



**A MARKET VALUATION OF**  
**COLUMBIA AVONDALE SENIOR**  
**Avondale MARTA Station, South Parking Lot**  
**Geo Coordinates: 33.773551, -84.281657**  
**Sam's Street (Exact Address TBD)**  
**Decatur, DeKalb County, Georgia 30030**

**Effective Date: April 16, 2015**  
**Report Date: April 24, 2015**

*Prepared For*

**Mr. Jim Grauley**  
**Columbia Senior Avondale LP**  
**1718 Peachtree Street, Suite 684**  
**Atlanta, GA 30309**

*Prepared By*

**Novogradac & Company LLP**  
**2325 Lakeview Parkway, Suite 450**  
**Alpharetta, GA 30009**  
**678-867-2333**

April 24, 2015

Mr. Jim Grauley  
Columbia Senior Avondale LP  
1718 Peachtree Street, Suite 684  
Atlanta, GA 30309

Re: Appraisal of Columbia Avondale Senior  
The southeast corner of East College Avenue and Sam's Street, Decatur, DeKalb County,  
Georgia

Dear Mr. Grauley:

We are pleased to present our findings with respect to the value of the above-referenced property, Columbia Avondale Senior ("Subject"). The Subject is a proposed 92-unit senior Low Income Housing Tax Credit (LIHTC)/HOME/market rate project, where 80 units will be restricted to senior households 62 and older earning 50 and 60 percent of the Area Median Income (AMI) or less and 12 will operate as unrestricted market rate units also targeting seniors 62 and older. Of the 80 affordable units, there will be 14 units that will operate with additional project-based rental assistance and tenants will contribute 30 percent of their income towards rent. As requested we provided several value estimates of both tangible and intangible assets, described and defined below:

- Land Value "As Is".
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value "As Complete and Stabilized" – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value "As Complete and Stabilized" – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at 15, 20 (loan maturity), 25, and 30 years.
- Valuation of Tax Credits.
- Favorable Financing.

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

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

Mr. Jim Grauley  
Columbia Senior Avondale LP  
April 24, 2015

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP.

Market value is defined as:

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

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

This report complies with FIRREA (1989) regulations.

#### **“As Is” Land Value**

The Subject’s indicated restricted “Land Value”, as of April 16, 2015 is:

**THREE MILLION TWO HUNDRED THOUSAND DOLLARS**  
**(\$3,200,000)**

#### **Upon Completion Assuming Restricted Rents**

The Subject’s hypothetical market value of the real estate assuming restricted rental rates, “Upon Completion,” as of April 16, 2015, is:

**THREE MILLION SIX HUNDRED THOUSAND**  
**(\$3,600,000)**

#### **Upon Completion Assuming Unrestricted Rents**

The Subject’s hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of April 16, 2015, is:

**NINE MILLION NINE HUNDRED THOUSAND**  
**(\$9,900,000)**

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

Mr. Jim Grauley  
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**As Complete and Stabilized Restricted**

The Subject's estimated market value "As Complete and Stabilized" assuming restricted rental rates, as of April 16, 2015, is:

**THREE MILLION SEVEN HUNDRED THOUSAND  
(\$3,700,000)**

**As Complete and Stabilized Unrestricted**

The Subject's estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of April 16, 2015, is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS  
(\$10,100,000)**

**Prospective Market Value as Restricted at 15, 20 (Loan Maturity), 25 and 30 years**

The future prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2031, as of April 16, 2015, is:

**THREE MILLION NINE HUNDRED THOUSAND DOLLARS  
(\$3,900,000)**

The future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2036, as of April 16, 2015, is:

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

The future prospective market value at 25 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2041, as of April 16, 2015, is:

**FOUR MILLION THREE HUNDRED THOUSAND DOLLARS  
(\$4,300,000)**

The future prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2046, as of April 16, 2015, is:

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS  
(\$4,500,000)**

Mr. Jim Grauley  
Columbia Senior Avondale LP  
April 24, 2015

**Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), 25 and 30 years**

The hypothetical future prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2031, as of April 16, 2015, is:

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

The hypothetical future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2036, as of April 16, 2015, is:

**ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS  
(\$11,500,000)**

The hypothetical future prospective market value at 25 years of the Subject's fee simple interest, as an unrestricted property in the year 2041, as of April 16, 2015, is:

**TWELVE MILLION FOUR HUNDRED THOUSAND DOLLARS  
(\$12,400,000)**

The hypothetical future prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2046, as of April 16, 2015, is:

**THIRTEEN MILLION THREE HUNDRED THOUSAND DOLLARS  
(\$13,300,000)**

**Tax Credit Value**

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of April 16, 2015, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS  
(\$12,600,000)**

**Favorable Financing**

The estimated present value of the favorable financing, as of April 16, 2015, is

**SIX HUNDRED FIFTY THOUSAND DOLLARS  
(\$650,000)**

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

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

Mr. Jim Grauley  
Columbia Senior Avondale LP  
April 24, 2015

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

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

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

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

Respectfully submitted,



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Brad Weinberg, MAI, CCIM  
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## **EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### PROPERTY SUMMARY OF SUBJECT

**Property Appraised:**

The Subject (Columbia Avondale Senior) is a proposed LIHTC/HOME/market rate development that will offer 92 one, and two-bedroom units that will include 15 units with additional project-based rental assistance (PBRA) as well as six unrestricted market rate units. The Subject will consist of one five-story elevator serviced midrise building in addition to a structured parking facility. The Subject is part of a broader mixed-use transit oriented development (TOD) located adjacent to the Avondale MARTA station. Upon completion, the broader development will offer both affordable and market rate apartment units targeting both seniors and the general population, owner-occupied condominiums, and approximately 20,800 square feet of commercial space.

**Tax Map ID:**

The Subject is a portion of Tax Map # 15-247-06-043.

**Land Area:**

The Subject site will be situated on a 7.67-acre parcel; however, the Subject is the first of several phases to be constructed on this site and the portion attributed to the Subject site is approximately 0.80 acres (34,769 square feet).

**Legal Interest Appraised:**

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

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

PROPOSED RENTS								
Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HOME Maximum Allowable Gross Rent	Proposed Net Contract Rents
<i>Low HOME (50% AMI)</i>								
1BR/1BA	2	750	\$517	\$123	\$640	\$640	\$650	N/A
2BR/1BA	1	980	\$615	\$152	\$767	\$767	\$780	N/A
<i>High HOME/LIHTC (60% AMI)</i>								
1BR/1BA	58	750	\$645	\$123	\$768	\$768	\$773	N/A
2BR/1BA	10	980	\$764	\$152	\$916	\$921	\$916	N/A
<i>60% AMI/PBRA*</i>								
1BR/1BA	12	750	\$645	\$123	\$768	\$768	N/A	\$614
2BR/1BA	3	980	\$769	\$152	\$921	\$921	N/A	\$722
<i>Market</i>								
1BR/1BA	2	750	\$1,001	N/A	N/A	N/A	N/A	N/A
2BR/1BA	4	980	\$1,251	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>92</b>							

Notes (1) Source of Utility Allowance provided by the property-specific HUD Utility Allowance Modeling provided by the client, effective 5/4/2015.

\*These units will benefit from project-based rental assistance through the Decatur Housing Authority and tenants will pay 30 percent of their income towards rent.

UNIT MIX AND SQUARE FOOTAGE			
Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR/1BA	74	750	55,500
2BR/2BA	18	980	17,640
<b>Total</b>	<b>92</b>		<b>73,140</b>

**Ownership History of the Subject:**

The property is owned by MARTA and has been for many years. The property is proposed to be ground-leased to Columbia Ventures, LLC, under a 99-year ground lease. Columbia Ventures then intends to sublease the portion supporting the Subject to Columbia Senior Avondale L.P. The proposed ground leases are discussed in a subsequent section of this report. There have been no known transfers of the property in the previous three years. To our knowledge, the property is not for sale or under contract.

**Highest and Best Use “As Is”:**

The highest and best use of the property as is would be to construct a multifamily or mixed-use transit oriented

development (TOD) that capitalizes on the proximity of the property to the MARTA station.

**INDICATIONS OF VALUE**

**AS IS VACANT LAND**

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	92	\$35,000	\$3,200,000

**DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"**

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	\$122,461	\$3,600,000
As Complete Unrestricted	\$186,245	\$9,900,000

**DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$224,822	\$3,700,000
As Proposed Unrestricted	6.0%	\$603,356	\$10,100,000

**EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	5.0	\$740,317	\$3,700,000
As Proposed Unrestricted	8.7	\$1,160,198	\$10,100,000

**NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	92	\$40,000	\$3,700,000
As Proposed Unrestricted	92	\$110,000	\$10,100,000

**VALUE AT LOAN MATURITY - RESTRICTED**

	Year	Indicated Value (Rounded)
Restricted	15 years	\$3,900,000
Restricted	20 years	\$4,100,000
Restricted	25 years	\$4,300,000
Restricted	30 years	\$4,500,000

**VALUE AT LOAN MATURITY - UNRESTRICTED**

	Year	Indicated Value (Rounded)
Unrestricted	15 years	\$10,700,000
Unrestricted	20 years	\$11,500,000
Unrestricted	25 years	\$12,400,000
Unrestricted	30 years	\$13,300,000

**TAX CREDIT VALUATION**

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$12,950,000	0.97	\$12,600,000

**FAVORABLE FINANCING VALUATION**

	Indicated Value (Rounded)
Restricted & Unrestricted	\$650,000

**Exposure Time:** Nine – 12 Months

**Marketing Period:** Nine – 12 Months

## **FACTUAL DESCRIPTION**

## FACTUAL DESCRIPTION

### APPRAISAL ASSIGNMENT AND VALUATION APPROACH

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

- Land Value “As Is”.
- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at 15, 20 (loan maturity), 25, and 30 years.
- Valuation of Tax Credits.
- Favorable Financing.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value.

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

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

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

### Property Identification

The Subject site is located at the southeast corner of East College Avenue and Sam’s Street at the Avondale MARTA Station south parking lot in Decatur, DeKalb County, Georgia 30030. It should be noted that the Subject does not yet have an exact address. The Subject is part of Tax Map # 15-247-06-043.

### **Intended Use and Intended User**

Columbia Senior Avondale LP is the client in this engagement. We understand that they will use this document to assist in funding and loan/investment underwriting. As our client, Columbia Senior Avondale LP owns this report and permission must be granted from them before another third party can use this document. Columbia Senior Avondale LP is the intended user. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

### **Property Interest Appraised**

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

### **Date of Inspection and Effective Date of Appraisal**

The site was inspected on April 16, 2015. In general, we have prepared this report based on our analysis of current market conditions relative to the Subject.

### **Scope of the Appraisal**

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

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

### **Compliance and Competency Provision**

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

### **Unavailability of Information**

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

**Furniture, Fixtures, and Equipment**

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

**Ownership and History of Subject**

The property is owned by MARTA and has been for many years. The property is proposed to be ground-leased to Columbia Ventures, LLC, under a 99-year ground lease. There have been no known transfers of the property in the previous three years. To our knowledge, the property is not for sale or under contract.

# **REGIONAL AND LOCAL AREA ANALYSIS**

## **REGIONAL AND LOCAL AREA ANALYSIS**

### **ECONOMIC ANALYSIS**

The Atlanta-Sandy Springs-Roswell MSA is the ninth largest metropolitan area in the nation, and, as of the 2010 Census, it consists of nearly two million households. The MSA encompasses 28 counties in northwest Georgia. At the heart of the MSA are Fulton and DeKalb counties with a combined population of over 1.6 million. The city of Atlanta is the capital of Georgia and its most populous city. The population of the city of Atlanta totals 447,841; however, as of the 2010 census, the population of the greater metropolitan area was approximately 5.3 million. It is the ninth largest urban area in the country, behind Dallas-Fort Worth-Arlington, Texas and Washington, District of Columbia-Virginia-Maryland, among others.

The regional economy is diverse, with professional services, healthcare, transportation, public administration, retail trade, and education all accounting for a large percentage of the employment base. Atlanta is home to 10 Fortune 500 headquarters, such as Home Depot, United Parcel Service, and Coca-Cola. According to CNNMoney.com, the revenues of these firms totaled \$170.0 million in 2012. The Atlanta region is also home to numerous international companies and the Hartsfield-Jackson International Airport. As of the 2011 Airports Council International (ACI) traffic reports, the airport was the busiest in the country in terms of total passenger count.

**Major Employers**

The following tables detail the top employers in the Atlanta metropolitan area and the city of Decatur.

<b>MAJOR EMPLOYERS</b>		
<b>Atlanta Metropolitan Area</b>		
<b>Employer</b>	<b>Industry</b>	<b>Number Employed</b>
Delta Airlines Inc.	Transportation	31,237
Emory University	Educational Services	29,937
Wal-Mart Stores, Inc.	Retail Trade	20,532
The Home Depot, Inc.	Retail Trade	20,000
AT&T Inc.	Telecommunications	17,882
The Kroger Co.	Retail Trade	14,753
WellStar Health System	Healthcare	13,500
Publix Super Markets Inc.	Retail Trade	9,494
United States Postal Service - Atl District	Postal Services	9,385
Northside Hospital	Healthcare	9,016
The Coca-Cola Company	Food Manufacturing	8,761
United Parcel Service, Inc.	Transportation and Warehousing	8,727
Piedmont Healthcare	Healthcare	8,707
Centers for Disease Control and Prevention (CDC)	Government	8,539
Children's Healthcare of Atlanta, Inc.	Healthcare	7,452
Cox Enterprises Inc.	Entertainment	7,255
Bankof America	Finance	6,800
SunTrust Banks Inc.	Finance	6,800
Georgia Institute of Technology	Educational Services	6,386
Southern Company	Utilities	6,247
Georgia State University	Educational Services	5,875
Lockheed Martin Corp.	Prof/Scientific/Tech	5,823
Turner Broadcasting System, Inc.	Entertainment	5,500
GradyHealth System	Healthcare	5,450
State Farm	Insurance	5,000
Wells Fargo & Company	Finance	5,000

Source: Metro Atlanta Chamber, December 2014, Novogradac & Company LLP, 4/2015

<b>MAJOR EMPLOYERS</b>		
<b>Decatur</b>		
<b>Employer</b>	<b>Industry</b>	<b>Number Employed</b>
DeKalb County Government	Government	1,200
Emory University Health Systems	Healthcare	600
Decatur Board of Education	Public Administration	489
Agnes Scott College	Educational Services	375
DeVry University	Educational Services	290
US Postal Service	Public Administration	200
City of Decatur	Government	200
DeKalb Medical Center	Healthcare	150
Columbia Theological Seminary	Educational Services	100
Wells Fargo	Finance	45

Source: Metro Atlanta Chamber, December 2014, Novogradac & Company LLP, 4/2015

As seen in the previous table, the top employers within the Atlanta metropolitan area are concentrated in the transportation, educational services, retail trade, telecommunications and health care industries. The largest employer in Atlanta, Delta Air Lines, maintains its world headquarters in the city, in addition to operating its largest hub at Hartsfield-Jackson Atlanta International Airport (ATL). Delta's operating revenue totaled \$37.8 billion in 2013, and it is the 83<sup>rd</sup> largest Fortune 500 firm in the country.

The largest employers within the City of Decatur are primarily in the government, healthcare, and educational services sectors. The largest employer in the city is DeKalb County Government, with 1,200 employees. Three of the top ten largest employers in the city are institutions of higher education.

### Expansions/Contractions

The following table illustrates closures and layoffs in DeKalb County since 2013 (actual and announced).

#### WARN NOTICES

Effective Date	Company	City	Employees Affected	Closing/Layoff
2/1/2015	Quad Graphics	Atlanta	110	Closing
4/30/2015	GA Student Finance Commission	Tucker	N/Av	Layoff
1/7/2013	Bway Corporation	Lithonia	65	N/Av
2/21/2013	The Atlanta Journal-Constitution	Clarkston	85	N/Av
2/28/2013	YP Southeast Advertising	Tucker	32	N/Av
3/21/2013	CENVEO	Chamblee	44	N/Av
11/15/2013	Emory Healthcare	Atlanta	101	Closing
12/12/2013	Department of Physical Health	Atlanta	75	Layoff
12/15/2013	Allied Systems Holdings	Atlanta	90	Closing

Source: Georgia Department of Economic Development, Workforce Division, March 2015

As illustrated in the above table, DeKalb County lost 602 jobs since 2013.

### Employment and Unemployment Trends

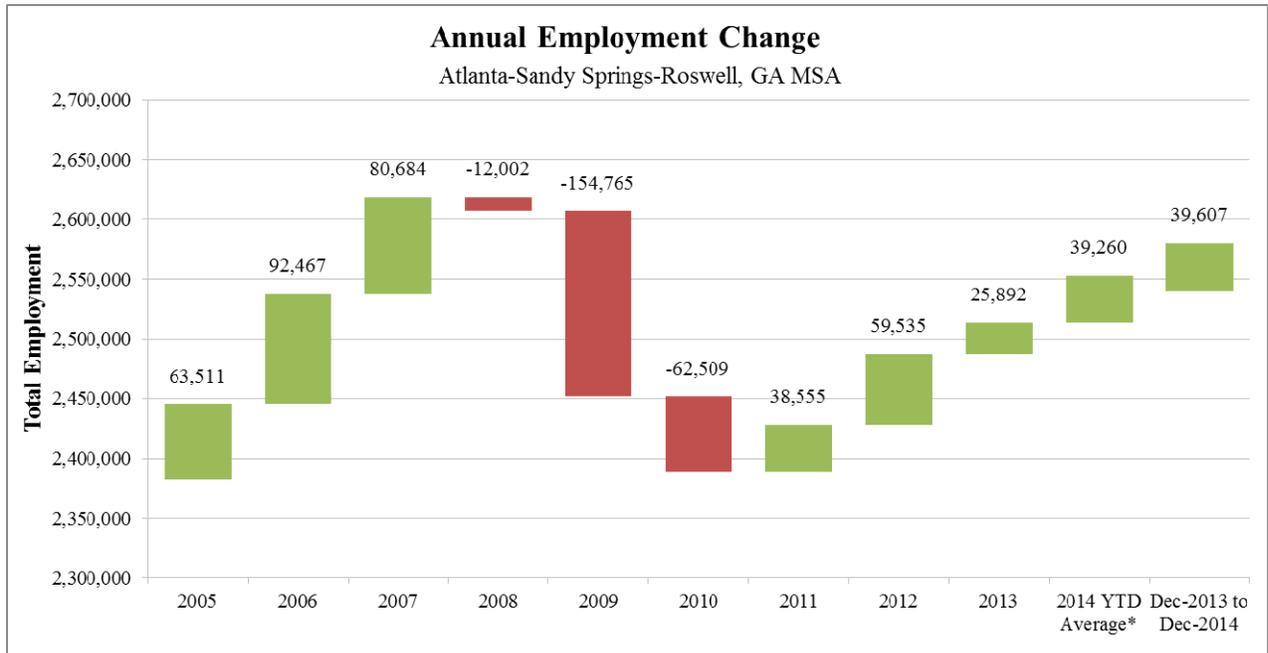
The following table details employment and unemployment trends for the MSA and nation from 2000 to December 2014.

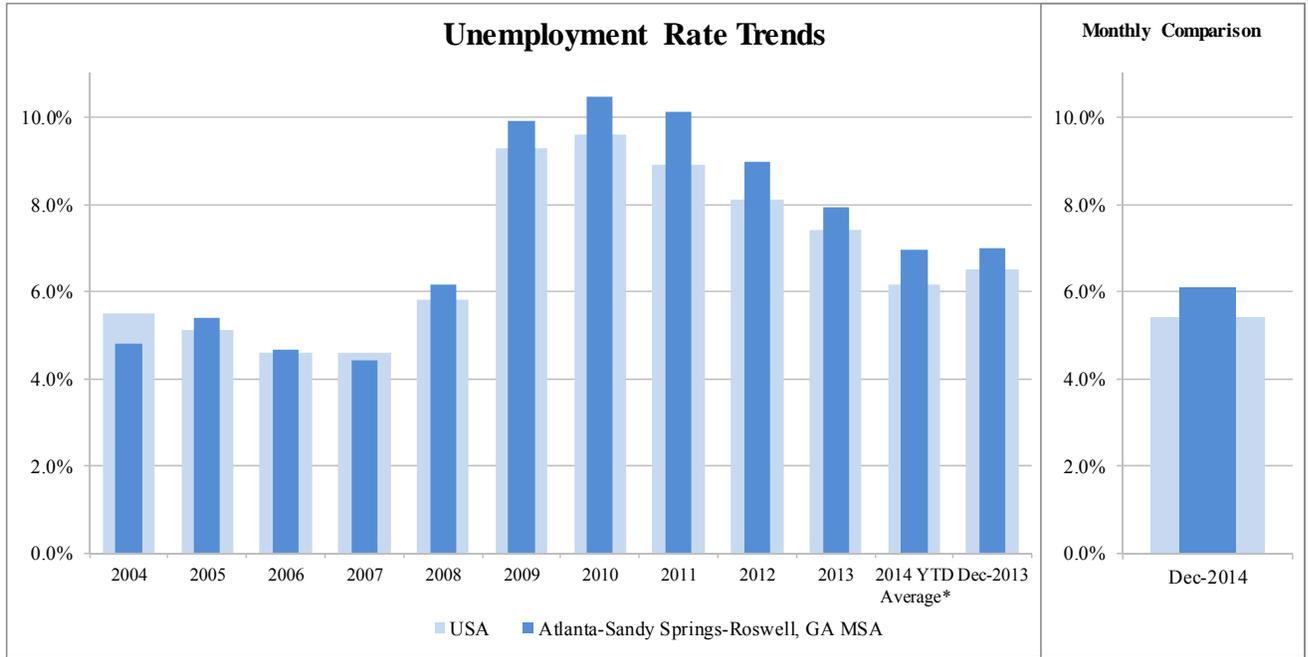
#### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2000	2,298,989	-	3.1%	-	136,891,000	-	4.0%	-
2001	2,329,891	1.3%	3.7%	0.6%	136,933,000	0.0%	4.7%	0.7%
2002	2,324,880	-0.2%	5.0%	1.3%	136,485,000	-0.3%	5.8%	1.1%
2003	2,347,173	1.0%	4.9%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,877,000	-3.8%	9.3%	3.5%
2010	2,389,549	-2.5%	10.5%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	2,428,103	1.6%	10.1%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,487,638	2.5%	9.0%	-1.1%	142,469,000	1.9%	8.1%	-0.8%
2013	2,513,530	1.0%	7.9%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	2,552,790	1.6%	7.0%	-1.0%	146,305,333	1.7%	6.2%	-1.2%
Dec-2013	2,540,305	-	7.0%	-	144,423,000	-	6.5%	-
Dec-2014	2,579,912	1.6%	6.1%	-0.9%	147,190,000	1.9%	5.4%	-1.1%

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

\*2014 data is through Dec





Total employment increased each year from 2003 to 2007. These increases were significant; however, were followed by decreases from 2008 to 2010 as a result of the economic recession. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2014 year-to-date. Despite these recent increases, total employment in the MSA has yet to reach pre-recessionary levels. Total employment in the nation has exceeded pre-recessionary levels as of December 2014. From December 2013 to December 2014, total employment has increased by 1.6 percent in the MSA compared to an increase of 1.9 percent nationally.

Prior to the economic recession, the unemployment rate in the MSA was generally in line with or slightly below that of the nation. However, the unemployment rate in the MSA experienced a slightly more significant increase during the national recession and has remained above the nation since. From December 2013 to December 2014, the unemployment rate in the MSA decreased 0.9 percentage points, compared to a decrease of 1.1 percentage points nationally. The unemployment rate in the MSA as of December 2014 was 6.1 percent, which was 0.7 percentage points above the national rate of 5.4 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels, indicating that the local economy is still in a state of recovery.

## Employment by Industry

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

2014 EMPLOYMENT BY INDUSTRY				
Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	8,369	17.5%	12,979,314	9.1%
Prof/Scientific/Tech Services	6,434	13.4%	9,808,289	6.8%
Health Care/Social Assistance	5,807	12.1%	20,080,547	14.0%
Accommodation/Food Services	3,919	8.2%	10,849,114	7.6%
Retail Trade	3,560	7.4%	16,592,605	11.6%
Other Services (excl Publ Adm)	2,724	5.7%	7,850,739	5.5%
Public Administration	2,613	5.5%	6,713,073	4.7%
Information	2,211	4.6%	2,577,845	1.8%
Admin/Support/Waste Mgmt Svcs	1,955	4.1%	6,316,579	4.4%
Finance/Insurance	1,700	3.6%	6,884,133	4.8%
Construction	1,639	3.4%	8,291,595	5.8%
Manufacturing	1,635	3.4%	15,162,651	10.6%
Transportation/Warehousing	1,438	3.0%	5,898,791	4.1%
Arts/Entertainment/Recreation	1,297	2.7%	3,151,821	2.2%
Real Estate/Rental/Leasing	1,290	2.7%	2,627,562	1.8%
Wholesale Trade	918	1.9%	3,628,118	2.5%
Utilities	150	0.3%	1,107,105	0.8%
Mgmt of Companies/Enterprises	126	0.3%	97,762	0.1%
Agric/Forestry/Fishing/Hunting	71	0.1%	1,800,354	1.3%
Mining	0	0.0%	868,282	0.6%
<b>Total Employment</b>	<b>47,856</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, 4/2015

Educational services, professional/scientific/technical services, and health care/social assistance are the largest industries within the PMA. Combined they represent approximately 43.1 percent of total employment within the PMA. These industries have historically been stable, with educational services and health care/social assistance both experiencing growth over the past decade. The PMA is overrepresented in the educational services, professional/scientific/technical services, and information industries, relative to the nation. Comparatively, the retail trade and manufacturing sectors are underrepresented in the PMA.

