionally, another press release from the governor indicated that between 2014 and 2016, Coyote MFG Co. is investing \$2.5 million into a new manufacturing facility in Nashville. This expansion will create 200 new jobs over those two years.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## Conclusions

- The general population in the PMA increased from 2000 to 2010 at a slightly faster rate than the general population in the SMA and nation. From 2010 to 2015 the population in the PMA increased at a similar rate as the population in the SMA, which was slightly faster than the population growth rate in the nation. The above average population growth in the PMA is a positive indication of demand for new housing units, similar to the Subject. From 2015 to 2019 the population in the PMA and SMA is expected to continue to increase, albeit at a slightly slower rate than the population in the nation. The total number of households in the PMA increased at a rate similar to the nation from 2000 to 2010. Over the same period of time, the total number of households in the SMA increased 1.1 percent, slightly faster than the PMA and nation. However, the total number of households in the PMA and SMA is expected to increase significantly slower than the total number of households in the nation through 2019. Overall, the projected increase in households is a positive indicator for the proposed Subject's units.

Renter households earning under \$30,000 in the PMA comprise 66.4 percent of all income cohorts. The Subject will target households earning between \$14,503 and \$29,460, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Berrien County has declined in 2013, 2014, and 2015. Since 2012, the AMI in Berrien County has decreased 3.6 percent. The Subject's proposed rents are below the 2014 and 2015 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

Overall, the demographic data points to a growing population with household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

- Manufacturing, retail trade, and health care/social assistance are the largest industries within the PMA. Nashville is located in rural southern-central Georgia. Manufacturing is the largest industry in the PMA. However, since 2000, the manufacturing industry within the PMA has declined significantly. In 2000, manufacturing represented 25.6 percent of total employment in the PMA, but now represents just 16.3 percent of total employment. The manufacturing industry has experienced a 3.1 percent annual decline in manufacturing employment. Areas of growth have included educational services and health care/social assistance, which are now the third and fourth largest industries in the region.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling "The U.S. Manufacturing Renaissance." This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that comprise the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by domestically decreasing energy costs and increasing labor costs in emerging markets.

In 2009, total employment in the SMA decreased by a larger percentage than total employment in the nation. However, the following year, the SMA experienced significant employment growth of 12.5 percent. According to the US Census, Tifton, which is located in the SMA, was the ninth fastest growing micro area in the nation from April 2010 to July 2011. Total employment growth in the SMA has been poor in comparison to the nation since 2011. In 2013 the SMA experienced a 0.6 percent decline in total employment and from December 2013 to December 2014, total employment decreased 0.2 percent. In comparison, total employment in the nation increased 1.9 percent from December 2013 to December 2014.

Overall, total employment in the SMA is eight percent above the pre-recession peak total employment. In comparison, total employment in the nation increased 0.8 percent. The strong growth since the recession is a positive factor for the local economy. The unemployment rate in the SMA peaked at 8.9 percent in 2009 and has since declined at a slower pace than the unemployment rate in the nation. The unemployment rate in the nation peaked at 9.6 percent and has declined 4.2 percentage points as of December 2014. The unemployment rate in the nation is currently 1.4 percentage points below the unemployment rate in the SMA.

Overall, the local economy appears healthy based on the strong total employment growth since 2010. However, the total employment in Berrien County, where the Subject is located, has been decreasing, despite the growth in total employment in the SMA. As of December 2014, total employment in Berrien County was at its lowest level in any year of analysis (2002 to 2014). Total employment in Berrien County decreased 3.1 percent in 2014. The weak total employment growth in the PMA is the only notable negative aspect of the proposed development.

- The Subject’s capture rates at the 50 percent AMI level will range from 3.3 to 10.2 percent, with an overall capture rate of 7.5 percent. The Subject’s capture rates at the 60 percent AMI level will range from 9.6 to 40.0 percent, with an overall capture rate of 28.0 percent. The Subject’s overall capture rate is 26.2 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from several LIHTC and market rate properties located in Tifton. Tifton is located approximately 25 miles northwest of Nashville. There has been no new construction in the Subject’s market area over the past decade. Several of the following properties have been used as comparables in our report.

**ABSORPTION**

Comparable Property	Rent Structure	Location	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Tifton Estates	LIHTC/Market	Tifton	Family	2010	34	8
Cypress Suites	Market	Tifton	Family	2008	40	7
The Groves	LIHTC/Market	Tifton	Family	2006	96	3

As illustrated in the previous table, the properties constructed between 2006 and 2010

reported absorption rates of three to eight units per month, with an average of six units per month. The newest LIHTC/market rate developments reported the fastest absorption rates. Based upon conversations with local market participants, Tifton offers a superior location when compared to Nashville due to its employment options, housing choices, and available shopping and services. Therefore, we would expect the Subject to experience a slower absorption rate than the newest comparables in Tifton. We estimate that the Subject will experience an absorption rate of five units per month, which equates to an initial lease up period of nine months.

- The LIHTC comparable properties reported a weighted average vacancy rate of 2.1 percent. Magnolia Place, which was built in 1995, is exhibiting a vacancy rate of 5.4 percent. All of the vacant units are in three-bedroom units. The property has historically struggled to maintain a stabilized occupancy in the three-bedroom unit types. The historical three-bedroom vacancy rate has ranged from 5.6 percent to 11.1 percent since 2012. The overall vacancy rate has ranged from 2.7 to 8.1 percent since 2012. The property maintains a waiting list of four households for two-bedroom units. The Groves, which was built in 2006 and exhibits slightly superior condition to Magnolia Place, is exhibiting a vacancy rate of 2.1 percent. The property also maintains a waiting list of 52 households and one of the vacant three-bedroom units is currently preleased. The property manager reported that the property typically maintains an extensive waiting list and demand for affordable housing is strong. The market rate properties, which are all located in Tifton, are exhibiting vacancy rates ranging from zero to 6.9 percent. The overall weighted average is 5.6 percent. Four of the five market rate comparables are exhibiting vacancy rates below five percent. Sunnyside Apartments is currently exhibiting a vacancy rate of 6.9 percent. The property maintained a similar vacancy rate in the second quarter 2014. There is one application pending for one of the five vacant units.