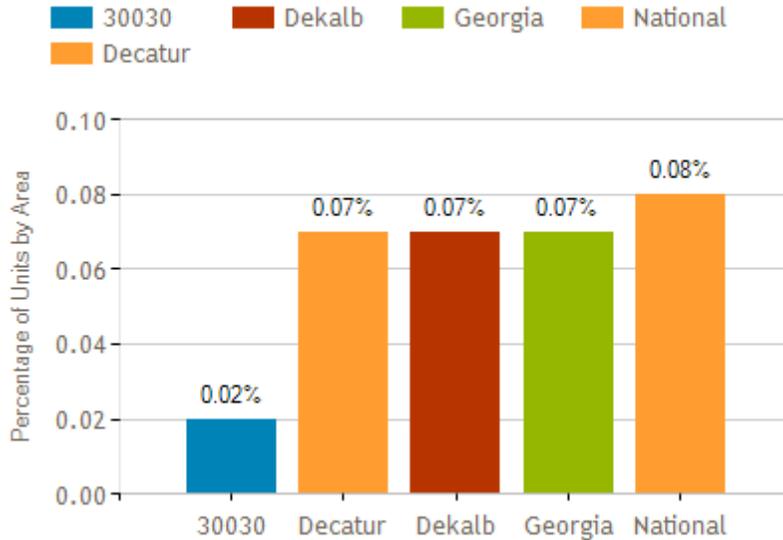
### Current Economic Recession and Mortgage Crisis

According to [www.RealtyTrac.com](http://www.RealtyTrac.com), “there are currently 30 properties in the Subject’s zip code (30030) that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 140.”

In February 2015, the number of properties that received a foreclosure filing in the Subject’s zip code was 33 percent lower than the previous month and 67 percent lower than the same time last year.

Home sales for January 2015 were down 37 percent compared with the previous month, and up four percent compared with a year ago. The median sales price of a non-distressed home was \$300,000.”

The following chart compares the foreclosure rate in the Subject’s zip code with that of the city, county, state, and nation as a whole.



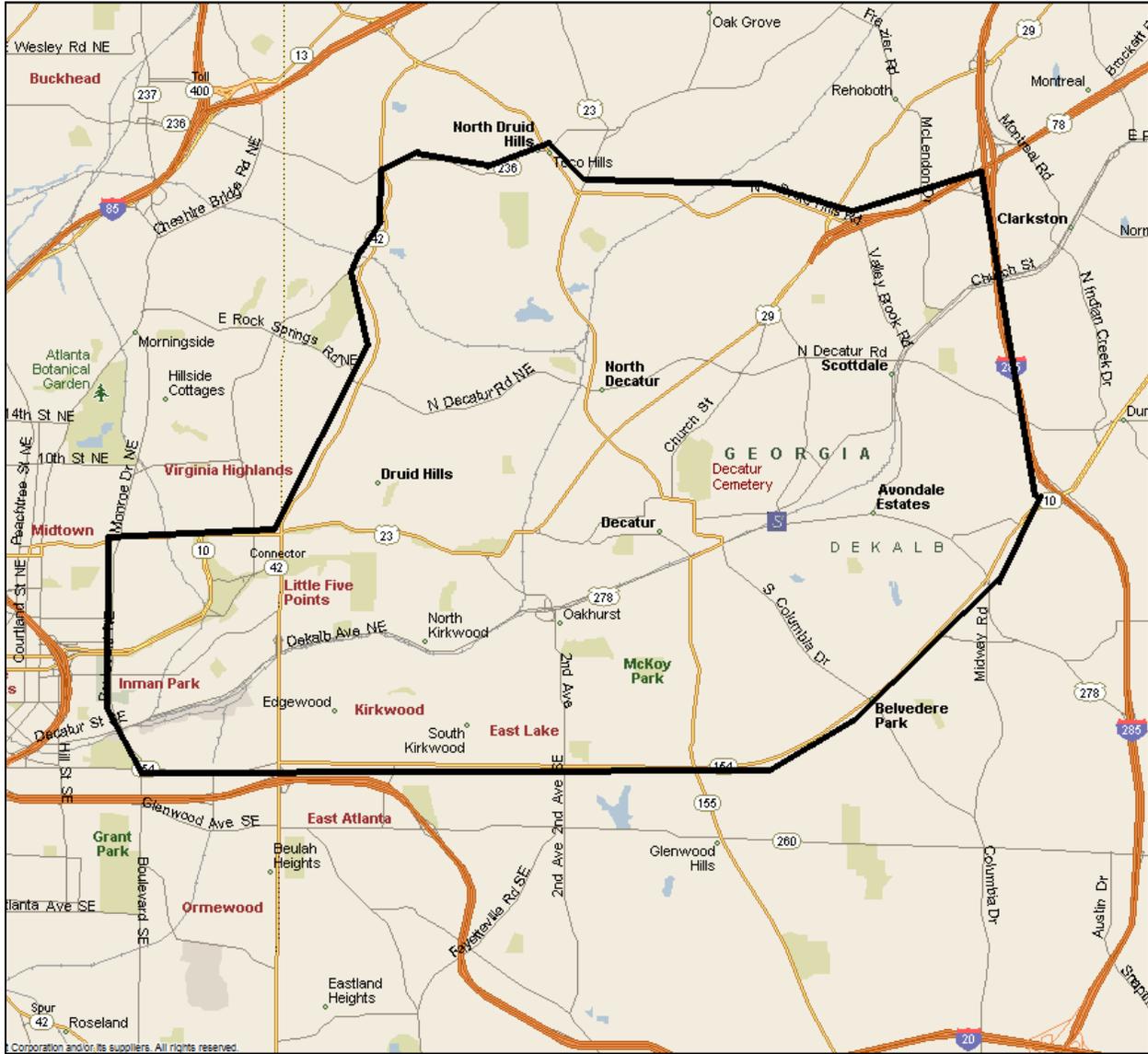
Source: Realtytrac.com, 4/2015

As indicated above, the foreclosure rate in the Subject’s zip code is well below that of the city, county, state, and nation as a whole, which indicates that the Subject’s neighborhood is outperforming other parts of the country in terms of the housing market.

**Conclusion**

Educational services, professional/scientific/technical services, and health care/social assistance are the largest industries within the PMA. Combined they represent approximately 43.1 percent of total employment within the PMA. These industries have historically been stable, with educational services and health care/social assistance both experiencing growth over the past decade. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2014 year-to-date. Despite these recent increases, total employment in the MSA has yet to reach pre-recessionary levels. Total employment in the nation has exceeded pre-recessionary levels as of December 2014. From December 2013 to December 2014, total employment has increased by 1.6 percent in the MSA compared to an increase of 1.9 percent nationally. From December 2013 to December 2014, the unemployment rate in the MSA decreased 0.9 percentage points, compared to a decrease of 1.1 percentage points nationally. The unemployment rate in the MSA as of December 2014 was 6.1 percent, which was 0.7 percentage points above the national rate of 5.4 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels, indicating that the local economy is still in a state of recovery.

**PRIMARY MARKET AREA MAP**



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The PMA is defined as the city of Decatur along with the surrounding communities of North Decatur, Scottsdale, Avondale Estates, and Druid Hills, Inman Park, Little Five Points, Kirkwood, and East Lake. The Secondary Market Area (SMA) is determined to be the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which consists of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton Counties.

The boundaries of the PMA are as follows:

- North US Highway 78, North Druid Hills Road, and Lavista Road NE
- South GA Highway 154
- East Interstate 285
- West GA Highway 42 and 504 Boulevard

This area was defined based on interviews with a member of the Decatur Planning and Zoning Department, and the local housing authority. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates from throughout DeKalb County as well as eastern parts of Fulton County. Property managers of senior developments in the area reported that renters come from all over the Atlanta metropolitan area. Per GA DCA’s 2015 market study guidelines, GA DCA does not take into account leakage from the PMA.

**Population Trends**

TOTAL POPULATION						
Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	95,565	-	4,263,438	-	281,421,906	-
2010	101,630	0.6%	5,286,728	2.4%	308,745,538	1.0%
2015	104,969	0.6%	5,467,379	0.7%	314,467,933	0.4%
Projected Mkt Entry August 2017	107,507	1.2%	5,635,788	1.5%	320,392,850	0.9%
2019	109,841	1.2%	5,790,724	1.5%	325,843,774	0.9%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 4/2015

TOTAL SENIOR POPULATION (62+)						
Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	12,949	-	407,225	-	41,475,021	-
2010	12,647	-0.2%	625,999	5.4%	50,358,738	2.1%
2015	14,270	2.4%	737,625	3.4%	54,877,680	1.7%
Projected Mkt Entry August 2017	15,475	4.1%	818,383	5.3%	59,497,087	4.0%
2019	16,584	4.1%	892,679	5.3%	63,746,942	4.0%

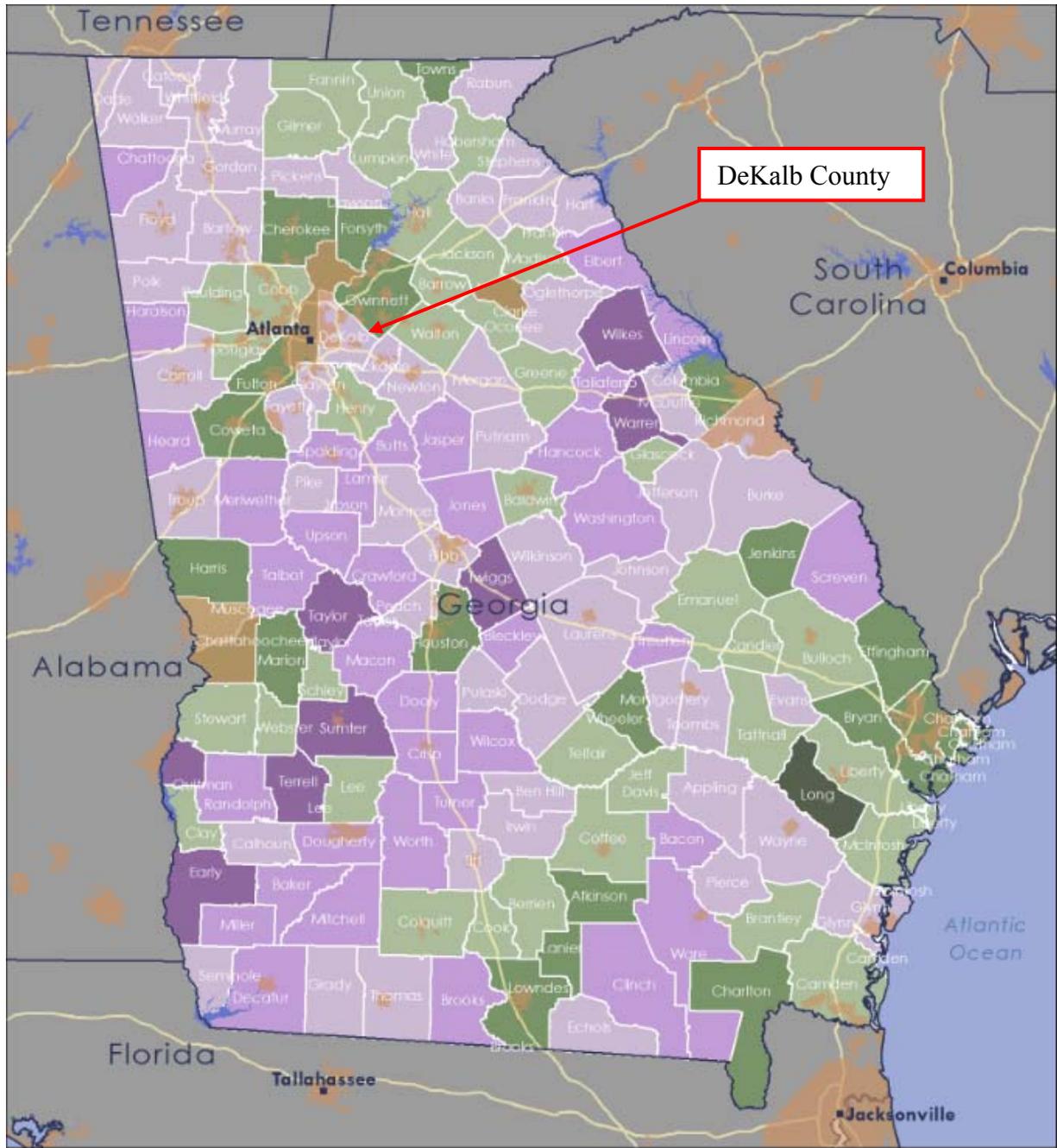
Source: ESRI Demographics 2014, Novogradac & Company LLP, 4/2015

POPULATION BY AGE GROUP						
PMA						
Age Cohort	1990	2000	2010	2015	Projected Mkt Entry August 2017	2019
0-4	5,710	5,355	6,531	6,193	5,577	6,331
5-9	4,764	4,904	5,050	5,607	5,002	5,550
10-14	4,144	4,688	3,987	4,736	6,248	5,246
15-19	5,622	6,122	5,609	5,970	10,382	6,504
20-24	8,300	9,024	10,224	9,904	10,292	10,821
25-29	9,574	10,536	10,489	9,893	9,572	10,659
30-34	9,312	10,054	10,226	9,829	8,598	9,336
35-39	8,040	8,512	9,054	8,772	7,824	8,437
40-44	6,322	7,265	7,794	8,130	7,303	7,543
45-49	4,188	6,386	6,793	7,188	6,591	7,409
50-54	3,281	5,352	6,023	6,570	6,234	6,610
55-59	3,168	3,404	5,408	5,929	5,363	6,514
60-64	3,210	2,541	4,487	4,948	4,095	5,745
65-69	3,349	2,420	2,819	3,797	2,817	4,369
70-74	2,944	2,362	1,976	2,409	1,922	3,193
75-79	2,590	2,336	1,687	1,729	1,471	2,100
80-84	1,879	2,067	1,543	1,441	1,952	1,498
85+	1,704	2,239	1,930	1,925	107,508	1,977
<b>Total</b>	<b>88,101</b>	<b>95,567</b>	<b>101,630</b>	<b>104,970</b>	<b>208,750</b>	<b>109,842</b>

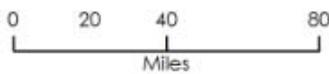
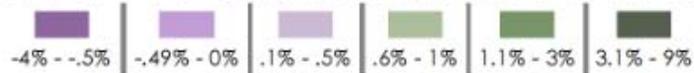
Source: ESRI Demographics 2014, Novogradac & Company LLP, April 2015

The general population in the PMA experienced a population increase from 2010 to 2015 and is projected to continue to increase at a slightly faster rate through 2019. In comparison, the general population in the MSA also increased and is projected to continue to increase through 2019. The general population in the nation increased at a slightly slower rate than the PMA and MSA from 2010 to 2015 and is projected to continue to increase at a slightly slower rate through 2019.

The senior population in the PMA increased from 2010 to 2015, while the senior population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next five years and the senior population in the PMA is expected to increase at a slightly slower rate than the MSA and a similar rate compared to the nation through 2019. We believe the sustained growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 14.5 percent of the population in the PMA will be age 62 and older by the projected market entry date of August 2017.



### 2010-2014 Population Growth Rate



2010-2014 Population Growth

Lucy Mullineaux January 2015

**NOVOGRADAC & COMPANY** LLP  
www.novoco.com

## Household Trends

TOTAL NUMBER OF HOUSEHOLDS				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
2000	42,403	-	1,566,711	-
2010	46,737	1.0%	1,943,885	2.4%
2015	48,628	0.8%	2,010,072	0.6%
Projected Mkt Entry August 2017	50,048	1.4%	2,073,737	1.5%
2019	51,354	1.4%	2,132,309	1.5%

Source: ESRI Demographics 2014, Novogradac &amp; Company LLP, 4/2015

TOTAL NUMBER OF SENIOR HOUSEHOLDS (62+)				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
2000	8,810	-	260,346	-
2010	8,699	-0.1%	357,494	3.7%
2015	9,391	1.5%	427,381	3.7%
Projected Mkt Entry August 2017	10,341	4.9%	479,249	5.8%
2019	11,215	4.9%	526,967	5.8%

Source: ESRI Demographics 2014, Novogradac &amp; Company LLP, 4/2015

AVERAGE HOUSEHOLD SIZE						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.12	-	2.67	-	2.58	-
2010	2.06	-0.3%	2.68	0.0%	2.58	0.0%
2015	2.05	-0.1%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry August 2017	2.04	-0.2%	2.68	0.0%	2.57	0.0%
2019	2.04	-0.2%	2.68	0.0%	2.57	0.0%

Source: ESRI Demographics 2014, Novogradac &amp; Company LLP, 4/2015

The total number of senior households in the PMA increased 1.5 percent from 2010 to 2015. Over the same period of time, the total number of senior households in the MSA increased 3.7 percent. The total number of senior households in the PMA is expected to increase at a faster annual rate of 4.9 percent, while the total number of households in the MSA is projected to increase at an annual rate of 5.8 percent over the next five years. Average household size in the PMA is currently 2.05 persons, which is projected to decrease slightly through 2019. Overall, the projected increase in senior households age 62 and older is a positive indicator for the proposed Subject's age-restricted units.

## Households by Tenure

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

TENURE PATTERNS - ELDERLY POPULATION (AGE 62+)								
Year	PMA				Atlanta-Sandy Springs-Roswell, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	5,392	61.2%	3,418	38.8%	203,034	78.0%	57,311	22.0%
2010	5,957	68.5%	2,742	31.5%	277,209	77.5%	80,286	22.5%
2015	6,102	65.0%	3,289	35.0%	329,909	77.2%	97,472	22.8%
Projected Mkt Entry August 2017	6,750	65.3%	3,591	34.7%	370,212	77.2%	109,037	22.8%
2019	7,347	65.5%	3,868	34.5%	407,291	77.3%	119,676	22.7%

Source: ESRI Demographics 2015, Novogradac & Company LLP, 4/2015

Owner-occupied housing units dominate the PMA and are slightly more dominant in the MSA. However, the percentages of senior renter-occupied housing in the both the PMA and MSA are significantly higher than the national average of approximately 13 percent. The percentage of renter-occupied units in the PMA is expected to decrease slightly through 2019, though the number of senior renter households is expected to increase.

## Renter Households by Income

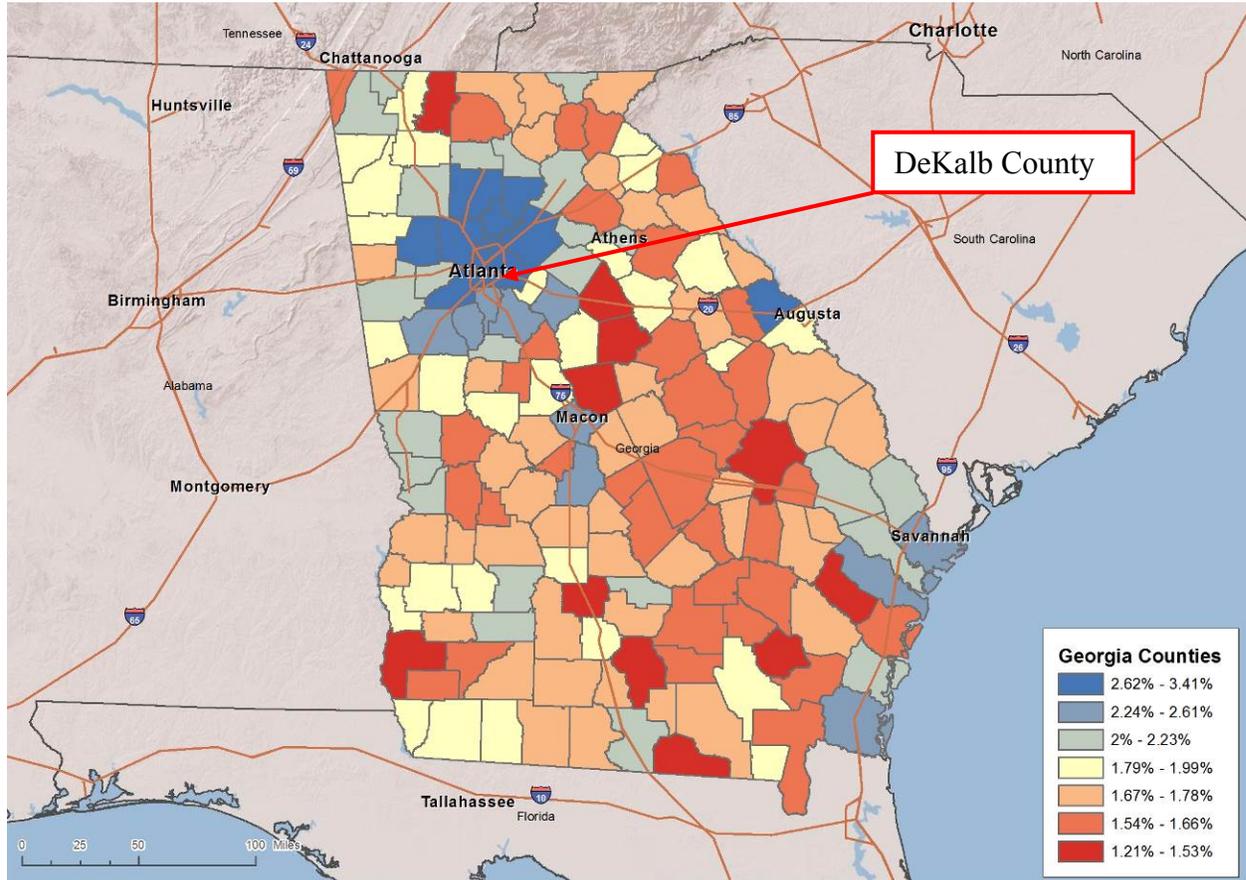
The following table depicts senior renter household income in 2015, August 2017, and 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 62+)						
Income Cohort	2010		2015		Projected Market Entry	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	490	17.9%	948	28.8%	1,093	30.4%
\$10,000-19,999	624	22.8%	841	25.6%	933	26.0%
\$20,000-29,999	474	17.3%	493	15.0%	529	14.7%
\$30,000-39,999	196	7.2%	221	6.7%	244	6.8%
\$40,000-49,999	159	5.8%	173	5.3%	178	5.0%
\$50,000-59,999	165	6.0%	115	3.5%	124	3.5%
\$60,000-74,999	150	5.5%	142	4.3%	137	3.8%
\$75,000-99,999	148	5.4%	118	3.6%	114	3.2%
\$100,000-124,999	105	3.8%	74	2.2%	75	2.1%
\$125,000-149,999	62	2.3%	41	1.3%	44	1.2%
\$150,000-199,999	91	3.3%	79	2.4%	74	2.1%
\$200,000+	76	2.8%	42	1.3%	46	1.3%
<b>Total</b>	<b>2,742</b>	<b>100.0%</b>	<b>3,289</b>	<b>100.0%</b>	<b>3,591</b>	<b>100.0%</b>

Source: Ribbon Demographics 2014, Novogradac & Company LLP, 4/2015

The three lowest income cohorts have the highest number of households within the PMA. As of 2015, approximately 69.4 percent of senior renter households in the PMA earn less than \$30,000. This percentage is expected to increase through 2019. Incomes at the Subject will range from \$0 to \$40,920 for the subsidized units, \$19,200 to \$40,920 for the LIHTC/HOME units without subsidy,

and \$36,036 and up for the market rate units. As such, all senior households are expected to income-quality to reside at some of the Subject’s units.



2000 - 2010 MHI Annual Growth Rate



**Conclusion**

The senior population in the PMA increased from 2010 to 2015, while the senior population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next five years and the senior population in the PMA is expected to increase at a slightly slower rate than the MSA and a similar rate compared to the nation through 2019. We believe the sustained growth of the senior population in the PMA is a positive indication of demand for the Subject’s proposed age-restricted units. Approximately 14.4 percent of the population in the PMA will be age 62 and older by the projected market entry date of August 2017. The total number of senior households in the PMA increased 1.5 percent from 2010 to 2015. Over the same period of time, the total number of senior households in the MSA increased 3.7 percent. The total number of senior households in the PMA is expected to increase at a faster annual rate of 4.9 percent, while the total number of households in the MSA is projected to increase at an annual rate of 5.8 percent over the next five years.

Senior renter households earning under \$30,000 in the PMA comprise 69.4 percent of all income cohorts. Since some of the Subject’s units will operate with a project-based subsidy and tenants will pay 30 percent of their income towards rent, the Subject will target senior households earning

between \$0 and \$40,920 for the affordable units; therefore, the Subject should be well-positioned to service this market. The Subject will also offer market rate units which will have no maximum income limitations; as such, an even larger portion of senior households will be eligible to reside at the Subject. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

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

**NEIGHBORHOOD ANALYSIS**

**Date of Site Visit and**

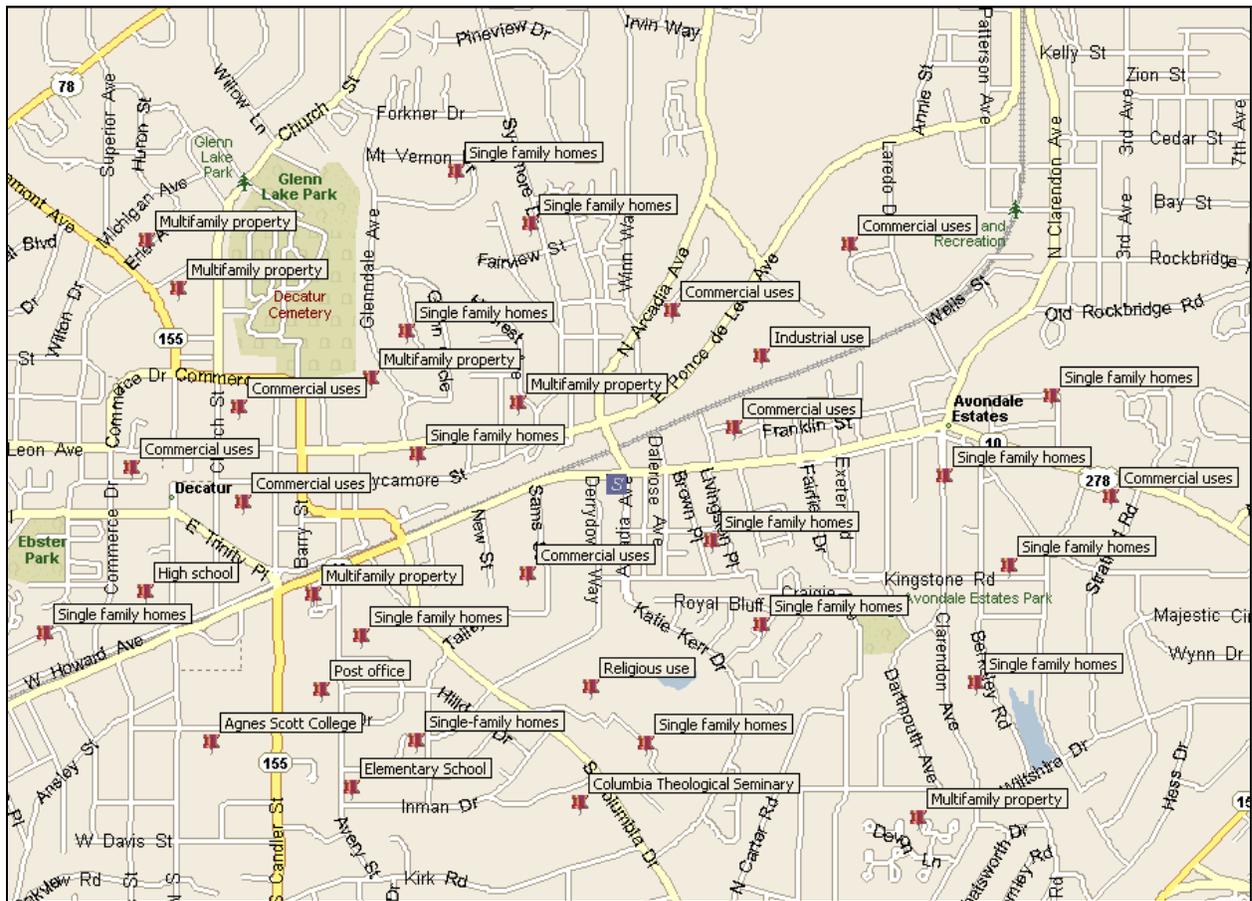
**Name of Site Inspector:** Ed Mitchell visited the site on April 16, 2015.

**Physical Features of the Site:**

*Frontage:* The parent tract has frontage along the south side of East College Avenue, the east side of Sam’s Street, and the west side of Derrydown Way.

*Visibility/Views:* The Subject site is located in a mixed-use neighborhood that consists of single-family homes, commercial uses, and institutional uses in generally average condition. Surrounding the periphery of the Subject site are single-family homes to the east, institutional buildings to the south, commercial/industrial uses to the west, and the Avondale MARTA station to the north. The Subject has average views and good visibility.

*Surrounding Uses:* The following map illustrates the surrounding land uses.

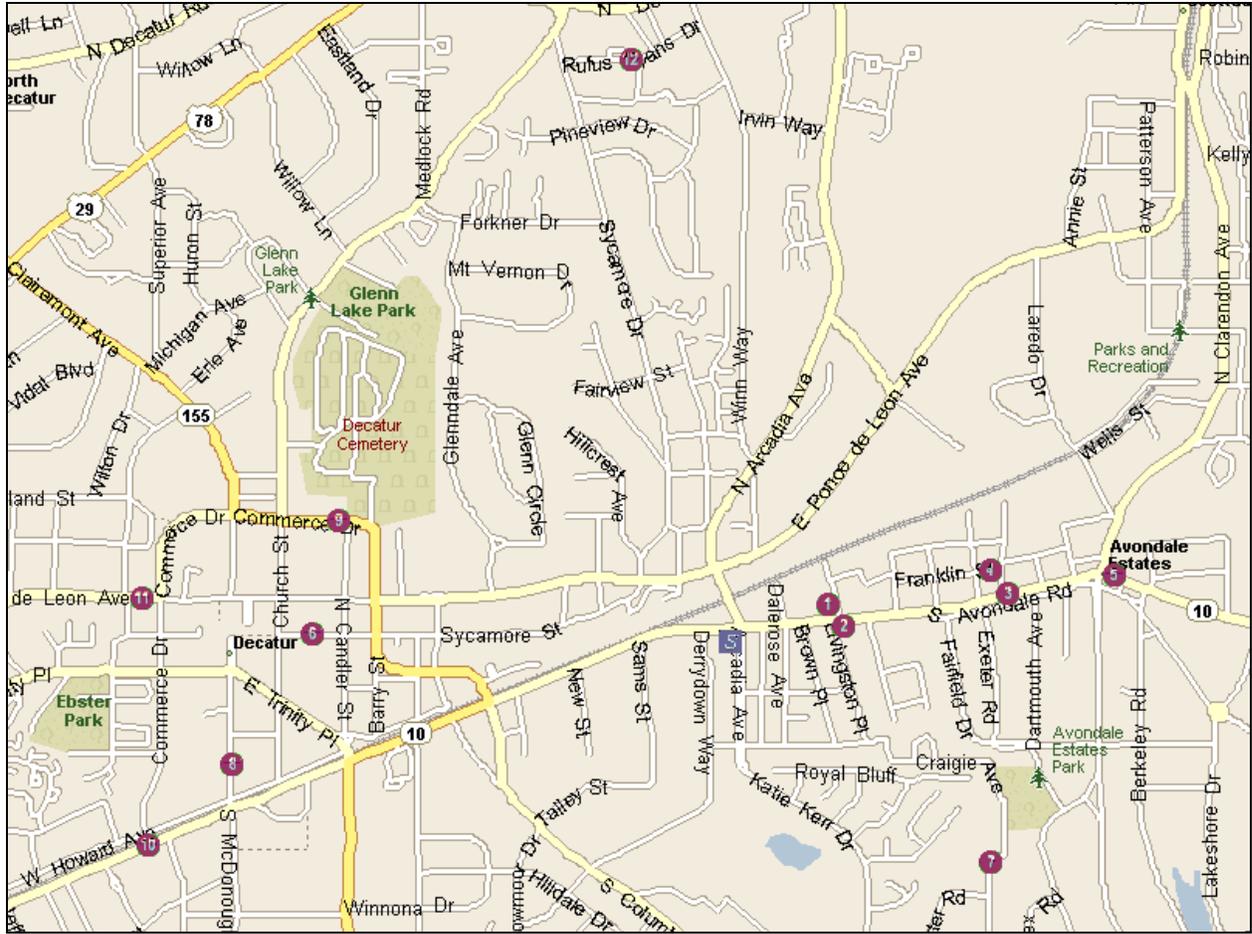


The Subject is located in a mixed-use neighborhood. To the northeast are single-family homes in average to good condition, commercial uses, and industrial uses. Immediately northwest, west, and southwest are various commercial uses, religious uses, multi-family properties, single-family homes and an elementary school in good condition. To the south and southeast of the Subject are single-family homes, multi-family properties, religious uses, and commercial uses in good condition. East of the subject are commercial uses and single family homes in average to good condition. Commercial uses in the neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

*Positive/Negative Attributes of Site:* The Subject's proximity to a MARTA station and other locational amenities and retail uses, which are in average to good condition, are considered positive attributes. The Subject's neighborhood is also considered "Somewhat Walkable" by Walkscore.com with a rating of 64. Additionally, the Subject site is within close proximity to US Highway 278, which provides convenient access to other employment centers and Interstate 285.

**Proximity to Locational Amenities:**

The following map and table details the Subject's distance from key locational amenities.



**LOCATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	CITGO Gas Station	0.3 miles
2	Food Mart	0.4 miles
3	Peach State Credit Union	0.7 miles
4	Post Office- Avondale Estates	0.7 miles
5	Avondale Estates Police Department	0.9 miles
6	Dekalb Public Library	1.0 miles
7	Forest Hills Elementary	1.0 miles
8	Decatur High School	1.1 miles
9	Kroger	1.1 miles
10	Renfroe Middle School	1.2 miles
11	CVS Pharmacy	1.3 miles
12	Dekalb Medical Center- North	1.6 miles

**Description of Land Uses:**

The Subject is located in a mixed-use neighborhood. To the northeast are single-family homes in average to good condition, commercial uses, and industrial uses. Immediately northwest, west, and southwest are various commercial uses, religious uses, multi-family properties, single-family homes and an elementary school in good condition. To the south and southeast of the Subject are single-family homes, multi-family

properties, religious uses, and commercial uses in good condition. East of the subject are commercial uses and single family homes in average to good condition. Commercial uses in the neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

**Conclusion:**

The Subject site is located at the southeast corner of East College Avenue and Sam's Street at the Avondale MARTA Station south parking lot. Surrounding uses consist of single and multifamily residential, industrial, religious, commercial, and public uses ranging in condition from average to good. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered "Somewhat Walkable" by *Walkscore.com* with a rating of 64. The Subject site is considered a desirable building site for senior rental housing. The Subject site has excellent proximity to locational amenities, which are within 1.6 miles of the Subject site.

**DESCRIPTION OF THE SITE**

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



**Size:** The Subject site is located on a larger tract that contains 7.67 acres. The portion of the site that is the focus of this analysis is 0.80 acres.

**Shape:** The site is irregular in shape.

**Frontage:** The parent tract has frontage along the south side of East College Avenue, the east side of Sam’s Street, and the west side of Derrydown Way.

**Topography:** The site is generally level.

**Visibility/Views:** The Subject site is located in a mixed-use neighborhood that consists of single-family homes, commercial uses, and institutional uses in generally average condition. Surrounding the periphery of the Subject site are single-family homes to the east, institutional buildings to the south, commercial/industrial uses to the west, and the Avondale MARTA station to the north. The Subject has average views and good visibility.

**Access and Traffic Flow:** The Subject is accessible from East College Avenue, the

primary east-west arterial in the area, which extends from downtown Atlanta to the east to Interstate 285 to the west. Traffic flow in the immediate area is good, as Sam's Crossing provides a bridge over the MARTA line to the north.

**Drainage:**

Appears adequate; however, no specific tests were performed.

**Soil and Subsoil Conditions:**

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

**Flood Plain:**

According to [www.floodinsights.com](http://www.floodinsights.com) Community Panel number 130052-0201G dated December 16, 2008, the Subject site is located in Zone X, which is defined as an area outside of 100- and 500-year flood plains. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.

**Environmental:**

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

**Detrimental Influences:**

No detrimental influences were identified.

**Conclusion:**

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

## Description of Improvements

### Property Profile Report

Columbia Avondale Senior	
Comp #	Subject
Effective Rent Date	4/20/2015
Location	SEC of East College Ave. and Sam's Street Decatur, GA 30030 DeKalb County County (verified)
Units	92
Type	Midrise (age-restricted) (5 stories)
Year Built / Renovated	2017 / n/a
Tenant Characteristics	Seniors 62+



Market			
Program	LIHTC/HOME/PBRA/Market	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	n/a
Section 8 Tenants	n/a		

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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Midrise (5 stories)	2	750	\$517	\$0	@50% (HOME)	n/a	N/A	N/A	yes	
1	1	Midrise (5 stories)	58	750	\$645	\$0	@60% (HOME)	n/a	N/A	N/A	yes	
1	1	Midrise (5 stories)	12	750	\$645	\$0	@60% (PBRA)	n/a	N/A	N/A	yes	
1	1	Midrise (5 stories)	2	750	\$1,001	\$0	Market	n/a	N/A	N/A	N/A	
2	1	Midrise (5 stories)	1	980	\$615	\$0	@50% (HOME)	n/a	N/A	N/A	yes	
2	1	Midrise (5 stories)	10	980	\$764	\$0	@60% (HOME)	n/a	N/A	N/A	yes	
2	1	Midrise (5 stories)	3	980	\$769	\$0	@60% (PBRA)	n/a	N/A	N/A	yes	
2	1	Midrise (5 stories)	4	980	\$1,251	\$0	Market	n/a	N/A	N/A	N/A	

Amenities					
In-Unit	Balcony/Patio	Security	Limited Access		
	Blinds		Patrol		
	Carpeting		Video Surveillance		
	Central A/C				
	Coat Closet				
	Dishwasher				
	Ceiling Fan				
	Garbage Disposal				
	Hand Rails				
	Microwave				
	Oven				
	Pull Cords				
	Refrigerator				
	Washer/Dryer hookup				
	Property		Parking spaces: 48	Premium	none
			Business Center/Computer Lab		
			Clubhouse/Meeting Room/Community Room		
	Courtyard				
	Elevators				
	Exercise Facility				
	Garage				
	Central Laundry				
	Off-Street Parking				
	On-Site Management				
	Picnic Area				
	Service Coordination				
	Theatre				
Services	Adult Education	Other	none		

**Unit Layout:** Floor plans were not available as of the date of this report. We assume the Subject will be market-oriented and functional.

**NLA (residential space):** Approximately 73,140 square feet.

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

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

**Scope of Renovations:** The Subject will be new construction.

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

PROPOSED RENTS								
Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HOME Maximum Allowable Gross Rent	Proposed Net Contract Rents
<i>Low HOME (50% AMI)</i>								
1BR/1BA	2	750	\$517	\$123	\$640	\$640	\$650	N/A
2BR/1BA	1	980	\$615	\$152	\$767	\$767	\$780	N/A
<i>High HOME/LIHTC (60% AMI)</i>								
1BR/1BA	58	750	\$645	\$123	\$768	\$768	\$773	N/A
2BR/1BA	10	980	\$764	\$152	\$916	\$921	\$916	N/A
<i>60% AMI/PBRA*</i>								
1BR/1BA	12	750	\$645	\$123	\$768	\$768	N/A	\$614
2BR/1BA	3	980	\$769	\$152	\$921	\$921	N/A	\$722
<i>Market</i>								
1BR/1BA	2	750	\$1,001	N/A	N/A	N/A	N/A	N/A
2BR/1BA	4	980	\$1,251	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>92</b>							

Notes (1) Source of Utility Allowance provided by the property-specific HUD Utility Allowance Modeling provided by the client, effective 5/4/2015.

\*These units will benefit from project-based rental assistance through the Decatur Housing Authority and tenants will pay 30 percent of their income towards rent.

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

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

**Functional Obsolescence:** The Subject will be newly constructed. We have inspected the

Subject's site plan and floor plans and determined the proposed development to be market-oriented and functional. We assume the Subject will not suffer from functional obsolescence.

**Conclusion:**

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

**REAL ESTATE ASSESSMENT AND TAXES**

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

The Subject site is located within the DeKalb County real estate taxing jurisdiction. Real estate taxes for property located in DeKalb County are based upon a property's assessed valuation. Market values are assessed predominantly using the income approach for multifamily rental properties. Multifamily properties are re-assessed every three years and the assessed values are 40 percent of the tax appraised value.

The current millage rate for the Subject is \$45.34 per \$1,000 of assessed value. The following comparables have been utilized to estimate the appropriate assessed value for the Subject.

2014 COMPARABLE ASSESSMENTS					
Property	Property Type	Year Built	Number of Units	Total Value	Value/Unit
Prince Avondale Apartments	LIHTC/HOME	1975/1999	85	\$1,332,080	\$15,672
Lakes at Indian Creek	LIHTC/Market	1970/2004	603	\$9,744,000	\$16,159
Retreat at Madison Place	LIHTC	2007	160	\$3,739,800	\$23,374
Woodside Village	LIHTC/Market	1974/2004	360	\$10,800,000	\$30,000
Tuscany Village	LIHTC/Market	1970/2009	144	\$3,672,000	\$25,500
Avery Glen Apartments	Market	1993	118	\$6,864,300	\$58,172
Clairmont Crest	Market	1985/2014	200	\$10,936,400	\$54,682
Clarion Apartments	Market	1990	217	\$14,250,000	\$65,668

The above data indicates a total per unit value range from \$15,672 to \$65,668 per unit for comparable multifamily properties located in DeKalb County. Per the assessor, unrestricted and restricted properties are similarly assessed via the income approach. As the previous table demonstrates, the market rate properties have higher assessed values per unit when compared to the LIHTC properties, which is reasonable considering the higher achievable rents at the market rate properties. The Subject will be a newly constructed property and will likely receive an assessment at the high end of the range of affordable properties for the restricted scenario and at the high end of the range of the market rate properties for the unrestricted scenario. Therefore, we have estimated a total value per unit of \$30,000 for the restricted scenario. We believe a total value of \$58,000 per unit is reasonable for unrestricted scenario given the higher achievable market rents. The tables following summarize our conclusions.

TAXES RESTRICTED SCENARIO					
Total Value Per Unit	Total Value	Assessed Value (40% of Total Value)	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
\$30,000	\$2,760,000	\$1,104,000	45.34	\$50,055	\$544

**TAXES UNRESTRICTED SCENARIO**

<b>Total Value Per Unit</b>	<b>Total Value</b>	<b>Assessed Value (40% of Total Value)</b>	<b>Millage Rate</b>	<b>Estimated Tax Burden</b>	<b>Estimated Tax Burden Per Unit</b>
\$58,000	\$5,336,000	\$2,134,400	45.34	\$96,774	\$1,052

Although the concluded values for tax purposes are well below the Subject's estimated market value, our research of similar properties revealed that tax appraised values are typically below market value, even in instances where a relatively recent sale of the property occurred.

**Zoning****Current Zoning**

According to a letter provided by the developer from Amanda Thompson, Planning Director for the City of Decatur, "...the properties located at 2615-2661 East College Avenue, commonly known as the "Avondale MARTA Station & Parking Lot" are zoned Mixed Use. This rezoning was approved by the City Commission on June 17, 2013 in accordance with Ordinance O-13-Z-08. The property may be developed in accordance with the approved regulating master site plan." Based on a review of the ordinance located online, it appears the Subject as proposed conforms to the regulating master site plan. Per the anticipated lease terms, we understand that the Subject can only be developed with this density and use.

**Prospective Zoning Changes**

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

## **COMPETITIVE RENTAL/DEMAND ANALYSIS**

**SUPPLY ANALYSIS****INTERVIEWS/DISCUSSION****Housing Authority of DeKalb County**

We spoke to Natasha Brown, Housing Choice Voucher Call Center Representative for the DeKalb County Housing Authority, to get details on the county's Section 8 program. Ms. Brown was unable to provide information about the number of housing choice vouchers issued in the area, or the number of vouchers that were currently in use. According to Ms. Brown, the housing authority currently maintains an extensive waiting list for Section 8 applicants, and the waiting list is currently closed. There are no preferences for applicants on the waiting list. The current payment standard for DeKalb County can be found in the following table.

<b>Gross Payment Standards</b>	
1BR	\$757
2BR	\$874

Source: Housing Authority of DeKalb County, 4/2015

The Subject's rents for the non-subsidy units are above the current payment standards, indicating that voucher tenants will not be eligible to reside at the Subject.

**LIHTC Competition / Recent and Proposed Construction**

According to the Georgia Department of Community Affairs, there have been five properties funded, placed in service, or under construction within the PMA since 2013.

Retreat at Mills Creek was allocated tax credits in 2014 for the new construction of an 80-unit senior LIHTC/PBRA development to be located at 3218 Tobie Circle in Scottdale, approximately 1.9 miles northeast of the Subject site, within the PMA. The project will involve the new construction of a four-story midrise elevator-serviced building and 16 of the 80 units will benefit from rental assistance through the Housing Authority of DeKalb County. The property will offer 12 one-bedroom and four two-bedroom units at the 50 percent AMI level with project-based rental assistance, and 48 one-bedroom and 16 two-bedroom units at the 60 percent AMI level without any form of rental assistance. A prior phase to this development known throughout the application process at Tobie Grant Senior was awarded LIHTC funds in 2013 and will be discussed below. All 80 of the units at this development will compete with the Subject directly. This project is expected to be completed by December 31, 2016.

Trinity Walk Phase I was awarded LIHTC funds in 2014 for the redevelopment of an existing Section 8 development. The existing structures will be demolished and re-built and will consist of seven three-story garden-style buildings containing 69 units, all of which will be restricted at the 60 percent AMI level. Of the 69 units proposed, 20 one-bedroom units will target seniors and 49 will target the general population. This development will be located at 421 West Trinity Place in Decatur, approximately 1.1 miles west of the Subject and within the PMA. This development is expected to be completed by July 2016 and the 20 senior units will compete with the Subject directly.

Tobie Grant Senior was granted LIHTC funds in 2013 for the RAD redevelopment of an existing Public Housing development known as Tobie Grant Manor. This development is located along

the north side of Tobie Circle between its intersections with Gifford Drive and Parkside Drive in Scottdale, approximately 1.9 miles northeast of the Subject site and within the PMA. Upon completion, this development will offer 99 one and two-bedroom LIHTC/RAD/PBRA units in addition to one non-revenue generating manager's unit. All units will be LIHTC restricted at the 60 percent AMI level; however, tenants will pay just 30 percent of their income towards rents due to the subsidies in place. This development is currently under construction, is expected to be completed by August 2015. The units at this development are expected to compete with the Subject's subsidized units.

Forest Heights Apartments was granted LIHTC funds in 2012 for the redevelopment of an existing LIHTC property that had been vacant for over one year. This project consists of the demolition of the existing buildings and the new construction of an 80-unit senior multifamily development. This property offers one and two-bedroom units. Most units (71 units) will be restricted to seniors earning 50 and 60 percent of the AMI or less, with nine of the units operating as unrestricted market rate units. Of the 71 affordable units, 48 will operate with PBRA and six will operate with a Public Housing subsidy. This development will be located at 1048 South Columbia Drive in Decatur, approximately 1.3 miles southeast of the Subject site and will compete with the Subject directly. This development has been utilized as a comparable in this report.

Allen Wilson Phase III, the final phase of the RAD redevelopment of an existing Public Housing development, was allocated LIHTC funds in 2012. This phase offers 71 one, two, and three-bedroom LIHTC/Section 8 units restricted at the 50 and 60 percent AMI levels and targets the general population. This development has been completed and is 100 percent occupied. Because this development targets the general population, it will not be competitive with the Subject. Further, it has not been utilized as a comparable as all units benefit from project-based subsidy and tenants pay 30 percent of their income towards rent. It should be noted that Phase I of this development was granted funds in 2009 and Phase II was granted funds in 2010, and both have been completed. Combined, all three phases will offer 191 units and they will not compete with the Subject due to the differing tenancy.

### **Planning**

We interviewed Amanda Thompson, Planning Director for the City of Decatur. According to Ms. Thompson, there are three mid-rise market-rate residential developments which are all expected to be completed by the end of 2015. The Place on Ponce is located at 315 West Ponce De Leon Avenue. This property will contain 230 unrestricted units, and is expected to be completed in the summer of 2015. At 120 Clairemont Avenue is an under construction 170-unit market-rate family development expected to be completed in August 2015, which will be called the Alexan Decatur. Finally, in the Trinity Triangle, a third market-rate multifamily property is being developed. The project includes 210 upscale apartment units with ground floor retail uses. It is being coordinated with planned streetscape improvements along the Trinity corridor as well. Due to their differing tenancies, none of these developments will compete with the Subject directly.

### 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 11 “true” comparable properties containing 1,726 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 good; there are 11 existing and three under construction LIHTC properties in the PMA. However, the majority of these properties were excluded because they either operate with an additional subsidy, where tenants pay 30 percent of their income towards rent or the properties do not target seniors. The Subject will target the senior population and we have included the one senior affordable property in addition to one senior market rate property from within the PMA. Further, we have also included four additional senior affordable comparables from outside the PMA in Stone Mountain and Decatur.