We included two Rural Development/market rate properties located in Nashville. These properties reported vacancy rates of 6.5 and 20.8 percent. Nashville Villas consists of 15 units with project-based rental assistance and 16 market rate units. The property has two vacant units, which both have pending applications. The property manager was unable to indicate if the vacancy units were market rate or rural development units. The waiting list for Nashville Villas is currently three to four months long. Management believes that there is demand for additional subsidized housing and units at low rental rates. Pine Acres Apartments offers 14 subsidized units and 10 market rate units. There are five vacant market rate units at this property, illustrating a 50 percent vacancy among those units. Management reported that vacancy of 20 to 25 percent has been typical over the past several years due to the downturn in the local economy. However, based on the performance of the comparable properties in Tifton, we believe there is demand for the Subject as proposed. The Subject's proposed rents offer a discount relative to the LIHTC properties in Tifton. Additionally, the Subject will offer excellent condition upon completion and a competitive amenity package. Therefore, we believe the Subject will operate with a vacancy rate of seven percent or less upon completion.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are performing well, with a weighted vacancy rate of 2.1 percent. The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC properties and generally similar in-unit amenities in comparison to the market rate comparable properties. The Subject will offer dishwashers, ceiling fans, and garbage disposals, which several of the comparable properties lack. The Subject will generally offer superior property amenities, with the exception of The Groves. The Subject will offer slightly inferior property amenities in comparison to The Groves. The Subject will offer a business center/computer lab, community room, exercise facility, picnic area, and playground, which several of the comparable properties lack. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. The proposed Subject's only apparent weakness is the proposed location. The comparable properties in Tifton offer superior locations based on access to centers of employment, locational amenities, and median household income. We have accounted for the differences in location in our analysis. In general, the Subject will be slightly superior to superior to the comparable properties. We believe the Subject's proposed rents are achievable in the market and offer a significant discount in comparison to average market rents. We believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

### **Recommendations**

- We recommend the Subject as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**



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



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP  
5-6-2015  
Date



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Edward R. Mitchell  
Senior Real Estate Analyst  
Novogradac & Company LLP  
5-6-2015  
Date



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Daniel W. Mabry  
Researcher  
Novogradac & Company LLP  
5-6-2015  
Date



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Sterling Battle  
Researcher  
Novogradac & Company LLP  
5-6-2015  
Date

## **M. MARKET STUDY REPRESENTATION**

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP  
5-6-2015  
Date



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Edward R. Mitchell  
Senior Real Estate Analyst  
Novogradac & Company LLP  
5-6-2015  
Date



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Daniel W. Mabry  
Researcher  
Novogradac & Company LLP  
5-6-2015  
Date



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Sterling Battle  
Researcher  
Novogradac & Company LLP  
5-6-2015  
Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

Duquesne University, Pittsburgh, Pennsylvania  
Masters in Business Administration  
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia  
Bachelor of Science in Business Administration  
Graduated Magna Cum Laude

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
LEED Green Associate  
Member, National Council of Housing Market Analysts (NCHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia  
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

### III. Professional Experience

*Partner*, Novogradac & Company LLP  
*Vice President*, Capital Realty Advisors, Inc.  
*Vice President - Acquisitions*, The Community Partners Development Group, LLC  
*Commercial Loan Officer/Work-Out Specialist*, First Federal Savings Bank of Western MD  
*Manager* - Real Estate Valuation Services, Ernst & Young LLP  
*Senior Associate*, Joseph J. Blake and Associates, Inc.  
*Senior Appraiser*, Chevy Chase, F.S.B.  
*Senior Consultant*, Pannell Kerr Forster

#### **IV. Professional Training**

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

#### **V. Real Estate Assignments – Examples**

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). 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

## **H. Blair Kincer**

### **Qualifications**

**Page 3**

are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- 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 appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL**

### **I. Education**

Master of Science – Financial Planning  
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  
University of Alabama, Tuscaloosa, Alabama

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

### **II. Work History**

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia  
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia  
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia  
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida  
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia  
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

### **III. Relevant Experience**

- Managed and prepared market studies and appraisals throughout the U.S. for proposed family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, 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  
DANIEL W. MABRY**

**I. Education**

Marist College – Poughkeepsie, NY  
Bachelor of Arts, Economics  
Bachelor of Science, Business Administration

**II. Professional Experience**

*Novogradac & Company LLP* – July 2013 - Present  
Real Estate Analyst

**III. Real Estate Assignments**

A representative sample of work on various types of projects:

- Prepared market studies for proposed new construction and existing Low Income Housing Tax Credit, Section 8, and market rate developments for use by real estate developers, governmental entities, and financial institutions. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, and market rate multifamily developments. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Sterling Battle**

### **I. Education**

The University of South Florida, Tampa, FL  
Bachelor of Science degree in Finance

### **II. Professional Experience**

Real Estate Researcher, Novogradac & Company LLP, September 2014 – Present  
Real Estate Research Intern, Framework Group Development LLC, September 2013- September 2014

### **III. Research Assignments**

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

- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.