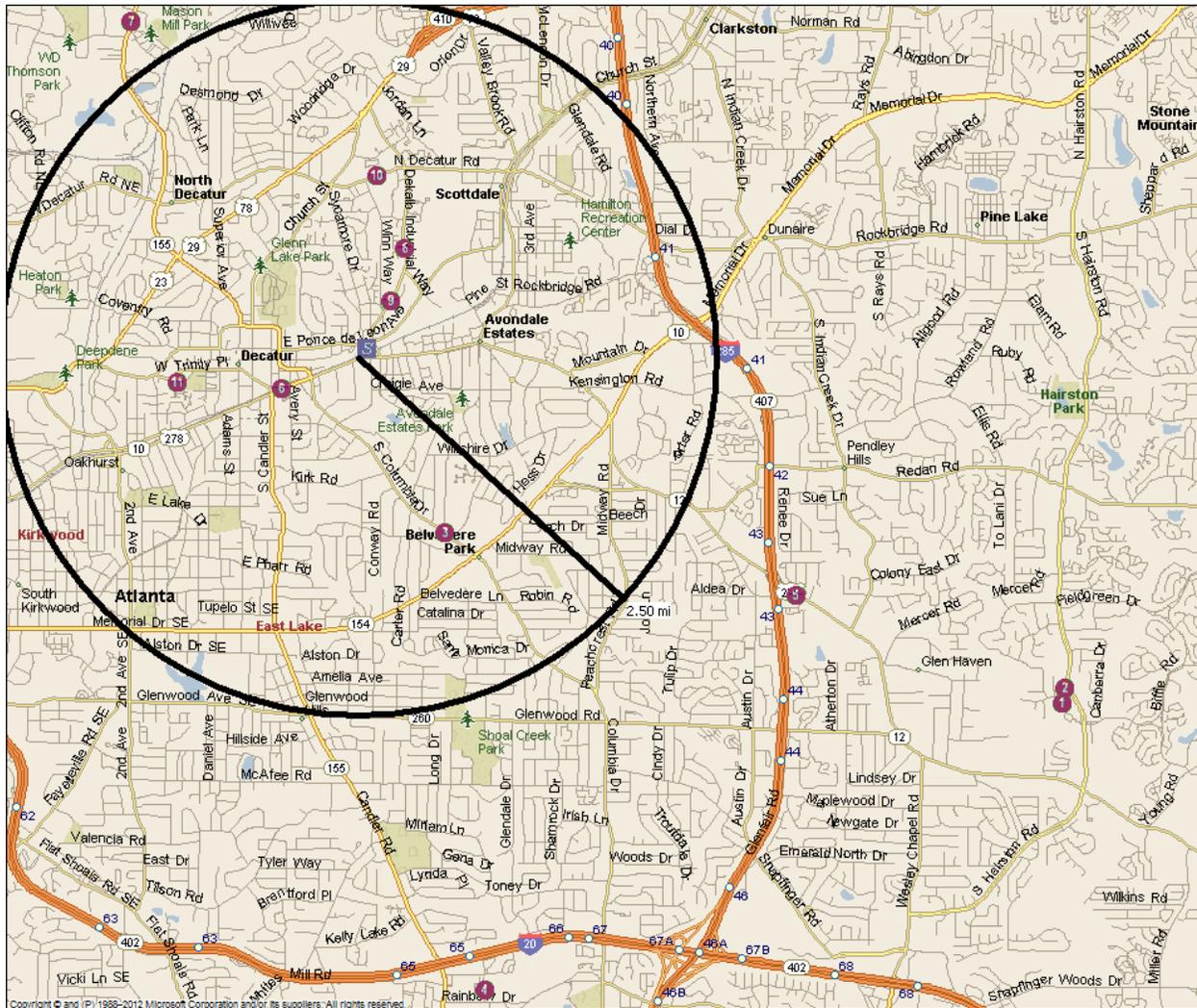
The availability of market rate data is considered good. However, there are few senior market rate developments in the area that are not assisted living developments or do not offer extensive services such as three-meals daily and linen service included in rent. We were able to identify one senior market rate development in the area and we have also included five general population market rate developments from within the PMA, most of which reported that some seniors live at the properties. Additionally, four of the senior affordable properties including two from within the PMA are mixed-income and offer unrestricted market rate units. All of the market rate properties are located in the PMA. Overall, we believe the market rate properties we have used in our analysis are the most comparable. Other market rate properties were excluded based on proximity, condition, unit types, and tenancy.

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

**EXCLUDED PROPERTIES**

<b>Name</b>	<b>Occupancy</b>	<b>Type</b>	<b>Tenancy</b>	<b>Reason for Exclusion</b>
Allen Wilson Phase I, II, III	100%	LIHTC/Section 8/Public Housing	Families	Subsidized Rents
Prince Avondale Apartments	95%	LIHTC/HOME	Families	Family Tenancy
Oak Forest Apartments	98%	LIHTC/Section 8	Families	Family Tenancy
Cedar Creek West Apartments	N/Av	LIHTC	Families	Family Tenancy
Retreat at Edgewood Phase I	100%	LIHTC	Families	Family Tenancy
Retreat at Edgewood Phase I	100%	LIHTC/Market	Families	Family Tenancy
Columbia Senior Residences at Edgewood	100%	LIHTC/PBRA	Seniors	Subsidized Rents
Columbia Citihomes	99%	LIHTC/Market	Families	Family Tenancy
Harbour Vines/White Oak Arms	100%	LIHTC	Families	Family Tenancy
Kirkwood Gardens	98%	LIHTC/Market	Families	Family Tenancy
Retreat at Mills Creek	N/A	LIHTC/PBRA	Seniors	Under Construction
Trinity Walk Phase I	N/A	LIHTC/Section 8	Seniors	Under Construction
Tobie Grant Senior	N/A	LIHTC/PBRA	Seniors	Under Construction
Spring Pointe Apartments	100%	Public Housing	Families	Subsidized Rents
Decatur Christian Towers	100%	Section 8	Seniors	Subsidized Rents
Park Trace Apartments	100%	Section 8	Seniors	Subsidized Rents
Community Housing Inc.	N/Av	Section 8	Disabled	Subsidized Rents
Bedford Pine	100%	Section 8	Families	Subsidized Rents
Edgewood Court	100%	Section 8	Families	Subsidized Rents
Kirkwood Apartments	N/Av	Section 8	Families	Subsidized Rents
Booth Residence	100%	Section 8	Families	Subsidized Rents
Briarcliff Summit	100%	Section 8	Families	Subsidized Rents
Philips Towers	100%	Section 8	Families	Subsidized Rents
Budd Terrace	100%	Section 8	Families	Subsidized Rents

Comparable Rental Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Antioch Manor Estates*	Stone Mountain	Senior LIHTC/Market	5.4 miles
2	Antioch Villas And Gardens*	Stone Mountain	Senior LIHTC/Market/PBRA	5.4 miles
3	Forest Heights Apartments	Decatur	Senior LIHTC/Market/PBRA	1.4 miles
4	Magnolia Circle*	Decatur	Senior LIHTC/Market	4.5 miles
5	Retreat At Madison Place*	Decatur	Senior LIHTC	3.5 miles
6	Avery Glen Apartments	Decatur	Market	0.6 miles
7	Clairmont Crest	Decatur	Senior Market	2.9 miles
8	Clarion Apartments	Decatur	Market	0.8 miles
9	Decatur Crossing	Decatur	Market	0.5 miles
10	Park Summit	Decatur	Market	1.3 miles
11	Parkway Grand Apartments	Decatur	Market	1.3 miles

\*Located outside PMA

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

**Columbia Avondale Senior, Decatur, GA; Appraisal**

**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	Columbia Avondale Senior 2615 East College Avenue Decatur, GA 30030 DeKalb County	n/a	Midrise (age-restricted) (5 stories) 2017 / n/a	LIHTC/HOME/PBRA	1BR / 1BA	2	1.1%	@50%	\$517	750	yes		N/A	N/A				
					1BR / 1BA	58	6.5%	@60%	\$645	750	yes	N/A	N/A					
					1BR / 1BA	12	13.0%	@60%	\$645	750	yes	N/A	N/A					
					1BR / 1BA	2	2.2%	Market	\$1,001	750	n/a	N/A	N/A					
					2BR / 1BA	1	1.1%	@50%	\$615	980	yes	N/A	N/A					
					2BR / 1BA	10	3.3%	@60%	\$764	980	yes	N/A	N/A					
					2BR / 1BA	3	3.3%	@60%	\$769	980	yes	N/A	N/A					
					2BR / 1BA	4	4.3%	Market	\$1,251	980	n/a	N/A	N/A					
										92	100.0%						N/A	N/A
1	Antioch Manor Estates 4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County	5.4 miles	Lowrise (age-restricted) (3 stories) 2005 / n/a	LIHTC/Market	Studio / 1BA	2	1.7%	@30%	\$287	450	yes	Yes	0	0.0%				
					Studio / 1BA	2	1.7%	@50%	\$546	450	yes	Yes	0	0.0%				
					Studio / 1BA	2	1.7%	Market	\$675	450	n/a	Yes	0	0.0%				
					1BR / 1BA	5	4.2%	@30%	\$290	600	yes	Yes	0	0.0%				
					1BR / 1BA	20	16.7%	@50%	\$566	600	yes	Yes	0	0.0%				
					1BR / 1BA	15	12.5%	@60%	\$640	600	yes	Yes	0	0.0%				
					1BR / 1BA	8	6.7%	Market	\$850	600	n/a	Yes	0	0.0%				
					2BR / 1BA	6	5.0%	@30%	\$331	800	yes	Yes	0	0.0%				
					2BR / 1BA	26	21.7%	@50%	\$663	800	yes	Yes	0	0.0%				
					2BR / 1BA	13	10.8%	@60%	\$738	800	yes	Yes	0	0.0%				
					2BR / 1BA	3	2.5%	Market	\$1,178	800	n/a	Yes	0	0.0%				
					2BR / 2BA	1	0.8%	@30%	\$331	850	yes	Yes	0	0.0%				
					2BR / 2BA	3	2.5%	@50%	\$663	850	yes	Yes	0	0.0%				
					2BR / 2BA	3	2.5%	@60%	\$748	850	yes	Yes	0	0.0%				
					2BR / 2BA	11	9.2%	Market	\$1,228	850	n/a	Yes	0	0.0%				
										120	100.0%						0	0.0%
					2	Antioch Villas And Gardens 4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County	5.4 miles	Various (age-restricted) (3 stories) 2012 / n/a	LIHTC/PBRA/Market	Studio / 1BA (Midrise)	N/A	N/A	@50%	\$546	482	yes	Yes	0
Studio / 1BA (One-story)	N/A	N/A	@60%	\$653						524	yes	Yes	0	N/A				
Studio / 1BA (One-story)	1	0.9%	Market	\$653						524	n/a	Yes	0	0.0%				
1BR / 1BA (Midrise)	N/A	N/A	@60%	\$682						626	yes	Yes	0	N/A				
1BR / 1BA (Midrise)	11	10.4%	PBRA	\$673						626	n/a	Yes	0	0.0%				
1BR / 1BA (One-story)	N/A	N/A	@50%	\$566						690	yes	Yes	0	N/A				
1BR / 1BA (One-story)	N/A	N/A	Market	\$900						690	n/a	Yes	0	N/A				
2BR / 1BA (Midrise)	N/A	N/A	@50%	\$639						831	yes	Yes	0	N/A				
2BR / 1BA (Midrise)	11	10.4%	PBRA	\$739						831	n/a	Yes	0	0.0%				
2BR / 1BA (One-story)	N/A	N/A	@60%	\$800						908	yes	Yes	0	N/A				
2BR / 1BA (One-story)	N/A	N/A	Market	\$1,083						908	n/a	Yes	0	N/A				
2BR / 1BA (One-story)	N/A	N/A	Market	\$928						908	n/a	Yes	0	N/A				
										106	100.0%					0	0.0%	
3	Forest Heights Apartments 1048 Columbia Drive Decatur, GA 30030 DeKalb County	1.4 miles	Garden (age-restricted) (2 stories) 2014 / n/a	LIHTC/PH/PBRA/Market	1BR / 1BA	4	5.0%	@50%	\$628	767	yes	Yes	N/A	N/A				
					1BR / 1BA	5	6.2%	@50%	\$200	767	n/a	Yes	N/A	N/A				
					1BR / 1BA	15	18.8%	@60%	\$636	767	yes	Yes	0	0.0%				
					1BR / 1BA	42	52.5%	@60%	\$628	767	n/a	Yes	N/A	N/A				
					1BR / 1BA	8	10.0%	Market	\$1,045	767	n/a	No	0	0.0%				
					2BR / 2BA	2	2.5%	@50%	\$677	1,000	yes	Yes	N/A	N/A				
					2BR / 2BA	1	1.3%	@50%	\$200	1,000	n/a	Yes	N/A	N/A				
					2BR / 2BA	2	2.5%	@60%	\$779	1,000	yes	Yes	0	0.0%				
					2BR / 2BA	1	1.3%	Market	\$1,195	1,000	n/a	No	0	0.0%				
					80	100.0%					21	26.2%						
4	Magnolia Circle 100 Dash Lewis Dr Decatur, GA 30034 DeKalb County	4.5 miles	Garden (age-restricted) (2 stories) 2003 / n/a	LIHTC/Market	1BR / 1BA	14	16.7%	@50%	\$504	690	no	Yes	0	0.0%				
					1BR / 1BA	12	14.3%	@60%	\$524	760	no	Yes	0	0.0%				
					1BR / 1BA	6	7.1%	Market	\$659	690	n/a	Yes	0	0.0%				
					2BR / 2BA	21	25.0%	@50%	\$598	1,000	no	Yes	0	0.0%				
					2BR / 2BA	20	23.8%	@60%	\$618	1,030	no	Yes	0	0.0%				
					2BR / 2BA	11	13.1%	Market	\$733	1,000	n/a	Yes	0	0.0%				
					84	100.0%					0	0.0%						
5	Retreat At Madison Place 3907 Redwing Circle Decatur, GA 30032 DeKalb County	3.5 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	LIHTC	1BR / 1BA	40	25.0%	@60%	\$678	697	yes	No	0	0.0%				
					2BR / 2BA	120	75.0%	@60%	\$717	987	yes	No	1	0.8%				
										160	100.0%				1	0.6%		

**Columbia Avondale Senior, Decatur, GA; Appraisal**

6	Avery Glen Apartments 339 E. College Avenue Decatur, GA 30030 DeKalb County	0.6 miles	Garden (3 stories) 1993 / n/a	Market	1BR / 1BA	50	42.4%	Market	\$834	798	n/a	Yes	0	0.0%					
					2BR / 2BA	35	29.7%		Market	\$933	1,087	n/a	Yes	0	0.0%				
					2BR / 2BA	33	28.0%		Market	\$983	1,153	n/a	Yes	0	0.0%				
						118	100.0%							0	0.0%				
7	Clairmont Crest 1861 Clairmont Road Decatur, GA 30033 DeKalb County	2.9 miles	Midrise (age-restricted) (5 stories) 1985 / 2014	Market, Non-Rental	Studio / 1BA	11	5.5%	Market	\$739	500	n/a	Yes	0	0.0%					
					Studio / 1BA	2	1.0%		Non-Rental	N/A	500	n/a	N/A	0	0.0%				
					1BR / 1BA	141	70.5%	Market	\$809	700	n/a	Yes	0	0.0%					
					1BR / 1BA	1	0.5%		Non-Rental	N/A	700	n/a	N/A	0	0.0%				
					2BR / 2BA	45	22.5%	Market	\$928	1,100	n/a	Yes	0	0.0%					
						200	100.0%							0	0.0%				
8	Clarion Apartments 10 Rimington Lane Decatur, GA 30030 DeKalb County	0.8 miles	Garden (4 stories) 1990 / n/a	Market	1BR / 1BA	42	19.4%	Market	\$779	742	n/a	No	0	0.0%					
					1BR / 1BA	35	16.1%		Market	\$799	759	n/a	No	0	0.0%				
					1BR / 1BA	35	16.1%	Market	\$809	850	n/a	No	0	0.0%					
					2BR / 2BA	27	12.4%		Market	\$999	1,072	n/a	No	1	3.7%				
					2BR / 2BA	25	11.5%	Market	\$1,020	1,102	n/a	No	1	4.0%					
					2BR / 2BA	25	11.5%	Market	\$1,099	1,140	n/a	No	0	0.0%					
					3BR / 2BA	28	12.9%	Market	\$1,289	1,373	n/a	No	3	10.7%					
						217	100.0%							5	2.3%				
					9	Decatur Crossing 100 Grayson Place Decatur, GA 30030 DeKalb County	0.5 miles	Various (3 stories) 2000 / n/a	Market	1BR / 1BA (Garden)	N/A	N/A	Market	\$1,032	595	n/a	No	0	N/A
										1BR / 1BA (Garden)	N/A	N/A		Market	\$1,061	602	n/a	No	0
1BR / 1BA (Garden)	N/A	N/A	Market	\$1,341						911	n/a	No	2	N/A					
1BR / 1BA (Garden)	N/A	N/A		Market						\$1,496	911	n/a	No	0	N/A				
1BR / 1BA (Garden)	N/A	N/A	Market	\$1,185						911	n/a	No	0	N/A					
2BR / 2BA (Garden)	N/A	N/A		Market						\$1,430	1,117	n/a	No	1	N/A				
2BR / 2BA (Garden)	N/A	N/A	Market	\$1,491						1,266	n/a	No	2	N/A					
2BR / 2BA (Garden)	N/A	N/A		Market						\$1,616	1,117	n/a	No	0	N/A				
2BR / 2BA (Garden)	N/A	N/A	Market	\$1,702						1,266	n/a	No	0	N/A					
2BR / 2BA (Garden)	N/A	N/A		Market						\$1,244	1,117	n/a	No	0	N/A				
2BR / 2BA (Garden)	N/A	N/A	Market	\$1,279						1,266	n/a	No	0	N/A					
2BR / 2BA (Townhouse)	N/A	N/A		Market						\$1,433	1,100	n/a	No	0	N/A				
3BR / 2BA (Garden)	N/A	N/A	Market	\$1,614						1,384	n/a	No	0	N/A					
	180	100.0%													5	2.8%			
10	Park Summit 2778 North Decatur Road Decatur, GA 30033 DeKalb County	1.3 miles	Garden (3 stories) 1991 / On-going	Market	Studio / 1BA	24	16.2%	Market	\$750	522	n/a	Yes	0	0.0%					
					1BR / 1BA	28	18.9%		Market	\$840	710	n/a	Yes	0	0.0%				
					1BR / 1BA	28	18.9%	Market	\$950	827	n/a	Yes	0	0.0%					
					2BR / 1BA	14	9.5%		Market	\$1,010	927	n/a	Yes	0	0.0%				
					2BR / 2BA	20	13.5%	Market	\$1,100	1,160	n/a	Yes	3	15.0%					
					2BR / 2BA	20	13.5%		Market	\$1,150	1,243	n/a	Yes	0	0.0%				
					3BR / 2BA	8	5.4%	Market	\$1,399	1,291	n/a	Yes	1	12.5%					
					3BR / 2BA	6	4.1%		Market	\$1,450	1,379	n/a	Yes	0	0.0%				
						148	100.0%								4	2.7%			
					11	Parkway Grand Apartments 100 Woodbury Place Decatur, GA 30030 DeKalb County	1.3 miles	Garden (4 stories) 2001 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$855	808	n/a	No	1	N/A
1BR / 1BA	N/A	N/A	Market	\$965						808	n/a	No		0	N/A				
1BR / 1BA	N/A	N/A	Market	\$745						808	n/a	No	0	N/A					
1.5BR / 1BA	N/A	N/A		Market						\$870	810	n/a	No	1	N/A				
1.5BR / 1BA	N/A	N/A	Market	\$980						810	n/a	No	0	N/A					
1.5BR / 1BA	N/A	N/A		Market						\$760	810	n/a	No	0	N/A				
2BR / 2BA	N/A	N/A	Market	\$913						1,165	n/a	No	1	N/A					
2BR / 2BA	N/A	N/A		Market						\$913	1,197	n/a	No	2	N/A				
2BR / 2BA	N/A	N/A	Market	\$958						1,318	n/a	No	1	N/A					
2BR / 2BA	N/A	N/A		Market						\$1,015	1,165	n/a	No	0	N/A				
2BR / 2BA	N/A	N/A	Market	\$1,025						1,197	n/a	No	0	N/A					
2BR / 2BA	N/A	N/A		Market						\$1,085	1,318	n/a	No	0	N/A				
2BR / 2BA	N/A	N/A	Market	\$810						1,165	n/a	No	0	N/A					
2BR / 2BA	N/A	N/A		Market						\$800	1,197	n/a	No	0	N/A				
2BR / 2BA	N/A	N/A	Market	\$830						1,318	n/a	No	0	N/A					
3BR / 2BA	N/A	N/A		Market						\$1,118	1,405	n/a	No	2	N/A				
3BR / 2BA	N/A	N/A	Market	\$1,280						1,405	n/a	No	0	N/A					
3BR / 2BA	N/A	N/A		Market						\$955	1,405	n/a	No	0	N/A				
	313	100.0%								8	2.6%								

**Columbia Avondale Senior, Decatur, GA; Appraisal**

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Apr-15	Units Surveyed:	1,726	Weighted Occupancy:	97.0%
			Market Rate	1,176	Market Rate	98.1%
			Tax Credit	550	Tax Credit	94.5%
One Bedroom One Bath			Two Bedrooms One Bath			
RENT	Property	Average	Property	Average		
	Decatur Crossing	\$1,496	Decatur Crossing (2BA)	\$1,702		
	Decatur Crossing	\$1,341	Decatur Crossing (2BA)	\$1,616		
	Decatur Crossing	\$1,185	Decatur Crossing (2BA)	\$1,491		
	Decatur Crossing	\$1,061	Decatur Crossing (2BA)	\$1,433		
	Forest Heights Apartments * (M)	\$1,045	Decatur Crossing (2BA)	\$1,430		
	Decatur Crossing	\$1,032	Decatur Crossing (2BA)	\$1,279		
	<b>Columbia Avondale Senior * (M)</b>	<b>\$1,001</b>	<b>Columbia Avondale Senior * (M)</b>	<b>\$1,251</b>		
	Parkway Grand Apartments	\$965	Decatur Crossing (2BA)	\$1,244		
	Park Summit	\$950	Forest Heights Apartments * (2BA M)	\$1,195		
	Antioch Villas And Gardens * (M)	\$900	Antioch Manor Estates * (M)	\$1,178		
	Parkway Grand Apartments	\$855	Clarion Apartments (2BA)	\$1,099		
	Antioch Manor Estates * (M)	\$850	Parkway Grand Apartments (2BA)	\$1,085		
	Park Summit	\$840	Antioch Villas And Gardens * (M)	\$1,083		
	Avery Glen Apartments	\$834	Parkway Grand Apartments (2BA)	\$1,025		
	Clairmont Crest	\$809	Clarion Apartments (2BA)	\$1,020		
	Clarion Apartments	\$809	Parkway Grand Apartments (2BA)	\$1,015		
	Clarion Apartments	\$799	Park Summit	\$1,010		
	Clarion Apartments	\$779	Clarion Apartments (2BA)	\$999		
	Parkway Grand Apartments	\$745	Avery Glen Apartments (2BA)	\$983		
	Antioch Villas And Gardens * (60%)	\$682	Parkway Grand Apartments (2BA)	\$958		
	Magnolia Circle * (M)	\$659	Avery Glen Apartments (2BA)	\$933		
	<b>Columbia Avondale Senior * (60%)</b>	<b>\$645</b>	Antioch Villas And Gardens * (M)	\$928		
	<b>Columbia Avondale Senior * (60%)</b>	<b>\$645</b>	Clairmont Crest (2BA)	\$928		
	<b>Columbia Avondale Senior * (60%)</b>	<b>\$645</b>	Parkway Grand Apartments (2BA)	\$913		
	Antioch Manor Estates * (60%)	\$640	Parkway Grand Apartments (2BA)	\$913		
	Retreat At Madison Place * (60%)	\$638	Parkway Grand Apartments (2BA)	\$830		
	Forest Heights Apartments * (60%)	\$636	Parkway Grand Apartments (2BA)	\$810		
	Forest Heights Apartments * (50%)	\$628	Antioch Villas And Gardens * (60%)	\$800		
	Forest Heights Apartments * (60%)	\$628	Parkway Grand Apartments (2BA)	\$800		
	Antioch Manor Estates * (50%)	\$566	Forest Heights Apartments * (2BA 60%)	\$779		
	Antioch Villas And Gardens * (50%)	\$566	<b>Columbia Avondale Senior * (60%)</b>	<b>\$769</b>		
	Magnolia Circle * (60%)	\$524	<b>Columbia Avondale Senior * (60%)</b>	<b>\$769</b>		
	<b>Columbia Avondale Senior * (50%)</b>	<b>\$517</b>	<b>Columbia Avondale Senior * (60%)</b>	<b>\$764</b>		
	Magnolia Circle * (50%)	\$504	Antioch Villas And Gardens * (PBRA)	\$739		
	Antioch Manor Estates * (30%)	\$290	Antioch Manor Estates * (60%)	\$738		
	Forest Heights Apartments * (50%)	\$200	Magnolia Circle * (2BA M)	\$733		
			Forest Heights Apartments * (2BA 50%)	\$677		
			Antioch Manor Estates * (50%)	\$663		
			Retreat At Madison Place * (2BA 60%)	\$647		
			Antioch Villas And Gardens * (50%)	\$639		
			Magnolia Circle * (2BA 60%)	\$618		
			<b>Columbia Avondale Senior * (50%)</b>	<b>\$615</b>		
			Magnolia Circle * (2BA 50%)	\$598		
			Antioch Manor Estates * (30%)	\$331		
			Forest Heights Apartments * (2BA 50%)	\$200		

**Columbia Avondale Senior, Decatur, GA; Appraisal**

SQUARE FOOTAGE					
Decatur Crossing	911	Parkway Grand Apartments (2BA)	1,318		
Decatur Crossing	911	Parkway Grand Apartments (2BA)	1,318		
Decatur Crossing	911	Parkway Grand Apartments (2BA)	1,318		
Clarion Apartments	850	Decatur Crossing (2BA)	1,266		
Park Summit	827	Decatur Crossing (2BA)	1,266		
Parkway Grand Apartments	808	Decatur Crossing (2BA)	1,266		
Parkway Grand Apartments	808	Parkway Grand Apartments (2BA)	1,197		
Parkway Grand Apartments	808	Parkway Grand Apartments (2BA)	1,197		
Avery Glen Apartments	798	Parkway Grand Apartments (2BA)	1,197		
Forest Heights Apartments * (50%)	767	Parkway Grand Apartments (2BA)	1,165		
Forest Heights Apartments * (50%)	767	Parkway Grand Apartments (2BA)	1,165		
Forest Heights Apartments * (60%)	767	Parkway Grand Apartments (2BA)	1,165		
Forest Heights Apartments * (60%)	767	Parkway Grand Apartments (2BA)	1,153		
Forest Heights Apartments * (M)	767	Avery Glen Apartments (2BA)	1,140		
Magnolia Circle * (60%)	760	Clarion Apartments (2BA)	1,117		
Clarion Apartments	759	Decatur Crossing (2BA)	1,117		
<b>Columbia Avondale Senior * (50%)</b>	<b>750</b>	Decatur Crossing (2BA)	1,117		
<b>Columbia Avondale Senior * (60%)</b>	<b>750</b>	Decatur Crossing (2BA)	1,117		
<b>Columbia Avondale Senior * (60%)</b>	<b>750</b>	Clarion Apartments (2BA)	1,102		
<b>Columbia Avondale Senior * (60%)</b>	<b>750</b>	Clairmont Crest (2BA)	1,100		
<b>Columbia Avondale Senior * (M)</b>	<b>750</b>	Decatur Crossing (2BA)	1,100		
Clarion Apartments	742	Avery Glen Apartments (2BA)	1,087		
Park Summit	710	Clarion Apartments (2BA)	1,072		
Clairmont Crest	700	Magnolia Circle * (2BA 60%)	1,030		
Retreat At Madison Place * (60%)	697	Forest Heights Apartments * (2BA 50%)	1,000		
Antioch Villas And Gardens * (50%)	690	Forest Heights Apartments * (2BA 50%)	1,000		
Antioch Villas And Gardens * (M)	690	Forest Heights Apartments * (2BA 60%)	1,000		
Magnolia Circle * (50%)	690	Forest Heights Apartments * (2BA M)	1,000		
Magnolia Circle * (M)	690	Magnolia Circle * (2BA 50%)	1,000		
Antioch Villas And Gardens * (60%)	626	Magnolia Circle * (2BA M)	1,000		
Decatur Crossing	602	Retreat At Madison Place * (2BA 60%)	987		
Antioch Manor Estates * (30%)	600	<b>Columbia Avondale Senior * (50%)</b>	<b>980</b>		
Antioch Manor Estates * (50%)	600	<b>Columbia Avondale Senior * (60%)</b>	<b>980</b>		
Antioch Manor Estates * (60%)	600	<b>Columbia Avondale Senior * (60%)</b>	<b>980</b>		
Antioch Manor Estates * (M)	600	<b>Columbia Avondale Senior * (60%)</b>	<b>980</b>		
Decatur Crossing	595	<b>Columbia Avondale Senior * (M)</b>	<b>980</b>		
		Park Summit	927		
		Antioch Villas And Gardens * (60%)	908		
		Antioch Villas And Gardens * (M)	908		
		Antioch Villas And Gardens * (M)	908		
		Antioch Villas And Gardens * (50%)	831		
		Antioch Villas And Gardens * (PBRA)	831		
		Antioch Manor Estates * (30%)	800		
		Antioch Manor Estates * (50%)	800		
		Antioch Manor Estates * (60%)	800		
		Antioch Manor Estates * (M)	800		
RENT PER SQUARE FOOT		Antioch Manor Estates * (M)	\$1.47		
Decatur Crossing	\$1.76	Decatur Crossing (2BA)	\$1.45		
Decatur Crossing	\$1.73	Decatur Crossing (2BA)	\$1.34		
Decatur Crossing	\$1.64	Decatur Crossing (2BA)	\$1.30		
Decatur Crossing	\$1.47	Decatur Crossing (2BA)	\$1.28		
Antioch Manor Estates * (M)	\$1.42	<b>Columbia Avondale Senior * (M)</b>	<b>\$1.28</b>		
Forest Heights Apartments * (M)	\$1.36	Forest Heights Apartments * (2BA M)	\$1.20		
<b>Columbia Avondale Senior * (M)</b>	<b>\$1.33</b>	Antioch Villas And Gardens * (M)	\$1.19		
Antioch Villas And Gardens * (M)	\$1.30	Decatur Crossing (2BA)	\$1.18		
Decatur Crossing	\$1.30	Decatur Crossing (2BA)	\$1.11		
Parkway Grand Apartments	\$1.19	Park Summit	\$1.09		
Park Summit	\$1.18	Antioch Villas And Gardens * (M)	\$1.02		
Clairmont Crest	\$1.16	Decatur Crossing (2BA)	\$1.01		
Park Summit	\$1.15	Clarion Apartments (2BA)	\$0.96		
Antioch Villas And Gardens * (60%)	\$1.09	Clarion Apartments (2BA)	\$0.93		
Antioch Manor Estates * (60%)	\$1.07	Clarion Apartments (2BA)	\$0.93		
Parkway Grand Apartments	\$1.06	Antioch Manor Estates * (60%)	\$0.92		
Clarion Apartments	\$1.05	Antioch Villas And Gardens * (PBRA)	\$0.89		
Clarion Apartments	\$1.05	Antioch Villas And Gardens * (60%)	\$0.88		
Avery Glen Apartments	\$1.05	Parkway Grand Apartments (2BA)	\$0.87		
Magnolia Circle * (M)	\$0.96	Avery Glen Apartments (2BA)	\$0.86		
Clarion Apartments	\$0.95	Parkway Grand Apartments (2BA)	\$0.86		
Antioch Manor Estates * (50%)	\$0.94	Avery Glen Apartments (2BA)	\$0.85		
Parkway Grand Apartments	\$0.92	Clairmont Crest (2BA)	\$0.84		
Retreat At Madison Place * (60%)	\$0.92	Antioch Manor Estates * (50%)	\$0.83		
<b>Columbia Avondale Senior * (60%)</b>	<b>\$0.86</b>	Parkway Grand Apartments (2BA)	\$0.82		
<b>Columbia Avondale Senior * (60%)</b>	<b>\$0.86</b>	<b>Columbia Avondale Senior * (60%)</b>	<b>\$0.78</b>		
<b>Columbia Avondale Senior * (60%)</b>	<b>\$0.86</b>	<b>Columbia Avondale Senior * (60%)</b>	<b>\$0.78</b>		
Forest Heights Apartments * (60%)	\$0.83	Parkway Grand Apartments (2BA)	\$0.78		
Antioch Villas And Gardens * (50%)	\$0.82	<b>Columbia Avondale Senior * (60%)</b>	<b>\$0.78</b>		
Forest Heights Apartments * (50%)	\$0.82	Forest Heights Apartments * (2BA 60%)	\$0.78		
Forest Heights Apartments * (60%)	\$0.82	Antioch Villas And Gardens * (50%)	\$0.77		
Forest Heights Apartments * (60%)	\$0.82	Parkway Grand Apartments (2BA)	\$0.76		
Magnolia Circle * (50%)	\$0.73	Magnolia Circle * (2BA M)	\$0.73		
Magnolia Circle * (60%)	\$0.69	Parkway Grand Apartments (2BA)	\$0.73		
<b>Columbia Avondale Senior * (50%)</b>	<b>\$0.69</b>	Parkway Grand Apartments (2BA)	\$0.70		
Antioch Manor Estates * (30%)	\$0.48	Forest Heights Apartments * (2BA 50%)	\$0.68		
Forest Heights Apartments * (50%)	\$0.26	Parkway Grand Apartments (2BA)	\$0.67		
		Retreat At Madison Place * (2BA 60%)	\$0.66		
		Parkway Grand Apartments (2BA)	\$0.63		
		<b>Columbia Avondale Senior * (50%)</b>	<b>\$0.63</b>		
		Magnolia Circle * (2BA 60%)	\$0.60		
		Magnolia Circle * (2BA 50%)	\$0.60		
		Antioch Manor Estates * (30%)	\$0.41		
		Forest Heights Apartments * (2BA 50%)	\$0.20		

# PROPERTY PROFILE REPORT

## Antioch Manor Estates

**Effective Rent Date** 3/19/2015

**Location** 4711 Bishop Ming Boulevard  
Stone Mountain, GA 30088  
DeKalb County

**Distance** 5.4 miles

**Units** 120

**Vacant Units** 0

**Vacancy Rate** 0.0%

**Type** Lowrise (age-restricted) (3 stories)

**Year Built/Renovated** 2005 / N/A

**Marketing Began** 10/01/2004

**Leasing Began** 8/01/2005

**Last Unit Leased** 1/01/2006

**Major Competitors** Retreat at Madison, Spring Chase II

**Tenant Characteristics** Dekalb County residents 55 and older, average age is 70

**Contact Name** Venus

**Phone** 770-322-8839



### Market Information

**Program** @30%, @50%, @60%, Market

**Annual Turnover Rate** 10%

**Units/Month Absorbed** 24

**HCV Tenants** 8%

**Leasing Pace** Within one week

**Annual Chg. in Rent** None

**Concession** None

### Utilities

**A/C** included -- central

**Cooking** included -- electric

**Water Heat** included -- gas

**Heat** included -- electric

**Other Electric** included

**Water** included

**Sewer** included

**Trash Collection** included

## Antioch Manor Estates, continued

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	2	450	\$387	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$646	\$0	@50%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$775	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	5	600	\$415	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	20	600	\$691	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	15	600	\$765	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	8	600	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	6	800	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	26	800	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	13	800	\$905	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	3	800	\$1,345	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	1	850	\$498	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$830	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$915	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	11	850	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$387	\$0	\$387	-\$100	\$287	Studio / 1BA	\$646	\$0	\$646	-\$100	\$546
1BR / 1BA	\$415	\$0	\$415	-\$125	\$290	1BR / 1BA	\$691	\$0	\$691	-\$125	\$566
2BR / 1BA	\$498	\$0	\$498	-\$167	\$331	2BR / 1BA	\$830	\$0	\$830	-\$167	\$663
2BR / 2BA	\$498	\$0	\$498	-\$167	\$331	2BR / 2BA	\$830	\$0	\$830	-\$167	\$663
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$765	\$0	\$765	-\$125	\$640	Studio / 1BA	\$775	\$0	\$775	-\$100	\$675
2BR / 1BA	\$905	\$0	\$905	-\$167	\$738	1BR / 1BA	\$975	\$0	\$975	-\$125	\$850
2BR / 2BA	\$915	\$0	\$915	-\$167	\$748	2BR / 1BA	\$1,345	\$0	\$1,345	-\$167	\$1,178
						2BR / 2BA	\$1,395	\$0	\$1,395	-\$167	\$1,228

## Antioch Manor Estates, continued

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
Limited Access  
Perimeter Fencing  
Video Surveillance

#### Services

Computer Tutoring  
Shuttle Service

#### Property

Business Center/Computer Lab  
Courtyard  
Exercise Facility  
Non-shelter Services  
On-Site Management  
Service Coordination

Clubhouse/Meeting  
Elevators  
Central Laundry  
Off-Street Parking  
Picnic Area

#### Premium

Hairdresser / Barber  
Medical Professional

#### Other

None

### Comments

The contact estimated that the waiting list is currently three years in length long for all unit types. According to management, there is significant demand for additional senior housing in the area. The property typically remains fully occupied year-round according to the contact. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property.

# Antioch Manor Estates, continued

## Trend Report

### Vacancy Rates

2Q12	1Q14	2Q14	1Q15
0.0%	0.0%	0.0%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$415	\$0	\$415	\$290
2014	1	0.0%	\$415	\$0	\$415	\$290
2014	2	0.0%	\$415	\$0	\$415	\$290
2015	1	0.0%	\$415	\$0	\$415	\$290

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$498	\$0	\$498	\$331
2014	1	0.0%	\$498	\$0	\$498	\$331
2014	2	0.0%	\$498	\$0	\$498	\$331
2015	1	0.0%	\$498	\$0	\$498	\$331

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$498	\$0	\$498	\$331
2014	1	0.0%	\$498	\$0	\$498	\$331
2014	2	0.0%	\$498	\$0	\$498	\$331
2015	1	0.0%	\$498	\$0	\$498	\$331

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$387	\$0	\$387	\$287
2014	1	0.0%	\$387	\$0	\$387	\$287
2014	2	0.0%	\$387	\$0	\$387	\$287
2015	1	0.0%	\$387	\$0	\$387	\$287

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$691	\$0	\$691	\$566
2014	1	0.0%	\$691	\$0	\$691	\$566
2014	2	0.0%	\$691	\$0	\$691	\$566
2015	1	0.0%	\$691	\$0	\$691	\$566

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$830	\$0	\$830	\$663
2014	1	0.0%	\$830	\$0	\$830	\$663
2014	2	0.0%	\$830	\$0	\$830	\$663
2015	1	0.0%	\$830	\$0	\$830	\$663

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$830	\$0	\$830	\$663
2014	1	0.0%	\$830	\$0	\$830	\$663
2014	2	0.0%	\$830	\$0	\$830	\$663
2015	1	0.0%	\$830	\$0	\$830	\$663

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$646	\$0	\$646	\$546

## Antioch Manor Estates, continued

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$765	\$0	\$765	\$640
2014	1	0.0%	\$765	\$0	\$765	\$640
2014	2	0.0%	\$765	\$0	\$765	\$640
2015	1	0.0%	\$765	\$0	\$765	\$640

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$905	\$0	\$905	\$738
2014	1	0.0%	\$905	\$0	\$905	\$738
2014	2	0.0%	\$905	\$0	\$905	\$738
2015	1	0.0%	\$905	\$0	\$905	\$738

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$915	\$0	\$915	\$748
2014	1	0.0%	\$915	\$0	\$915	\$748
2014	2	0.0%	\$915	\$0	\$915	\$748
2015	1	0.0%	\$915	\$0	\$915	\$748

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$715	\$0	\$715	\$615
2014	1	0.0%	\$715	\$0	\$715	\$615
2014	2	0.0%	\$715	\$0	\$715	\$615

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$975	\$0	\$975	\$850
2014	1	0.0%	\$975	\$0	\$975	\$850
2014	2	0.0%	\$975	\$0	\$975	\$850
2015	1	0.0%	\$975	\$0	\$975	\$850

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$1,345	\$0	\$1,345	\$1,178
2014	1	0.0%	\$1,345	\$0	\$1,345	\$1,178
2014	2	0.0%	\$1,345	\$0	\$1,345	\$1,178
2015	1	0.0%	\$1,345	\$0	\$1,345	\$1,178

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$1,395	\$0	\$1,395	\$1,228
2014	1	0.0%	\$1,395	\$0	\$1,395	\$1,228
2014	2	0.0%	\$1,395	\$0	\$1,395	\$1,228
2015	1	0.0%	\$1,395	\$0	\$1,395	\$1,228

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$775	\$0	\$775	\$675
2014	1	0.0%	\$775	\$0	\$775	\$675
2014	2	0.0%	\$775	\$0	\$775	\$675
2015	1	0.0%	\$775	\$0	\$775	\$675

### Trend: Comments

- 2Q12** The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. There are two additional phases to this property which consist of two types of senior housing -- Antioch Gardens and Villas as well as Antioch Summit. The Gardens and the Summit East and West are three-story elevator serviced structures that were completed in 2012 and 2006 respectively. The Villas feature clusters of four to five one-story town homes and this phase was completed in 2012. The Gardens and Villas are operated as a single 106-unit property. The rents for the first phase of Antioch Manor Estates have not changed since mid-2012.
- 1Q14** The contact estimated that the waiting list currently has 1,000 households combined for all units. According to management, there is significant demand for additional senior housing in the area. The rents for the first phase of Antioch Manor Estates have not changed since mid-2012.
- 2Q14** The contact estimated that the waiting list currently has 1,000 households combined for all unit types. According to management, there is significant demand for additional senior housing in the area. The rents for the first phase of Antioch Manor Estates have not changed since mid-2012. The property consists of a total of two phases.
- 1Q15** The contact estimated that the waiting list is currently three years in length long for all unit types. According to management, there is significant demand for additional senior housing in the area. The property typically remains fully occupied year-round according to the contact. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property.

# Antioch Manor Estates, continued

## Photos



# PROPERTY PROFILE REPORT

## Antioch Villas And Gardens

<b>Effective Rent Date</b>	3/19/2015
<b>Location</b>	4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County
<b>Distance</b>	5.4 miles
<b>Units</b>	106
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Various (age-restricted) (3 stories)
<b>Year Built/Renovated</b>	2012 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	4/03/2012
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Retreat at Madison, Spring Chase II
<b>Tenant Characteristics</b>	DeKalb County residents aged 55 and older
<b>Contact Name</b>	Christie
<b>Phone</b>	678-367-2918



### Market Information

<b>Program</b>	@50%, @60%, Market, PBRA
<b>Annual Turnover Rate</b>	10%
<b>Units/Month Absorbed</b>	35
<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>	included -- central
<b>Cooking</b>	included -- electric
<b>Water Heat</b>	included -- gas
<b>Heat</b>	included -- electric
<b>Other Electric</b>	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	Midrise (3 stories)	N/A	482	\$646	\$0	@50%	Yes	0	N/A	yes	None
0	1	One-story	N/A	524	\$753	\$0	@60%	Yes	0	N/A	yes	None
0	1	One-story	1	524	\$753	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (3 stories)	N/A	626	\$807	\$0	@60%	Yes	0	N/A	yes	None
1	1	Midrise (3 stories)	11	626	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	One-story	N/A	690	\$691	\$0	@50%	Yes	0	N/A	yes	None
1	1	One-story	N/A	690	\$1,025	\$0	Market	Yes	0	N/A	N/A	None
2	1	Midrise (3 stories)	N/A	831	\$806	\$0	@50%	Yes	0	N/A	yes	None
2	1	Midrise (3 stories)	11	831	\$906	\$0	PBRA	Yes	0	0.0%	N/A	None
2	1	One-story	N/A	908	\$967	\$0	@60%	Yes	0	N/A	yes	None
2	1	One-story	N/A	908	\$1,250	\$0	Market	Yes	0	N/A	N/A	None
2	1	One-story	N/A	908	\$1,095	\$0	Market	Yes	0	N/A	N/A	None

## Antioch Villas And Gardens, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$646	\$0	\$646	-\$100	\$546	Studio / 1BA	\$753	\$0	\$753	-\$100	\$653
1BR / 1BA	\$691	\$0	\$691	-\$125	\$566	1BR / 1BA	\$807	\$0	\$807	-\$125	\$682
2BR / 1BA	\$806	\$0	\$806	-\$167	\$639	2BR / 1BA	\$967	\$0	\$967	-\$167	\$800
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$753	\$0	\$753	-\$100	\$653	1BR / 1BA	N/A	\$0	N/A	-\$125	N/A
1BR / 1BA	\$1,025	\$0	\$1,025	-\$125	\$900	2BR / 1BA	\$906	\$0	\$906	-\$167	\$739
2BR / 1BA	\$1,095 - \$1,250	\$0	\$1,095 - \$1,250	-\$167	\$928 - \$1,083						

### Amenities

#### In-Unit

Balcony/Patio  
 Carpet/Hardwood  
 Central A/C  
 Dishwasher  
 Ceiling Fan  
 Hand Rails  
 Oven  
 Refrigerator  
 Walk-In Closet

Blinds  
 Carpeting  
 Coat Closet  
 Exterior Storage  
 Garbage Disposal  
 Microwave  
 Pull Cords  
 Vaulted Ceilings  
 Washer/Dryer hookup

#### Security

Limited Access  
 Perimeter Fencing  
 Video Surveillance

#### Services

Shuttle Service

#### Property

Business Center/Computer Lab  
 Courtyard  
 Exercise Facility  
 Neighborhood Network  
 On-Site Management  
 Recreation Areas  
 Theatre

Clubhouse/Meeting  
 Elevators  
 Central Laundry  
 Off-Street Parking  
 Picnic Area  
 Service Coordination

#### Premium

None

#### Other

Library, offices for home

### Comments

Management reported that the property maintains a waiting list that is between three and five years in length. The property is currently fully occupied, which is reportedly typical for the property. Management was unable to comment on the parking utilization rate at the property. The contact reported that the demand for affordable senior housing in the local area is strong.

# Antioch Villas And Gardens, continued

## Trend Report

### Vacancy Rates

2Q12	1Q14	3Q14	1Q15
0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$672	\$0	\$672	\$547
2014	1	N/A	\$693	\$0	\$693	\$568
2014	3	N/A	\$691	\$0	\$691	\$566
2015	1	N/A	\$691	\$0	\$691	\$566

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$806	\$0	\$806	\$639
2014	1	N/A	\$832	\$0	\$832	\$665
2014	3	N/A	\$806	\$0	\$806	\$639
2015	1	N/A	\$806	\$0	\$806	\$639

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$627	\$0	\$627	\$527
2014	1	N/A	\$647	\$0	\$647	\$547
2014	3	N/A	\$646	\$0	\$646	\$546
2015	1	N/A	\$646	\$0	\$646	\$546

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$1,025	\$0	\$1,025	\$900
2014	1	N/A	\$1,025	\$0	\$1,025	\$900
2014	3	N/A	\$1,025	\$0	\$1,025	\$900
2015	1	N/A	\$1,025	\$0	\$1,025	\$900

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$1,250	\$0	\$1,250	\$1,083
2014	1	N/A	\$1,395	\$0	\$1,395	\$1,228
2014	3	N/A	\$1,095 - \$1,250	\$0	\$1,095 - \$1,250	\$928 - \$1,083
2015	1	N/A	\$1,095 - \$1,250	\$0	\$1,095 - \$1,250	\$928 - \$1,083

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$795	\$0	\$795	\$695
2014	1	0.0%	\$776	\$0	\$776	\$676
2014	3	0.0%	\$753	\$0	\$753	\$653
2015	1	0.0%	\$753	\$0	\$753	\$653

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$807	\$0	\$807	\$682
2014	1	N/A	\$832	\$0	\$832	\$707
2014	3	N/A	\$807	\$0	\$807	\$682
2015	1	N/A	\$807	\$0	\$807	\$682

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$967	\$0	\$967	\$800
2014	1	N/A	\$999	\$0	\$999	\$832
2014	3	N/A	\$967	\$0	\$967	\$800
2015	1	N/A	\$967	\$0	\$967	\$800

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$753	\$0	\$753	\$653
2014	1	0.0%	\$777	\$0	\$777	\$677
2014	3	N/A	\$753	\$0	\$753	\$653
2015	1	N/A	\$753	\$0	\$753	\$653

### Trend: PBRA

#### 1BR / 1BA

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

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$906	\$0	\$906	\$739

## Antioch Villas And Gardens, continued

### Trend: Comments

- 2Q12** The property consists of two types of senior housing: Antioch Villas and Antioch Gardens. The Gardens are three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. While the Gardens includes all utilities in the rental rates, only water, sewer, and trash are included in the rental rates for the one-story townhomes at the Villas. We have added the utility allowance estimate provided by the developer of \$98 and \$120 for the one- and two-bedroom units, respectively, to the net rents for the purposes of this study and reflected that all utilities are included at all portions of the property to ensure that utility adjustments are accurate. The newly completed Antioch Gardens and Villas operates as a single property. The first units were completed in April 2012 and fully leased in December 2012, representing an absorption rate of approximately 15 units per month. No concessions were offered during lease-up. A detailed unit mix was not available for this 106-unit property. It is known that 90 units are income restricted and eight units have project-based subsidy where tenants pay 30 percent of their income as rent.
- The property will also has a full time activities director and the option to partake in the Gracious Living Package. For a fee, residents can benefit from services including housekeeping, laundry and hot-meal delivery.
- There are approximately 150 households on the waiting list solely for the LIHTC units. Management reported that there is demand for additional senior LIHTC housing in the market. There are plans for another phase to be built.
- 1Q14** The property consists of two types of senior housing: Antioch Villas and Antioch Gardens. The Gardens are three-story elevator serviced structures. The Villas feature clusters of four to five one-story town homes. While the Gardens includes all utilities in the rental rates, only water, sewer, and trash are included in the rental rates for the one-story townhomes at the Villas. The newly completed Antioch Gardens and Villas operates as a single property. The first units were completed in April 2012 and fully leased in December 2012, representing an absorption rate of approximately 15 units per month. No concessions were offered during lease-up. A detailed unit mix was not available for this 106-unit property. It is known that 90 units are income restricted and eight units have project-based subsidy where tenants pay 30 percent of their income as rent.
- The property will also has a full time activities director and the option to partake in the Gracious Living Package. For a fee, residents can benefit from services including housekeeping, laundry and hot-meal delivery.
- There are approximately 150 households on the waiting list solely for the LIHTC units. Management reported that there is demand for additional senior LIHTC housing in the market. There are plans for another phase to be built.
- 3Q14** A third-party catering company comes to the property every Friday to offer half price hot lunches to the residents.
- 1Q15** Management reported that the property maintains a waiting list that is between three and five years in length. The property is currently fully occupied, which is reportedly typical for the property. Management was unable to comment on the parking utilization rate at the property. The contact reported that the demand for affordable senior housing in the local area is strong.

# Antioch Villas And Gardens, continued

## Photos



# PROPERTY PROFILE REPORT

## Forest Heights Apartments

<b>Effective Rent Date</b>	4/07/2015
<b>Location</b>	1048 Columbia Drive Decatur, GA 30030 DeKalb County
<b>Distance</b>	1.4 miles
<b>Units</b>	80
<b>Vacant Units</b>	21
<b>Vacancy Rate</b>	26.2%
<b>Type</b>	Garden (age-restricted) (2 stories)
<b>Year Built/Renovated</b>	2014 / 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>	Seniors from DeKalb and surrounding counties
<b>Contact Name</b>	Paulina
<b>Phone</b>	404-289-5289



### Market Information

<b>Program</b>	@50% (Project Based Rental Assistance -
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	N/A
<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 -- gas
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included



## Forest Heights Apartments, continued

### Comments

This development was formerly vacant and was renovated with LIHTC funds. The renovation was completed in November 2014. The contact reported that all of the vacant units are Based on Income (BOI) units (units with subsidy) and that there are so many because they have to take tenants off the DeKalb County Housing Authority waiting list, which has been time consuming process to fill so many vacant units. The contact was unable to provide a breakdown of the vacant units by unit type.

# Forest Heights Apartments, continued

## Trend Report

### Vacancy Rates

1Q09	3Q09	2Q12	2Q15
0.0%	3.6%	0.0%	26.2%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$415	\$0	\$415	\$415
2009	3	N/A	\$450	\$29	\$421	\$421
2012	2	N/A	\$200 - \$628	\$0	\$200 - \$628	\$200 - \$628
2015	2	N/A	\$200 - \$628	\$0	\$200 - \$628	\$200 - \$628

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$495	\$0	\$495	\$495
2009	3	N/A	\$495	\$33	\$462	\$462

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$200 - \$677	\$0	\$200 - \$677	\$200 - \$677
2015	2	N/A	\$200 - \$677	\$0	\$200 - \$677	\$200 - \$677

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$415	\$0	\$415	\$415
2009	3	N/A	\$415	\$26	\$389	\$389

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$800	\$0	\$800	\$800
2015	2	0.0%	\$1,045	\$0	\$1,045	\$1,045

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$950	\$0	\$950	\$950
2015	2	0.0%	\$1,195	\$0	\$1,195	\$1,195

### Trend: Comments

- 1Q09** The leasing agent reported rents are the same for each unit despite the different rent restrictions on each. She did not provide additional information at this time.
- 3Q09** Prior interviews show that the property offered units at 45 percent, 50 percent, and 60 percent of AMI. The property manager indicated that the property has offered units at 50 percent AMI at least since January 2009 when the contact first joined the property. There are 24 one-, 13 two-, and 27 three-bedroom units. The property manager indicated that there are eight units that are currently under renovation due to damage and therefore are being held offline. These units have been deducted from the unit mix. There are two true vacancies due to evictions, which occurred in June 2009. Renovations on the eight units are projected to be complete at the end of July or beginning of August 2009.
- 2Q12** This is a proposed LIHTC, Public Housing and market rate senior property that will be restricted to seniors age 55 and older. The existing structures on the site will be demolished.
- 2Q15** This development was formerly vacant and was renovated with LIHTC funds. The renovation was completed in November 2014. The contact reported that all of the vacant units are Based on Income (BOI) units (units with subsidy) and that there are so many because they have to take tenants off the DeKalb County Housing Authority waiting list, which has been time consuming process to fill so many vacant units. The contact was unable to provide a breakdown of the vacant units by unit type.

## Forest Heights Apartments, continued

### Photos



# PROPERTY PROFILE REPORT

## Magnolia Circle

<b>Effective Rent Date</b>	4/09/2015
<b>Location</b>	100 Dash Lewis Dr Decatur, GA 30034 DeKalb County
<b>Distance</b>	4.5 miles
<b>Units</b>	84
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (age-restricted) (2 stories)
<b>Year Built/Renovated</b>	2003 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	7/01/2003
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	62+; 25% out of state; 25% prev. homeowners; Many from Panola Rd (Decatur) and Evans Mill Rd (Lithonia) area
<b>Contact Name</b>	Tiffany
<b>Phone</b>	404-243-1553



### Market Information

<b>Program</b>	50%, 60%, Market
<b>Annual Turnover Rate</b>	3%
<b>Units/Month Absorbed</b>	14
<b>HCV Tenants</b>	20%
<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)	14	690	\$565	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	12	760	\$585	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	690	\$720	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	21	1,000	\$680	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	20	1,030	\$700	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	11	1,000	\$815	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$565	\$0	\$565	-\$61	\$504	<b>1BR / 1BA</b>	\$585	\$0	\$585	-\$61	\$524
<b>2BR / 2BA</b>	\$680	\$0	\$680	-\$82	\$598	<b>2BR / 2BA</b>	\$700	\$0	\$700	-\$82	\$618
<b>Market</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Util.</b>	<b>Adj. Rent</b>						
<b>1BR / 1BA</b>	\$720	\$0	\$720	-\$61	\$659						
<b>2BR / 2BA</b>	\$815	\$0	\$815	-\$82	\$733						

## Magnolia Circle, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Oven  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

**Security**

Patrol  
Perimeter Fencing

**Services**

None

**Property**

Business Center/Computer Lab  
Central Laundry  
On-Site Management

Clubhouse/Meeting  
Off-Street Parking

**Premium**

None

**Other**

Social Director, Arts & Crafts

### Comments

Management reported that the property maintains a waiting list that is approximately 100 households long. The property is currently fully occupied, which is reportedly typical. Management reported that the demand for affordable senior housing in Decatur is strong. The property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.

## Magnolia Circle, continued

### Trend Report

#### Vacancy Rates

3Q10	2Q12	2Q14	1Q15
0.0%	0.0%	0.0%	0.0%

#### Trend: @50%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$565	\$0	\$565	\$504
2012	2	0.0%	\$565	\$0	\$565	\$504
2014	2	0.0%	\$565	\$0	\$565	\$504
2015	1	0.0%	\$565	\$0	\$565	\$504

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$680	\$0	\$680	\$598
2012	2	0.0%	\$680	\$0	\$680	\$598
2014	2	0.0%	\$680	\$0	\$680	\$598
2015	1	0.0%	\$680	\$0	\$680	\$598

#### Trend: @60%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$585	\$0	\$585	\$524
2012	2	0.0%	\$585	\$0	\$585	\$524
2014	2	0.0%	\$585	\$0	\$585	\$524
2015	1	0.0%	\$585	\$0	\$585	\$524

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$700	\$0	\$700	\$618
2012	2	0.0%	\$700	\$0	\$700	\$618
2014	2	0.0%	\$700	\$0	\$700	\$618
2015	1	0.0%	\$700	\$0	\$700	\$618

#### Trend: Market

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$720	\$0	\$720	\$659
2012	2	0.0%	\$720	\$0	\$720	\$659
2014	2	0.0%	\$720	\$0	\$720	\$659
2015	1	0.0%	\$720	\$0	\$720	\$659

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	0.0%	\$815	\$0	\$815	\$733
2012	2	0.0%	\$815	\$0	\$815	\$733
2014	2	0.0%	\$815	\$0	\$815	\$733
2015	1	0.0%	\$815	\$0	\$815	\$733

#### Trend: Comments

3Q10 N/A

2Q12 Magnolia Circle is a mixed income senior property located in Decatur. Units are set-aside at 50 and 60 percent of AMI and there are market rate units as well. The restricted rents are below the maximum allowable and are priced to what the market can bear according to the manager. The property is fully leased; there is one vacant unit but it is released. The property has a long waiting list of 150 households for the income restricted units and 20 households for the market rate units. Rents have not changed in over two years. Judging from the long waiting list at this property, it is probable that rents could be increased slightly without adversely affecting occupancy. About 25 percent of tenants owned a home before moving here. A majority of tenants rely on Social Security as their only source of income.

2Q14 This property was interviewed as a potential tenant, so only vacancy and rental rate information has been updated.

1Q15 Management reported that the property maintains a waiting list that is approximately 100 households long. The property is currently fully occupied, which is reportedly typical. Management reported that the demand for affordable senior housing in Decatur is strong. The property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.

# Magnolia Circle, continued

## Photos



# PROPERTY PROFILE REPORT

## Retreat At Madison Place

**Effective Rent Date** 4/07/2015  
**Location** 3907 Redwing Circle  
 Decatur, GA 30032  
 Dekalb County  
**Distance** 3.5 miles  
**Units** 160  
**Vacant Units** 1  
**Vacancy Rate** 0.6%  
**Type** Midrise (age-restricted) (4 stories)  
**Year Built/Renovated** 2007 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Could not identify  
**Tenant Characteristics** Most tenants 55-62; 60%+ previous homeowners; tenants from downtown ATL, Decatur, Stn Mtn, Lithonia; 10% out of state (AL, NY, CA), 5% employed  
**Contact Name** Robin  
**Phone** (404) 289-8393



### Market Information

**Program** @60%  
**Annual Turnover Rate** 15%  
**Units/Month Absorbed** 14.4  
**HCV Tenants** 30%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** Increased to maximum  
**Concession** None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	40	697	\$739	\$0	@60%	No	0	0.0%	yes	None
2	2	Midrise (4 stories)	120	987	\$799	\$0	@60%	No	1	0.8%	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$739	\$0	\$739	-\$61	\$678
2BR / 2BA	\$799	\$0	\$799	-\$82	\$717

## Retreat At Madison Place, continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Oven  
Refrigerator

Carpeting  
Coat Closet  
Ceiling Fan  
Hand Rails  
Pull Cords  
Washer/Dryer hookup

#### Security

Limited Access  
Perimeter Fencing

#### Services

Adult Education  
Shuttle Service

#### Property

Business Center/Computer Lab  
Elevators  
Central Laundry  
On-Site Management  
Theatre

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Picnic Area

#### Premium

None

#### Other

Walking trails, game room,

### Comments

The contact had no additional comments.

## Retreat At Madison Place, continued

### Trend Report

#### Vacancy Rates

2Q12	1Q14	1Q15	2Q15
2.5%	2.5%	0.0%	0.6%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$699	\$0	\$699	\$638
2014	1	0.0%	\$699	\$0	\$699	\$638
2015	1	0.0%	\$739	\$0	\$739	\$678
2015	2	0.0%	\$739	\$0	\$739	\$678

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	3.3%	\$789	\$0	\$789	\$707
2014	1	3.3%	\$789	\$0	\$789	\$707
2015	1	0.0%	\$799	\$0	\$799	\$717
2015	2	0.8%	\$799	\$0	\$799	\$717

### Trend: Comments

2Q12	Management estimated five move-outs each month. Of these five, an estimated three each month are due to financial reasons; mainly that the supporting family/family member can no longer support the senior's rent. Therefore, several seniors have moved out to live with family members. The manager states that one-bedroom units are more in demand with tenants mostly because of their lower rent. Furthermore, many seniors are one person households who have little need for additional space. About half of the tenants at this property own a car. All units are set-aside at 60 percent of AMI and rents are at the maximum allowable.
1Q14	Contact stated that the rents are the same since January 2013 and it is 100 percent occupied. Contact stated that the demand is very high for affordable senior properties in the area and that there needs to be more. Contact did not know annual turnover or percentage of Section 8 tenants. Manager started working this year.
1Q15	Management reported that the property is fully occupied and currently maintains a waiting list that is approximately three months long. Management was unable to provide the number of Housing Choice Vouchers that are currently in use at the property.
2Q15	The contact had no additional comments.

Photos



# PROPERTY PROFILE REPORT

## Avery Glen Apartments

<b>Effective Rent Date</b>	3/10/2015
<b>Location</b>	339 E. College Avenue Decatur, GA 30030 DeKalb County
<b>Distance</b>	0.6 miles
<b>Units</b>	118
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1993 / 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>	Jackson Square, Archstone
<b>Tenant Characteristics</b>	Singles, small families, 10% seniors
<b>Contact Name</b>	Jasmine
<b>Phone</b>	404.687.8100



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	31%
<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>	Increased \$10
<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 (3 stories)	50	798	\$895	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	35	1,087	\$1,015	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	33	1,153	\$1,065	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$895	\$0	\$895	-\$61	\$834
2BR / 2BA	\$1,015 - \$1,065	\$0	\$1,015 - \$1,065	-\$82	\$933 - \$983

### Amenities

#### In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Dishwasher	Garbage Disposal
Microwave	Oven
Refrigerator	Washer/Dryer hookup

#### Security

In-Unit Alarm
Perimeter Fencing

#### Services

None

#### Property

Central Laundry	Off-Street Parking
On-Site Management	Swimming Pool

#### Premium

None

#### Other

None

## **Avery Glen Apartments, continued**

### **Comments**

Management reported that the property maintains a waiting list of ten households for two-bedroom units and two households for one-bedroom units. The property is fully occupied which is reportedly typical. Management reported that the property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.

## Avery Glen Apartments, continued

### Trend Report

#### Vacancy Rates

1Q13	4Q13	1Q14	1Q15
0.8%	0.8%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	2.0%	\$870	\$0	\$870	\$809
2013	4	2.0%	\$875	\$0	\$875	\$814
2014	1	0.0%	\$885	\$0	\$885	\$824
2015	1	0.0%	\$895	\$0	\$895	\$834

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$990 - \$1,040	\$0	\$990 - \$1,040	\$908 - \$958
2013	4	0.0%	\$995 - \$1,045	\$0	\$995 - \$1,045	\$913 - \$963
2014	1	0.0%	\$1,005 - \$1,055	\$0	\$1,005 - \$1,055	\$923 - \$973
2015	1	0.0%	\$1,015 - \$1,065	\$0	\$1,015 - \$1,065	\$933 - \$983

### Trend: Comments

**1Q13** Contact stated that the waiting list is six months long.

**4Q13** The contact stated that the waiting list is three to six months long. She stated there have been no major renovations to the property but that it is constantly updated with paint, fixtures, and flooring as needed.

**1Q14** The contact stated that the waiting list is five households long.

**1Q15** Management reported that the property maintains a waiting list of ten households for two-bedroom units and two households for one-bedroom units. The property is fully occupied which is reportedly typical. Management reported that the property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.

# PROPERTY PROFILE REPORT

## Clairmont Crest

<b>Effective Rent Date</b>	4/07/2015
<b>Location</b>	1861 Clairmont Road Decatur, GA 30033 DeKalb County
<b>Distance</b>	2.9 miles
<b>Units</b>	200
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Midrise (age-restricted) (5 stories)
<b>Year Built/Renovated</b>	1985 / 2014
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Clairmont Place, Williamsburg
<b>Tenant Characteristics</b>	Seniors 50+, average age is 72; 50% previous homeowners
<b>Contact Name</b>	Barbara
<b>Phone</b>	404-325-9077



### Market Information

<b>Program</b>	Market, Non-Rental
<b>Annual Turnover Rate</b>	18%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	See Comments
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- wall
<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	Midrise (5 stories)	11	500	\$790	\$0	Market	Yes	0	0.0%	N/A	None
0	1	Midrise (5 stories)	2	500	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
1	1	Midrise (5 stories)	141	700	\$870	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (5 stories)	1	700	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
2	2	Midrise (5 stories)	45	1,100	\$1,010	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$790	\$0	\$790	-\$51	\$739	Studio / 1BA	N/A	\$0	N/A	-\$51	N/A
1BR / 1BA	\$870	\$0	\$870	-\$61	\$809	1BR / 1BA	N/A	\$0	N/A	-\$61	N/A
2BR / 2BA	\$1,010	\$0	\$1,010	-\$82	\$928						

## Clairmont Crest, continued

### Amenities

#### In-Unit

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

Blinds  
Coat Closet  
Exterior Storage  
Hand Rails  
Refrigerator  
Wall A/C

#### Security

Limited Access  
Patrol

#### Services

Shuttle Service

#### Property

Clubhouse/Meeting  
Exercise Facility  
Central Laundry  
On-Site Management  
Swimming Pool

Elevators  
Garage  
Off-Street Parking  
Picnic Area

#### Premium

Hairdresser / Barber  
Medical Professional

#### Other

None

### Comments

The waiting list for studio and one-bedroom units is currently eight months to one year in length while the waiting list for a two-bedroom unit is currently two to three years in length. Changes in rent over the past year are as follows: studio units increased eight percent, one-bedroom units increased five to seven percent, and two-bedroom units ranged from a decrease of nine percent to an increase of seven percent.

# Clairmont Crest, continued

## Trend Report

### Vacancy Rates

4Q13	1Q14	1Q15	2Q15
2.0%	0.0%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	2.8%	\$800 - \$820	\$0	\$800 - \$820	\$739 - \$759
2014	1	0.0%	\$810 - \$830	\$0	\$810 - \$830	\$749 - \$769
2015	1	0.0%	\$870	\$0	\$870	\$809
2015	2	0.0%	\$870	\$0	\$870	\$809

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$935 - \$1,095	\$0	\$935 - \$1,095	\$853 - \$1,013
2014	1	0.0%	\$945 - \$1,105	\$0	\$945 - \$1,105	\$863 - \$1,023
2015	1	0.0%	\$1,010	\$0	\$1,010	\$928
2015	2	0.0%	\$1,010	\$0	\$1,010	\$928

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$720	\$0	\$720	\$669
2014	1	0.0%	\$730	\$0	\$730	\$679
2015	1	0.0%	\$790	\$0	\$790	\$739
2015	2	0.0%	\$790	\$0	\$790	\$739

### Trend: Non-Rental

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	N/A	\$0	N/A	-\$61
2014	1	0.0%	N/A	\$0	N/A	-\$61
2015	1	0.0%	N/A	\$0	N/A	-\$61
2015	2	0.0%	N/A	\$0	N/A	N/A

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	N/A	\$0	N/A	-\$51
2014	1	0.0%	N/A	\$0	N/A	-\$51
2015	1	0.0%	N/A	\$0	N/A	-\$51
2015	2	0.0%	N/A	\$0	N/A	N/A

## Trend: Comments

- 4Q13** The contact confirmed high demand for senior housing in the area and believes there is a need for additional senior housing. There is a waiting list of approximately 10 prospective tenants for two-bedroom units. All units have washer dryer hook ups with the exception of the studios.
- 1Q14** The waiting list for one-bedroom units is two to three months long. The waiting list for two-bedroom apartments is six to ten months long. All units have washer dryer hook ups with the exception of the studios.
- 1Q15** The waiting list on studio and one bedroom units is currently four to six months long, and on two bedroom units it is 12 to 24 months long. The contact reported full renovations have occurred at the property recently due to fire damage.
- 2Q15** The waiting list for studio and one-bedroom units is currently eight months to one year in length while the waiting list for a two-bedroom unit is currently two to three years in length. Changes in rent over the past year are as follows: studio units increased eight percent, one-bedroom units increased five to seven percent, and two-bedroom units ranged from a decrease of nine percent to an increase of seven percent.

# Clairmont Crest, continued

## Photos



# PROPERTY PROFILE REPORT

## Clarion Apartments

<b>Effective Rent Date</b>	3/10/2015
<b>Location</b>	10 Rimington Lane Decatur, GA 30030 DeKalb County
<b>Distance</b>	0.8 miles
<b>Units</b>	217
<b>Vacant Units</b>	5
<b>Vacancy Rate</b>	2.3%
<b>Type</b>	Garden (4 stories)
<b>Year Built/Renovated</b>	1990 / 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>	Jackson Square and Paces Park
<b>Tenant Characteristics</b>	Mostly from Decatur and Atlanta
<b>Contact Name</b>	DeAnna
<b>Phone</b>	404-508-9360



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	4%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Pre-leased; within two weeks
<b>Annual Chg. in Rent</b>	See Comments
<b>Concession</b>	Waived application fee

### 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>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	42	742	\$779	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (4 stories)	35	759	\$799	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (4 stories)	35	850	\$809	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	27	1,072	\$999	\$0	Market	No	1	3.7%	N/A	None
2	2	Garden (4 stories)	25	1,102	\$1,020	\$0	Market	No	1	4.0%	N/A	None
2	2	Garden (4 stories)	25	1,140	\$1,099	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (4 stories)	28	1,373	\$1,289	\$0	Market	No	3	10.7%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$779 - \$809	\$0	\$779 - \$809	\$0	\$779 - \$809
<b>2BR / 2BA</b>	\$999 - \$1,099	\$0	\$999 - \$1,099	\$0	\$999 - \$1,099
<b>3BR / 2BA</b>	\$1,289	\$0	\$1,289	\$0	\$1,289

## Clarion Apartments, continued

### Amenities

#### In-Unit

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

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

#### Security

In-Unit Alarm  
Patrol

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Jacuzzi  
Non-shelter Services  
On-Site Management  
Playground  
Swimming Pool

Clubhouse/Meeting  
Garage  
Central Laundry  
Off-Street Parking  
Picnic Area  
Sport Court  
Tennis Court

#### Premium

None

#### Other

Indoor racquetball court

### Comments

The current concession is a waived application fee if the prospective tenant applies the same day as they visit the property. The property does not accept Housing Choice Voucher tenants. Management was unable to provide an explanation for the three percent decrease in rents on one-bedroom units with 850 square feet. Since our last interview in 2014, rents have increased between two and four percent on two and three-bedroom units. Management was unable to provide the number of parking spaces the property offers or comment on parking utilization at the property. The property charges \$50 for garages and there is currently one available. The contact was unable to provide the number of garage spaces the property offers.

# Clarion Apartments, continued

## Trend Report

### Vacancy Rates

3Q09	1Q14	2Q14	1Q15
3.7%	4.1%	4.1%	2.3%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	2.7%	\$565 - \$730	\$0 - \$61	\$559 - \$669	\$559 - \$669
2014	1	N/A	\$779 - \$834	\$32 - \$35	\$747 - \$799	\$747 - \$799
2014	2	N/A	\$779 - \$834	\$32 - \$35	\$747 - \$799	\$747 - \$799
2015	1	0.0%	\$779 - \$809	\$0	\$779 - \$809	\$779 - \$809

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	5.2%	\$760 - \$855	\$63 - \$71	\$697 - \$784	\$697 - \$784
2014	1	N/A	\$979 - \$1,069	\$41 - \$45	\$938 - \$1,024	\$938 - \$1,024
2014	2	N/A	\$979 - \$1,069	\$41 - \$45	\$938 - \$1,024	\$938 - \$1,024
2015	1	2.6%	\$999 - \$1,099	\$0	\$999 - \$1,099	\$999 - \$1,099

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	3.6%	\$928	\$77	\$851	\$851
2014	1	7.1%	\$1,239	\$52	\$1,187	\$1,187
2014	2	N/A	\$1,239	\$52	\$1,187	\$1,187
2015	1	10.7%	\$1,289	\$0	\$1,289	\$1,289

## Trend: Comments

- 3Q09** The contact estimated vacancy by unit type and indicated that the current concession only applies to the eight vacancies. The concession has been offered for two weeks and therefore has not likely affected many of the units. Rents have decreased significantly since the last interview in October 2008 but occupancy has increased from 93 to 97 percent.
- 1Q14** There are eight vacant one-bedroom apartments and 12 vacant two-bedroom apartments.
- 2Q14** Management reported that demand in the area is average.
- 1Q15** The current concession is a waived application fee if the prospective tenant applies the same day as they visit the property. The property does not accept Housing Choice Voucher tenants. Management was unable to provide an explanation for the three percent decrease in rents on one-bedroom units with 850 square feet. Since our last interview in 2014, rents have increased between two and four percent on two and three-bedroom units. Management was unable to provide the number of parking spaces the property offers or comment on parking utilization at the property. The property charges \$50 for garages and there is currently one available. The contact was unable to provide the number of garage spaces the property offers.

# Clarion Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Decatur Crossing

<b>Effective Rent Date</b>	3/10/2015
<b>Location</b>	100 Grayson Place Decatur, GA 30030 DeKalb County
<b>Distance</b>	0.5 miles
<b>Units</b>	180
<b>Vacant Units</b>	5
<b>Vacancy Rate</b>	2.8%
<b>Type</b>	Various (3 stories)
<b>Year Built/Renovated</b>	2000 / 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>	Jackson Square, Clarion, and Paces Park
<b>Tenant Characteristics</b>	Young professionals, families, 2% seniors
<b>Contact Name</b>	Jessica
<b>Phone</b>	404-298-1991



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	62%
<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>	Fluctuates daily
<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>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	595	\$1,032	\$0	Market	No	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	602	\$1,061	\$0	Market	No	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	911	\$1,341	\$0	Market	No	2	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	911	\$1,496	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	911	\$1,185	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,117	\$1,430	\$0	Market	No	1	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,266	\$1,491	\$0	Market	No	2	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,117	\$1,616	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,266	\$1,702	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,117	\$1,244	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,266	\$1,279	\$0	Market	No	0	N/A	N/A	LOW
2	2	Townhouse (3 stories)	N/A	1,100	\$1,433	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,384	\$1,614	\$0	Market	No	0	N/A	N/A	None

## Decatur Crossing, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,032 - \$1,496	\$0	\$1,032 - \$1,496	\$0	\$1,032 - \$1,496
2BR / 2BA	\$1,244 - \$1,702	\$0	\$1,244 - \$1,702	\$0	\$1,244 - \$1,702
3BR / 2BA	\$1,614	\$0	\$1,614	\$0	\$1,614

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Exterior Storage  
Fireplace  
Oven  
Walk-In Closet

#### Security

In-Unit Alarm  
Patrol  
Perimeter Fencing  
Video Surveillance

#### Services

None

#### Property

Business Center/Computer Lab  
Carport  
Garage  
Off-Street Parking  
Picnic Area

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Swimming Pool

#### Premium

None

#### Other

Cyber cafe

### Comments

Management reported that the high turnover rate at the property is typically due to tenants purchasing homes. The property does not maintain a waiting list for its units and management reported that current occupancy is typical. Management estimated that the property offers 18 carports and 10 garages. Garages rent for \$125 per month and there is currently one available, and carports rent for \$30 per month with five currently available. The contact was unable to provide the amount of off-street parking spaces the property offers. The property operates on the YieldStar system and rents change daily based on demand.

## Decatur Crossing, continued

### Trend Report

#### Vacancy Rates

2Q12	4Q13	1Q14	1Q15
0.6%	10.6%	5.0%	2.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$744 - \$1,053	\$0	\$744 - \$1,053	\$744 - \$1,053
2013	4	N/A	\$806 - \$1,029	\$0	\$806 - \$1,029	\$806 - \$1,029
2014	1	N/A	\$862 - \$1,313	\$0	\$862 - \$1,313	\$862 - \$1,313
2015	1	N/A	\$1,032 - \$1,496	\$0	\$1,032 - \$1,496	\$1,032 - \$1,496

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$1,184 - \$1,256	\$0	\$1,184 - \$1,256	\$1,184 - \$1,256
2013	4	N/A	\$1,116 - \$1,348	\$0	\$1,116 - \$1,348	\$1,116 - \$1,348
2014	1	N/A	\$1,003 - \$1,572	\$0	\$1,003 - \$1,572	\$1,003 - \$1,572
2015	1	N/A	\$1,244 - \$1,702	\$0	\$1,244 - \$1,702	\$1,244 - \$1,702

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	8.3%	\$1,479	\$0	\$1,479	\$1,479
2013	4	N/A	\$1,509	\$0	\$1,509	\$1,509
2014	1	N/A	\$1,427 - \$1,816	\$0	\$1,427 - \$1,816	\$1,427 - \$1,816
2015	1	N/A	\$1,614	\$0	\$1,614	\$1,614

#### Studio / 1BA

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

- 2Q12** The contact stated that demand has recently increased and currently they have only one vacant unit.
- 4Q13** The property has nine vacant one-bedroom units and nine vacant two-bedroom units. The rent ranges for the units, in terms smallest to largest size, are as follows: \$804-\$809; \$791-\$821; \$960-\$1097; \$1348; \$1043-\$1188; \$1089-\$1229; \$1482-\$1536. This property was formerly known as both Archstone Decatur Crossing and Grayson Park previously.
- 1Q14** Management stated that the property's tenants are typically financially well off singles, couples, and families between homes. The high turnover rate is due to tenants purchasing homes. Management reported that high turnover is typical of Decatur. The property offers three to thirteen month leases.
- 1Q15** Management reported that the high turnover rate at the property is typically due to tenants purchasing homes. The property does not maintain a waiting list for its units and management reported that current occupancy is typical. Management estimated that the property offers 18 carports and 10 garages. Garages rent for \$125 per month and there is currently one available, and carports rent for \$30 per month with five currently available. The contact was unable to provide the amount of off-street parking spaces the property offers. The property operates on the YieldStar system and rents change daily based on demand.

# PROPERTY PROFILE REPORT

## Park Summit

<b>Effective Rent Date</b>	3/13/2015
<b>Location</b>	2778 North Decatur Road Decatur, GA 30033 DeKalb County
<b>Distance</b>	1.3 miles
<b>Units</b>	148
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	2.7%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1991 / On-going
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Jackson Square and Paces Park
<b>Tenant Characteristics</b>	Young professionals, small families, 3% seniors
<b>Contact Name</b>	Shelly
<b>Phone</b>	404.508.1117



### 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>	Pre-leased
<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>	not 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	Garden (3 stories)	24	522	\$750	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	28	710	\$840	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	28	827	\$950	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	14	927	\$1,010	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	20	1,160	\$1,100	\$0	Market	Yes	3	15.0%	N/A	None
2	2	Garden (3 stories)	20	1,243	\$1,150	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	8	1,291	\$1,399	\$0	Market	Yes	1	12.5%	N/A	None
3	2	Garden (3 stories)	6	1,379	\$1,450	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$750	\$0	\$750	\$0	\$750
1BR / 1BA	\$840 - \$950	\$0	\$840 - \$950	\$0	\$840 - \$950
2BR / 1BA	\$1,010	\$0	\$1,010	\$0	\$1,010
2BR / 2BA	\$1,100 - \$1,150	\$0	\$1,100 - \$1,150	\$0	\$1,100 - \$1,150
3BR / 2BA	\$1,399 - \$1,450	\$0	\$1,399 - \$1,450	\$0	\$1,399 - \$1,450

## Park Summit, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Fireplace  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

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

#### Security

In-Unit Alarm  
Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Tennis Court

Clubhouse/Meeting  
Garage  
Off-Street Parking  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

Management reported that the property maintains a waiting list that operates on a first come, first serve basis. The length of the waiting list is reported to be three to four households in length. The current occupancy rate at the property is reportedly typical. Management expects the next rental increase to occur in the spring of 2015. The property offers ten detached garage parking spaces for \$125 per month. Currently two garage parking spaces are available. Management reported that the property offers two off-street parking spaces per unit. The contact was unable to comment on the off-street parking utilization rate at the property.

## Park Summit, continued

### Trend Report

#### Vacancy Rates

1Q13	4Q13	1Q14	1Q15
4.1%	3.4%	2.0%	2.7%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$809 - \$900	\$0 - \$34	\$775 - \$900	\$775 - \$900
2013	4	3.6%	\$840 - \$950	\$70 - \$79	\$770 - \$871	\$770 - \$871
2014	1	0.0%	\$840 - \$950	\$0	\$840 - \$950	\$840 - \$950
2015	1	0.0%	\$840 - \$950	\$0	\$840 - \$950	\$840 - \$950

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	7.1%	\$975	\$0	\$975	\$975
2013	4	0.0%	\$1,010	\$0	\$1,010	\$1,010
2014	1	0.0%	\$1,010	\$0	\$1,010	\$1,010
2015	1	0.0%	\$1,010	\$0	\$1,010	\$1,010

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$1,075 - \$1,099	\$0	\$1,075 - \$1,099	\$1,075 - \$1,099
2013	4	2.5%	\$1,100 - \$1,150	\$0 - \$92	\$1,008 - \$1,150	\$1,008 - \$1,150
2014	1	7.5%	\$1,100 - \$1,150	\$0 - \$92	\$1,008 - \$1,150	\$1,008 - \$1,150
2015	1	7.5%	\$1,100 - \$1,150	\$0	\$1,100 - \$1,150	\$1,100 - \$1,150

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	14.3%	\$1,350	\$0	\$1,350	\$1,350
2013	4	14.3%	\$1,450 - \$1,499	\$0 - \$121	\$1,329 - \$1,499	\$1,329 - \$1,499
2014	1	0.0%	\$1,450 - \$1,499	\$0 - \$121	\$1,329 - \$1,499	\$1,329 - \$1,499
2015	1	7.1%	\$1,399 - \$1,450	\$0	\$1,399 - \$1,450	\$1,399 - \$1,450

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$705	\$0	\$705	\$705
2013	4	0.0%	\$730	\$0	\$730	\$730
2014	1	0.0%	\$750	\$0	\$750	\$750
2015	1	0.0%	\$750	\$0	\$750	\$750

### Trend: Comments

1Q13	The small one-bedroom units are currently on special for \$775 per month.
4Q13	The contact reported a rent increase in June of 2013 across the board with the highest increases for the three bedroom units at 7.4 and 11.0 percent. There are a limited number of three bedroom units offered and they typically have high demand. The contact noted concessions are offered periodically to hasten the lease up of units.
1Q14	Management stated that leasing pace varies depending on the season. Renovations are ongoing. As tenants move out, the carpet is replaced, appliances are updated, and the unit is repainted.
1Q15	Management reported that the property maintains a waiting list that operates on a first come, first serve basis. The length of the waiting list is reported to be three to four households in length. The current occupancy rate at the property is reportedly typical. Management expects the next rental increase to occur in the spring of 2015. The property offers ten detached garage parking spaces for \$125 per month. Currently two garage parking spaces are available. Management reported that the property offers two off-street parking spaces per unit. The contact was unable to comment on the off-street parking utilization rate at the property.

# PROPERTY PROFILE REPORT

## Parkway Grand Apartments

<b>Effective Rent Date</b>	3/11/2015
<b>Location</b>	100 Woodbury Place Decatur, GA 30030 DeKalb County
<b>Distance</b>	1.3 miles
<b>Units</b>	313
<b>Vacant Units</b>	8
<b>Vacancy Rate</b>	2.6%
<b>Type</b>	Garden (4 stories)
<b>Year Built/Renovated</b>	2001 / 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>	Mixed tenancy from the local area; 25% new to the area from northern states
<b>Contact Name</b>	Property Manager
<b>Phone</b>	770-809-1021



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	One to two weeks.
<b>Annual Chg. in Rent</b>	LRO; fluctuates daily
<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>	not included

## Parkway Grand Apartments, continued

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	N/A	808	\$855	\$0	Market	No	1	N/A	N/A	AVG
1	1	Garden (4 stories)	N/A	808	\$965	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (4 stories)	N/A	808	\$745	\$0	Market	No	0	N/A	N/A	LOW
1.5	1	Garden (4 stories)	N/A	810	\$870	\$0	Market	No	1	N/A	N/A	AVG
1.5	1	Garden (4 stories)	N/A	810	\$980	\$0	Market	No	0	N/A	N/A	HIGH
1.5	1	Garden (4 stories)	N/A	810	\$760	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (4 stories)	N/A	1,165	\$913	\$0	Market	No	1	N/A	N/A	AVG
2	2	Garden (4 stories)	N/A	1,197	\$913	\$0	Market	No	2	N/A	N/A	AVG
2	2	Garden (4 stories)	N/A	1,318	\$958	\$0	Market	No	1	N/A	N/A	AVG
2	2	Garden (4 stories)	N/A	1,165	\$1,015	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (4 stories)	N/A	1,197	\$1,025	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (4 stories)	N/A	1,318	\$1,085	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (4 stories)	N/A	1,165	\$810	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (4 stories)	N/A	1,197	\$800	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (4 stories)	N/A	1,318	\$830	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (4 stories)	N/A	1,405	\$1,118	\$0	Market	No	2	N/A	N/A	AVG
3	2	Garden (4 stories)	N/A	1,405	\$1,280	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (4 stories)	N/A	1,405	\$955	\$0	Market	No	0	N/A	N/A	LOW

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$745 - \$965	\$0	\$745 - \$965	\$0	\$745 - \$965
1.5BR / 1BA	\$760 - \$980	\$0	\$760 - \$980	\$0	\$760 - \$980
2BR / 2BA	\$800 - \$1,085	\$0	\$800 - \$1,085	\$0	\$800 - \$1,085
3BR / 2BA	\$955 - \$1,280	\$0	\$955 - \$1,280	\$0	\$955 - \$1,280

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

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

#### Security

Limited Access  
Patrol

#### Services

None

#### Property

Business Center/Computer Lab  
Clubhouse/Meeting  
Garage  
Off-Street Parking  
Playground  
Tennis Court

Car Wash  
Exercise Facility  
Central Laundry  
On-Site Management  
Swimming Pool

#### Premium

None

#### Other

None

## **Parkway Grand Apartments, continued**

### **Comments**

The contact stated that the current occupancy rate is typical for the property. The contact reported that the property operates on the LRO system, and rents fluctuate daily based on demand. The property offers garages for \$75 per month. The contact was unable to provide the number of garage parking spaces and off-street parking spaces the property offers, or comment on the parking utilization rate at the property.

# Parkway Grand Apartments, continued

## Trend Report

### Vacancy Rates

4Q10	1Q11	4Q13	1Q15
8.9%	12.1%	4.2%	2.6%

## Trend: Market

### 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$785	\$0	\$785	\$785
2011	1	N/A	\$785	\$0	\$785	\$785
2013	4	N/A	\$705	\$0	\$705	\$705
2015	1	N/A	\$760 - \$980	\$0	\$760 - \$980	\$760 - \$980

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$705	\$0	\$705	\$705
2011	1	N/A	\$705	\$0	\$705	\$705
2013	4	N/A	\$660	\$0	\$660	\$660
2015	1	N/A	\$745 - \$965	\$0	\$745 - \$965	\$745 - \$965

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$835 - \$929	\$0	\$835 - \$929	\$835 - \$929
2011	1	N/A	\$835 - \$929	\$0	\$835 - \$929	\$835 - \$929
2013	4	N/A	\$840 - \$850	\$0	\$840 - \$850	\$840 - \$850
2015	1	N/A	\$800 - \$1,085	\$0	\$800 - \$1,085	\$800 - \$1,085

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$985	\$0	\$985	\$985
2011	1	N/A	\$985	\$0	\$985	\$985
2013	4	N/A	\$865	\$0	\$865	\$865
2015	1	N/A	\$955 - \$1,280	\$0	\$955 - \$1,280	\$955 - \$1,280

## Trend: Comments

- 4Q10** Contact indicated that five of the vacant units have pending applications.
- 1Q11** Rents and occupancy are current as of March 2011; all other information is current as of October 2010. Management indicated that the high vacancy rate is a result of the economy and tenants moving in order to find jobs.
- 4Q13** The contact reported typical occupancy between 95 and 100 percent during the past year. She noted the local rental market has been highly competitive during 2013. A unit mix or vacancies by unit type were not provided. The contact would not specify tenant characteristics or estimate the number of seniors residing at the property.
- 1Q15** The contact stated that the current occupancy rate is typical for the property. The contact reported that the property operates on the LRO system, and rents fluctuate daily based on demand. The property offers garages for \$75 per month. The contact was unable to provide the number of garage parking spaces and off-street parking spaces the property offers, or comment on the parking utilization rate at the property.

## Property Characteristics

### Location

The subject is located approximately midway between downtown Decatur and the incorporated community of Avondale Estates, two of the most desirable areas in DeKalb County in which to live. Both areas are perceived as offering excellent local government, excellent schools, and low crime rates. Surrounding uses consist of single and multifamily residential, industrial, commercial, residential, and public uses in average to good condition. The Subject is also located adjacent to a MARTA station. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. Seven of the 11 comparables are located within the PMA; however, the majority offer slightly inferior to inferior locations relative to the Subject given the Subject's close proximity to a MARTA station. Below is a location comparison based on zip codes and respective median household incomes and median gross rent as well as Walkscores for each address.

LOCATION COMPARISON				
Property	Zip Code	Median Household Income	Median Gross Rent	Walkscore*
<b>Subject</b>	<b>30030</b>	<b>\$66,920</b>	<b>\$893</b>	<b>64</b>
Antioch Manor Estates**	30088	\$50,876	\$1,057	20
Antioch Villas And Gardens**	30088	\$50,876	\$1,057	20
Forest Heights Apartments	30030	\$66,920	\$893	50
Magnolia Circle**	30034	\$50,115	\$945	45
Retreat At Madison Place**	30032	\$35,096	\$809	28
Avery Glen Apartments	30030	\$66,920	\$893	75
Clairmont Crest	30033	\$59,486	\$1,017	55
Clarion Apartments	30030	\$66,920	\$893	43
Decatur Crossing	30030	\$66,920	\$893	39
Park Summit	30033	\$59,486	\$1,017	68
Parkway Grand Apartments	30030	\$66,920	\$893	77

Source: City-data.com, 4/2015

\*Based on address, no zip code

\*\*Located outside PMA

As indicated above, with the exception of the two comparable located in zip code 30088 and the comparable located in zip code 30034, which offer inferior median household incomes, the Subject's location offers similar median household incomes relative to the comparables. The comparables located in zip codes 30088 and 30033 offer locations with higher median gross rents, while the remaining comparables offer locations with generally similar median gross rents relative to the Subject. With the exception of Avery Glen Apartments, Park Summit, and Parkway Grand Apartments, all of the comparables offer inferior Walkscore relative to the Subject. Given this data along with our inspection of the Subject and comparable sites, we believe the Subject offers a slightly superior to superior location relative to all of the comparables, primarily due to the fact that the Subject is located adjacent to a MARTA station.

**Age, Condition, and Design**

The Subject will be newly constructed and will therefore be in excellent condition. The LIHTC comparables were constructed or renovated between 2003 and 2014 and all exhibit average to good condition. The market rate comparables were constructed or renovated between 1990 and 2014 and exhibit average to good condition. In terms of condition, the Subject will be slightly superior to Antioch Villas and Gardens and Retreat at Madison Station and superior to the remaining comparables.

The Subject will offer a five-story midrise elevator-serviced design. The majority of the senior comparables also offer midrise elevator-serviced designs, while the general population comparables generally offer garden-style designs, which is considered inferior to the Subject's design given the senior tenancy. Overall, it appears that midrise elevator-serviced senior units are well accepted in the local market. Therefore, we expect the Subject's design to be well received in the local market.

**Amenities**

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

# Columbia Avondale Senior, Decatur, GA; Appraisal

## UNIT MATRIX REPORT

	Columbia Avondale Senior	Antioch Manor Estates	Antioch Villas And Gardens	Forest Heights Apartments	Magnolia Circle	Retreat At Madison Place	Avery Glen Apartments	Clairmont Crest	Clarion Apartments	Decatur Crossing	Park Summit	Parkway Grand Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11
<b>Property Information</b>												
Property Type	Midrise (age-restricted) (5 stories)	Lowrise (age-restricted) (3 stories)	Various (age-restricted) (3 stories)	Garden (age-restricted) (2 stories)	Garden (age-restricted) (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)	Midrise (age-restricted) (5 stories)	Garden (4 stories)	Various (3 stories)	Garden (3 stories)	Garden (4 stories)
Year Built / Renovated	2017 / n/a	2005 / n/a	2012 / n/a	2014 / n/a	2003 / n/a	2007 / n/a	1993 / n/a	1985 / 2014	1990 / n/a	2000 / n/a	1991 / On-going	2001 / n/a
Market (Conv./Subsidy Type)	LIHTC/HOME/PBRA/Market	LIHTC/Market	LIHTC/Market/PBRA	LIHTC/PBRA/Market	LIHTC/Market	LIHTC	Market	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>												
Cooking	no	yes	yes	no	no	no	no	no	no	no	no	no
Water Heat	no	yes	yes	no	no	no	no	no	no	no	no	no
Heat	no	yes	yes	no	no	no	no	no	no	no	no	no
Other Electric	no	yes	yes	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	no	yes	yes	yes	yes	no	no	no	no
Sewer	no	yes	yes	no	yes	yes	yes	yes	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	no
<b>In-Unit Amenities</b>												
Balcony/Patio	yes	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	no	no	yes	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	no	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	no	yes	no	no	yes	yes	yes	no
Fireplace	no	no	no	no	no	no	no	no	yes	yes	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	yes	yes	yes	yes	no	yes	no	no	no	no
Microwave	yes	yes	yes	no	no	no	yes	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	yes	yes	yes	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	yes	yes	no	no	no	no	no	no	yes	yes
Walk-In Closet	no	yes	yes	yes	no	no	no	yes	yes	yes	yes	yes
Wall A/C	no	no	no	no	no	no	no	yes	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>												
Business Center/Computer Lab	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	yes
Car Wash	no	no	no	no	no	no	no	no	yes	yes	yes	yes
Carport	no	no	no	no	no	no	no	no	no	yes	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Concierge	no	yes	yes	no	no	no	no	no	no	no	no	no
Courtyard	yes	yes	yes	yes	no	no	no	no	no	no	no	no
Elevators	yes	yes	yes	yes	no	yes	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes
Garage	yes	no	no	no	no	no	no	yes	yes	yes	yes	yes
Jacuzzi	no	no	no	no	no	no	no	no	yes	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Neighborhood Network	no	no	yes	no	no	no	no	no	no	no	no	no
Non-shelter Services	no	yes	no	no	no	no	no	no	yes	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	yes	no	yes	yes	yes	no	yes
Playground	no	no	no	no	no	no	no	no	yes	no	no	yes
Recreation Areas	no	no	yes	no	no	no	no	no	no	no	no	no
Service Coordination	yes	yes	yes	yes	no	no	no	no	no	no	no	no
Sport Court	no	no	no	no	no	no	no	no	yes	no	no	no
Swimming Pool	no	no	no	no	no	no	yes	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	yes	no	yes	yes
Theatre	yes	no	yes	no	no	yes	no	no	no	no	no	no
Carport Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$30.00	N/A	N/A
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$25.00	\$50.00	\$125.00	\$125.00	\$75.00
<b>Services</b>												
Adult Education	yes	no	no	no	no	yes	no	no	no	no	no	no
Computer Tutoring	no	yes	no	no	no	no	no	no	no	no	no	no
Shuttle Service	no	yes	yes	no	no	yes	no	yes	no	no	no	no
<b>Security</b>												
In-Unit Alarm	no	yes	no	yes	no	no	yes	no	yes	yes	yes	no
Limited Access	yes	yes	yes	yes	no	yes	no	yes	no	no	yes	yes
Patrol	yes	no	no	yes	yes	no	no	yes	yes	yes	yes	yes
Perimeter Fencing	no	yes	yes	yes	yes	yes	no	no	no	yes	yes	no
Video Surveillance	yes	yes	yes	yes	no	no	no	no	no	yes	no	no
<b>Premium Amenities</b>												
Hairdresser / Barber	no	yes	no	no	no	no	no	yes	no	no	no	no
Medical Professional	no	yes	no	no	no	no	no	yes	no	no	no	no
<b>Other Amenities</b>												
Other	n/a	n/a	Library, offices for home health agencies	n/a	Social Director, Arts & Crafts Room	Walking trails, game room, health seminars	n/a	n/a	Indoor racquetball court	Cyber cafe	n/a	n/a

**Unit Amenities**

The Subject will offer patio/balcony, blinds, carpeting, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, hand rails, microwaves, ovens, pull cords, refrigerators, and washer dryer hook-ups. The majority of the comparables do not offer microwaves and pull cords, and several do not offer ceiling fans, and hand rails, all of which will be offered at the Subject. However, several of the comparables offer exterior storage, fireplaces, and walk-in closets, none of which will be offered at the Subject. Overall, the Subject will be competitive in terms of in-unit amenities when compared to the comparable properties.

**Common Area Amenities**

The Subject will offer a business center/computer lab, a clubhouse/community room, a courtyard, elevators, exercise facility, central laundry, on-site management, a picnic area, a theatre/media room, limited access, courtesy patrol, video surveillance, and service coordination. Several of the comparable properties do not offer several of these amenities. However, several of the comparables offer a car wash and swimming pool, neither of which will be offered at the Subject. Overall, the Subject will be competitive in terms of community amenities when compared to the comparable properties.

**Utility Structure**

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

**Parking**

The Subject will offer a parking garage that will be shared with the MARTA station and will be free to tenants of the Subject. All of the comparables offer free surface parking, similar to the Subject, and five of the market rate comparables offer garage parking for additional monthly fees ranging from \$25 to \$125. The Subject will be superior to all of the comparables in terms of parking.

**MARKET CHARACTERISTICS**

Following are relevant market characteristics for the comparable properties surveyed.

**Vacancy Levels**

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

<b>OVERALL VACANCY</b>				
<b>Property Name</b>	<b>Rent Structure</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Antioch Manor Estates*	Senior LIHTC/Market	120	0	0.0%
Antioch Villas And Gardens*	Senior LIHTC/Market/PBRA	106	0	0.0%
Forest Heights Apartments**	Senior LIHTC/Market/PBRA	80	21	26.2%
Magnolia Circle*	Senior LIHTC/Market	84	0	0.0%
Retreat At Madison Place*	Senior LIHTC	160	1	0.6%
Avery Glen Apartments	Market	118	0	0.0%
Clairmont Crest	Senior Market	200	0	0.0%
Clarion Apartments	Market	217	5	2.3%
Decatur Crossing	Market	180	5	2.8%
Park Summit	Market	148	4	2.7%
Parkway Grand Apartments	Market	313	8	2.6%
<b>Total</b>		<b>1,726</b>	<b>44</b>	<b>2.5%</b>
<b>Total Excluding Property in Lease-Up</b>		<b>1,646</b>	<b>23</b>	<b>1.4%</b>

\*Located outside PMA

\*\*In Lease-up

It should be noted that Forest Heights Apartments was renovated in 2014 and the property is currently in lease-up. The property manager reported that they have an extensive waiting list that is being used to fill the vacant units. As illustrated, vacancy rates in the market range from zero to 2.8 percent, averaging 1.4 percent when excluding the comparable in lease-up.

The affordable senior comparables reported vacancy rates ranging from zero to 0.6 percent with only one vacant unit among them and an overall vacancy rate of 0.2 percent, when excluding Forest Heights Apartments. These rates indicate strong demand for affordable senior housing. Additionally, several of the senior affordable properties and some of the market rate properties maintain waiting lists and all of the senior affordable comparables' property managers indicated strong demand for affordable senior housing in the market.

The market rate vacancy rate ranges from zero to 2.8 percent, averaging 1.9 percent, which is considered low. The one senior market rate comparable reported a vacancy rate of zero. The majority of the market rate properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

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

**Concessions**

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

**Absorption**

We were able to obtain absorption information from four comparable senior properties, all of which are located outside of the PMA. However, due to development timing, the majority of this data is relatively dated as all but one of the comparables below were completed prior to 2008.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Antioch Villas and Gardens*	LIHTC/Market/PBR A	Senior	2012	106	35
Retreat at Madison Place*	LIHTC	Senior	2007	160	14
Antioch Manor Estates*	LIHTC/Market	Senior	2005	120	24
Magnolia Circle*	LIHTC/Market	Senior	2003	84	14
<b>Average</b>				<b>118</b>	<b>22</b>

\*Located outside PMA

We have calculated the absorption to 96 percent occupancy. Antioch Villas and Gardens was the most recent senior affordable property, though it is located outside of the PMA in an inferior location. The absorption rates reported by the comparables range from 14 to 35 units per month with an average of 22 units per month. The Subject’s location is superior to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in Decatur, we anticipate that the Subject will absorb 25 units per month, for an absorption period of three to four months.

**Waiting Lists**

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

WAITING LISTS		
Property Name	Rent Structure	Waiting Lists
Antioch Manor Estates*	Senior LIHTC/Market	3 years
Antioch Villas And Gardens*	Senior LIHTC/Market/PBRA	3-5 years
Forest Heights Apartments	Senior LIHTC/Market/PBRA	Yes
Magnolia Circle*	Senior LIHTC/Market	100 HH
Retreat At Madison Place*	Senior LIHTC	None
Avery Glen Apartments	Market	1BR - 2HH; 2BR - 10HH
Clairmont Crest	Senior Market	8 mo. - 1 year
Clarion Apartments	Market	None
Decatur Crossing	Market	None
Park Summit	Market	3-4 HH
Parkway Grand Apartments	Market	None

\*Located outside PMA

Seven of the 11 surveyed properties maintain waiting lists, including three of the market rate comparables and four of the affordable comparables. This is a positive indication of the strength of the market in the local area. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

### Reasonability of Rents

The following table compares the Subject's proposed LIHTC rents with those at the comparables. It should be noted that the rents in the following table have been adjusted for differences in utilities using GA DCA's 2015 utility allowances.

<b>LIHTC RENT COMPARISON - @50%</b>		
<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>
Columbia Avondale Senior (Subject)	\$517	\$615
<b>2015 HOME Maximum (Net)</b>	<b>\$517</b>	<b>\$615</b>
<b>2015 LIHTC Maximum (Net)</b>	<b>\$507</b>	<b>\$602</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$570</b>	<b>\$680</b>
Antioch Manor Estates	\$566	\$663
Antioch Villas And Gardens	\$566	\$639
Forest Heights Apartments	\$628	\$677
Magnolia Circle	\$504	\$598
<b>Average (excluding Subject)</b>	<b>\$566</b>	<b>\$644</b>
<b>Achievable Rents</b>	<b>\$517</b>	<b>\$615</b>

<b>LIHTC RENT COMPARISON - @60%</b>		
<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>
Columbia Avondale Senior (Subject)	\$645	\$764
<b>2015 LIHTC Maximum (Net)</b>	<b>\$645</b>	<b>\$769</b>
<b>2015 HOME Maximum (Net)</b>	<b>\$645</b>	<b>\$764</b>
<b>Hold Harmless LIHTC Maximum (Net)</b>	<b>\$707</b>	<b>\$832</b>
Antioch Manor Estates	\$635	\$750
		\$740
Antioch Villas And Gardens	\$677	\$802
Forest Heights Apartments	\$636	\$779
	\$628	
Magnolia Circle	\$550	\$651
Retreat At Madison Place	\$704	\$750
<b>Average (excluding Subject)</b>	<b>\$638</b>	<b>\$745</b>
<b>Achievable Rents</b>	<b>\$645</b>	<b>\$764</b>

The Subject's proposed 50 and 60 percent AMI LIHTC/HOME rents are set at maximum allowable levels.

Since some of the comparable properties were built prior to 2010, they have been "held harmless" to the recent decrease in AMI and have a higher maximum allowable gross rent level than the Subject, which will be completed in 2017. When rents are "held harmless" a property owner is not required to decrease rents in light of a decrease in the AMI. Instead, the property may continue operating with rent restrictions based upon the higher AMI level prior to the decrease. Note that the 2015 AMI in DeKalb County increased 6.1 percent, but remains below the 2010 AMI level. 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 2015; therefore, we have utilized the 2015 maximum income and rent limits.

With the exception of Magnolia Circle, all of the comparable properties reported achieving maximum allowable rents. The property manager at Magnolia Circle reported that the LIHTC rents have not increased since 2010 to provide an additional level of affordability to the tenants. Retreat at Madison Place and Antioch Villas and Gardens are considered the most comparable affordable properties. The Subject will be age-restricted, similar to both of these comparables and will offer a superior location relative to both of these comparables. The Subject will offer a slightly superior in-unit amenities package relative to both of these comparables. Antioch Villas and Gardens offers a similar property amenities package, slightly inferior unit sizes, and slightly inferior condition as this comparable was constructed in 2012. Retreat at Madison Place offers a slightly inferior property amenities package, similar unit sizes, and slightly inferior condition as this comparable was constructed in 2007. Additionally, the Subject will offer an elevator-serviced midrise design, which is generally similar to the design of these comparables. Overall, the Subject will be slightly superior in comparison to both comparables based largely on the anticipated slightly superior condition of the proposed Subject upon completion.

The comparable senior affordable properties that are stabilized are exhibiting a weighted average vacancy rate of 0.2 percent with only one vacant unit, which is considered excellent. Further, the majority of the affordable senior comparables and some market rate comparables maintain waiting lists. We believe the low vacancy rate and existence of waiting lists at the comparable properties demonstrates demand for affordable senior housing in the market. We believe the Subject is feasible as proposed, particularly with its project-based rental assistance on a portion of the units, which is in high demand among senior households in the PMA, and its location adjacent to a MARTA station. Therefore, we believe the Subject could achieve maximum allowable 50 and 60 percent AMI rents.

**Achievable Market Rents**

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

SUBJECT COMPARISON TO MARKET RENTS						
Unit Type	Subject	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1BR/1BA Low Home @50%	\$517	\$659	\$1,496	\$956	\$1,050	50.8%
2BR/1BA Low Home @50%	\$615	\$733	\$1,702	\$1,094	\$1,255	51.0%
1BR/1BA @60%	\$645	\$659	\$1,496	\$956	\$1,050	38.6%
2BR/1BA @60%	\$764	\$733	\$1,702	\$1,094	\$1,255	39.1%
1BR/1BA @60%/PBRA	\$645	\$659	\$1,496	\$956	\$1,050	38.6%
2BR/1BA @60%/PBRA	\$769	\$733	\$1,702	\$1,094	\$1,255	38.7%
1BR/1BA (Market Rate)	\$1,001	\$659	\$1,496	\$956	\$1,050	4.7%
2BR/1BA (Market Rate)	\$1,251	\$733	\$1,702	\$1,094	\$1,255	0.3%

As illustrated in the previous table, the Subject’s proposed low HOME rents are below the comparable range, the 60 percent AMI rents are within or slightly below the range of the unrestricted units at the comparables, and the proposed unrestricted rents are within the range of the unrestricted rents at the comparables. The Subject will be slightly superior to superior to the comparable market rate properties in terms of location. The comparables with unrestricted units were constructed or renovated between 1990 and 2014 and exhibit average to good condition. In terms of condition, the Subject will be superior to all of the market rate comparables. The Subject’s proposed one and two-bedroom unit sizes are within the range of market rate comparables. The Subject will offer patio/balcony, blinds, carpeting, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, hand rails, microwaves, ovens, pull cords, refrigerators, and washer dryer hook-ups within the units. The Subject will also offer a business center/computer lab, a clubhouse/community room, a courtyard, elevators, exercise facility, central laundry, on-site management, a picnic area, a theatre/media room, limited access, courtesy patrol, video surveillance, and service coordination as community amenities. Several of the market rate comparables do not offer these in-unit and community amenities. Overall, the Subject will be similar to slightly superior to the market rate properties used in our analysis. Therefore, we believe achievable market rents near the top of the range of surveyed properties are reasonable and achievable. We have set the Subject’s achievable market rents at **\$1,050 and \$1,255** for the one and two-bedroom units, respectively.

**Indications of Demand**

Based upon our market research, demographic calculations and analysis, we believe there is demand for the Subject property as conceived. Strengths of the Subject will include its new construction, in-unit amenities, community amenities, location adjacent to a MARTA station, and subsidy on some units. We are not aware of any weaknesses of the Subject development. The affordable senior comparables reported vacancy rates ranging from zero to 0.6 percent with only one vacant unit among them and an overall vacancy rate of 0.2 percent, when excluding the comparable in lease-up. In addition to strong occupancy levels at all of the stabilized comparables, seven of the 11 surveyed properties maintain waiting lists. There is adequate demand for the Subject based on our calculations. We also believe the proposed rents offer

value in the market.

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

### **1. INCOME RESTRICTIONS**

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

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

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

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

### **2. AFFORDABILITY**

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

### **3. DEMAND**

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

#### **3A. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized August 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to August 2017 by interpolation of the difference between 2015 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 August 2017. This number takes the overall growth from 2015 to August 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 2014 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, 2014, and 2015.
- Vacancies in projects placed in service prior to 2015 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. There have been five properties funded, placed in service, or under construction within the PMA since 2012.

Retreat at Mills Creek was allocated tax credits in 2014 for the new construction of an 80-unit senior LIHTC/PBRA development to be located at 3218 Tobie Circle in Scottdale, approximately 1.9 miles northeast of the Subject site, within the PMA. The project will involve the new construction of a four-story midrise elevator-serviced building and 16 of the 80 units will benefit from rental assistance through the Housing Authority of DeKalb County. The property will offer 12 one-bedroom and four two-bedroom units at the 50 percent AMI level with project-based rental assistance, and 48 one-bedroom and 16 two-bedroom units at the 60 percent AMI level without any form of rental assistance. A prior phase to this development known throughout the application process at Tobie Grant Senior was awarded LIHTC funds in 2013 and will be discussed below. All 80 of the units at this development will compete with the Subject directly. This project is expected to be completed by December 31, 2016.

Trinity Walk Phase I was awarded LIHTC funds in 2014 for the redevelopment of an existing Section 8 development. The existing structures will be demolished and re-built and will consist of seven three-story garden-style buildings containing 69 units, all of which will be restricted at the 60 percent AMI level. Of the 69 units proposed, 20 one-bedroom units will target seniors and 49 will target the general population. This development will be located at 421 West Trinity Place in Decatur, approximately 1.1 miles west of the Subject and within the PMA. This development is expected to be completed by July 2016 and the 20 senior units will compete with the Subject directly.

Tobie Grant Senior was granted LIHTC funds in 2013 for the RAD redevelopment of an existing Public Housing development known as Tobie Grant Manor. This development is located along the north side of Tobie Circle between its intersections with Gifford Drive and Parkside Drive in Scottdale, approximately 1.9 miles northeast of the Subject site and within the PMA. Upon completion, this development will offer 99 one and two-bedroom LIHTC/RAD/PBRA units in addition to one non-revenue generating manager's unit. All units will be LIHTC restricted at the 60 percent AMI level; however, tenants will pay just 30 percent of their income towards rents due to the subsidies in place. This development is currently under construction, is expected to be completed by August 2015, and will compete with the Subject directly.

Forest Heights Apartments was granted LIHTC funds in 2012 for the redevelopment of an existing LIHTC property that had been vacant for over one year. This project consists of the demolition of the existing buildings and the new construction of an 80-unit senior multifamily development. This property offers one and two-bedroom units. Most units (71 units) will be restricted to seniors earning 50 and 60 percent of the AMI or less, with nine of the units operating as unrestricted market rate units. Of the 71 affordable units, 48 will operate with PBRA and six will operate with a Public Housing subsidy. This development will be located at 1048 South Columbia Drive in Decatur, approximately 1.3 miles southeast of the Subject site

and will compete with the Subject directly. This development has been utilized as a comparable in this report.

Allen Wilson Phase III, the final phase of the RAD redevelopment of an existing Public Housing development, was allocated LIHTC funds in 2012. This phase offers 71 one, two, and three-bedroom LIHTC/Section 8 units restricted at the 50 and 60 percent AMI levels and targets the general population. This development has been completed and is 100 percent occupied. Because this development targets the general population, it will not be competitive with the Subject. Further, it has not been utilized as a comparable as all units benefit from project-based subsidy and tenants pay 30 percent of their income towards rent. It should be noted that Phase I of this development was granted funds in 2009 and Phase II was granted funds in 2010, and both have been completed. Combined, all three phases will offer 191 units and they will not compete with the Subject due to the differing tenancy.

**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. Only projects that target seniors within the PMA have been considered.

PMA OCCUPANCY						
Property Name	Occupancy	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject
Clairmont Crest	100.0%	Market	Seniors	Included	N/A	2.9 miles
Columbia Senior Residences at Edgewood	100.0%	LIHTC/PBRA	Seniors	Excluded	Subsidized Rents	3.9 miles
Clairmont Oaks	100.0%	Section 8	Seniors	Excluded	Subsidized Rents	1.0 mile
Decatur Christian Towers	100.0%	Section 8	Seniors	Excluded	Subsidized Rents	1.1 miles
Park Trace Apartments	100.0%	Section 8	Seniors	Excluded	Subsidized Rents	1.2 miles
<b>Average</b>	<b>100.0%</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 to Projected Market Entry August 2017					
Columbia Avondale Senior					
PMA					
	2015		Projected Mkt Entry August 2017		Percent Growth
	#	%	#	%	
\$0-9,999	948	28.8%	1,093	30.4%	13.3%
\$10,000-19,999	841	25.6%	933	26.0%	9.8%
\$20,000-29,999	493	15.0%	529	14.7%	6.6%
\$30,000-39,999	221	6.7%	244	6.8%	9.6%
\$40,000-49,999	173	5.3%	178	5.0%	3.2%
\$50,000-59,999	115	3.5%	124	3.5%	7.0%
\$60,000-74,999	142	4.3%	137	3.8%	-3.6%
\$75,000-99,999	118	3.6%	114	3.2%	-4.3%
\$100,000-124,999	74	2.2%	75	2.1%	1.2%
\$125,000-149,999	41	1.3%	44	1.2%	6.1%
\$150,000-199,999	79	2.4%	74	2.1%	-7.2%
\$200,000+	42	1.3%	46	1.3%	7.1%
Total	3,289	100.0%	3,591	100.0%	8.4%

Renter Household Income Distribution Projected Market Entry August 2017			
Columbia Avondale Senior			
	PMA		
	Projected Mkt Entry August 2017		Change 2015 to Prj Mrkt Entry August 2017
	#	%	#
\$0-9,999	1,093	30.4%	92
\$10,000-19,999	933	26.0%	78
\$20,000-29,999	529	14.7%	44
\$30,000-39,999	244	6.8%	21
\$40,000-49,999	178	5.0%	15
\$50,000-59,999	124	3.5%	10
\$60,000-74,999	137	3.8%	12
\$75,000-99,999	114	3.2%	10
\$100,000-124,999	75	2.1%	6
\$125,000-149,999	44	1.2%	4
\$150,000-199,999	74	2.1%	6
\$200,000+	46	1.3%	4
Total	3,591	100.0%	302

Tenure Prj Mrkt Entry August 2017	
Renter	65.3%
Owner	34.7%
Total	100.0%

Renter Household Size for Prj Mrkt Entry August 2017		
Size	Number	Percentage
1 Person	2,652	73.9%
2 Person	469	13.1%
3 Person	180	5.0%
4 Person	185	5.2%
5+ Person	104	2.9%
Total	3,591	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	9,908	45.4%
2 Person	6,571	30.1%
3 Person	2,521	11.6%
4 Person	1,366	6.3%
5+ Person	1,435	6.6%
Total	21,802	100.0%

**Low HOME (50% AMI)**

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

Percent of AMI Level			Low HOME (50% AMI)		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$34,100                      4		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	91.82			
\$10,000-19,999	78.36	26.0%	\$799	8.0%	6
\$20,000-29,999	44.40	14.7%	\$9,999	100.0%	44
\$30,000-39,999	20.51	6.8%	\$4,100	41.0%	8
\$40,000-49,999	14.99	5.0%		0.0%	0
\$50,000-59,999	10.41	3.5%		0.0%	0
\$60,000-74,999	11.55	3.8%		0.0%	0
\$75,000-99,999	9.54	3.2%		0.0%	0
\$100,000-124,999	6.28	2.1%		0.0%	0
\$125,000-149,999	3.70	1.2%		0.0%	0
\$150,000-199,999	6.22	2.1%		0.0%	0
\$200,000+	3.83	1.3%		0.0%	0
	302	100.0%			59
Percent of renter households within limits versus total number of renter households					19.59%

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

Percent of AMI Level			Low HOME (50% AMI)		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$34,100                      4		
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,093			
\$10,000-19,999	933	26.0%	\$799	8.0%	75
\$20,000-29,999	529	14.7%	\$9,999	100.0%	529
\$30,000-39,999	244	6.8%	\$4,100	41.0%	100
\$40,000-49,999	178	5.0%		0.0%	0
\$50,000-59,999	124	3.5%		0.0%	0
\$60,000-74,999	137	3.8%		0.0%	0
\$75,000-99,999	114	3.2%		0.0%	0
\$100,000-124,999	75	2.1%		0.0%	0
\$125,000-149,999	44	1.2%		0.0%	0
\$150,000-199,999	74	2.1%		0.0%	0
\$200,000+	46	1.3%		0.0%	0
	3,591	100.0%			703
Percent of renter households within limits versus total number of renter households					19.59%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$42,706		
2015 Median Income	\$58,809		
Change from 2015 to Prj Mrkt Entry August 2017	\$16,103		
Total Percent Change	37.7%		
Average Annual Change	2.7%		
Inflation Rate	2.7%	Two year adjustment	1.0000
Maximum Allowable Income	\$34,100		
Maximum Allowable Income Inflation Adjusted	\$34,100		
Maximum Number of Occupants	4		
Rent Income Categories	Low HOME (50% AMD)		
Initial Gross Rent for Smallest Unit	\$640		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$640		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry August 2017

Income Target Population	Low HOME (50% AMI)	
New Renter Households PMA	302	
Percent Income Qualified	19.6%	
New Renter Income Qualified Households	59	

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	Low HOME (50% AMI)	
Total Existing Demand	3,591	
Income Qualified	19.6%	
Income Qualified Renter Households	703	
Percent Rent Overburdened Prj Mrkt Entry August 2017	31.9%	
Rent Overburdened Households	225	

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	703	
Percent Living in Substandard Housing	0.5%	
Households Living in Substandard Housing	3	

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

Senior Households Converting from Homeownership

Income Target Population	Low HOME (50% AMI)	
Total Senior Homeowners	3,591	
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership	5	

Total Demand

Total Demand from Existing Households		233
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		233
Total New Demand		59
Total Demand (New Plus Existing Households)		292

Demand from Seniors Who Convert from Homeownership		5
Percent of Total Demand From Homeownership Conversion		1.7%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	73.9%	216
Two Persons	13.1%	38
Three Persons	5.0%	15
Four Persons	5.2%	15
Five Persons	2.9%	8
Total	100.0%	292

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	194
Of two-person households in 1BR units	20%	8
Of one-person households in 2BR units	10%	22
Of two-person households in 2BR units	80%	31
Of three-person households in 2BR units	60%	9
Of three-person households in 3BR units	40%	6
Of four-person households in 3BR units	80%	12
Of five-person households in 3BR units	70%	6
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	3
<b>Total Demand</b>		<b>292</b>

<b>Total Demand by Bedroom</b>	<b>Low HOME (50% AMI)</b>
1 BR	202
2 BR	52
<b>Total Demand</b>	<b>254</b>

<b>Additions To Supply 2015 to Prj Mrkt Entry August 2017</b>	<b>Low HOME (50% AMI)</b>
1 BR	0
2 BR	0
<b>Total</b>	<b>0</b>

<b>Net Demand</b>	<b>Low HOME (50% AMI)</b>
1 BR	202
2 BR	52
<b>Total</b>	<b>254</b>

<b>Net Demand</b>	<b>Low HOME (50% AMI)</b>
1 BR	202
2 BR	52
<b>Total</b>	<b>254</b>

<b>Developer's Unit Mix</b>	<b>Low HOME (50% AMI)</b>
1 BR	2
2 BR	1
<b>Total</b>	<b>3</b>

<b>Capture Rate Analysis</b>	<b>Low HOME (50% AMI)</b>
1 BR	1.0%
2 BR	1.9%
<b>Total</b>	<b>1.2%</b>

**High HOME/LIHTC (60% AMI)**

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

Percent of AMI Level		60% AMI			
Minimum Income Limit		\$23,040			
Maximum Income Limit		\$40,920                      4			
Income Category	New Renter Households - Total Change in Households PMA 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	91.82			
\$10,000-19,999	78.36	26.0%		0.0%	0
\$20,000-29,999	44.40	14.7%	\$6,959	69.6%	31
\$30,000-39,999	20.51	6.8%	\$9,999	100.0%	21
\$40,000-49,999	14.99	5.0%	\$920	9.2%	1
\$50,000-59,999	10.41	3.5%		0.0%	0
\$60,000-74,999	11.55	3.8%		0.0%	0
\$75,000-99,999	9.54	3.2%		0.0%	0
\$100,000-124,999	6.28	2.1%		0.0%	0
\$125,000-149,999	3.70	1.2%		0.0%	0
\$150,000-199,999	6.22	2.1%		0.0%	0
\$200,000+	3.83	1.3%		0.0%	0
	302	100.0%			53
Percent of renter households within limits versus total number of renter households					17.50%

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

Percent of AMI Level		60% AMI			
Minimum Income Limit		\$23,040			
Maximum Income Limit		\$40,920                      4			
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,093			
\$10,000-19,999	933	26.0%		0.0%	0
\$20,000-29,999	529	14.7%	\$6,959	69.6%	368
\$30,000-39,999	244	6.8%	\$9,999	100.0%	244
\$40,000-49,999	178	5.0%	\$920	9.2%	16
\$50,000-59,999	124	3.5%		0.0%	0
\$60,000-74,999	137	3.8%		0.0%	0
\$75,000-99,999	114	3.2%		0.0%	0
\$100,000-124,999	75	2.1%		0.0%	0
\$125,000-149,999	44	1.2%		0.0%	0
\$150,000-199,999	74	2.1%		0.0%	0
\$200,000+	46	1.3%		0.0%	0
	3,591	100.0%			628
Percent of renter households within limits versus total number of renter households					17.50%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$42,706		
2015 Median Income	\$58,809		
Change from 2015 to Prj Mrkt Entry August 2017	\$16,103		
Total Percent Change	37.7%		
Average Annual Change	2.7%		
Inflation Rate	2.7%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,920		
Maximum Allowable Income Inflation Adjusted	\$40,920		
Maximum Number of Occupants	4		
Rent Income Categories	60% AMI		
Initial Gross Rent for Smallest Unit	\$768		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$768		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry August 2017

Income Target Population	60% AMI
New Renter Households PMA	302
Percent Income Qualified	17.5%
New Renter Income Qualified Households	53

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	60% AMI
Total Existing Demand	3,591
Income Qualified	17.5%
Income Qualified Renter Households	628
Percent Rent Overburdened Prj Mrkt Entry August 2017	31.9%
Rent Overburdened Households	201

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	628
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

Income Target Population	60% AMI
Total Senior Homeowners	3,591
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	5

Total Demand

Total Demand from Existing Households		209
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		209
Total New Demand		53
Total Demand (New Plus Existing Households)		261

Demand from Seniors Who Convert from Homeownership	5
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	73.9%	193
Two Persons	13.1%	34
Three Persons	5.0%	13
Four Persons	5.2%	13
Five Persons	2.9%	8
Total	100.0%	261

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	173
Of two-person households in 1BR units	20%	7
Of one-person households in 2BR units	10%	19
Of two-person households in 2BR units	80%	27
Of three-person households in 2BR units	60%	8
Of three-person households in 3BR units	40%	5
Of four-person households in 3BR units	80%	11
Of five-person households in 3BR units	70%	5
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	2
Total Demand		261

Total Demand by Bedroom	60% AMI
1 BR	180
2 BR	47
Total Demand	227

Additions To Supply 2015 to Prj Mrkt Entry August 2017	60% AMI
1 BR	68
2 BR	16
Total	84

Net Demand	60% AMI
1 BR	112
2 BR	31
Total	143

Net Demand	60% AMI
1 BR	112
2 BR	31
Total	143

Developer's Unit Mix	60% AMI
1 BR	58
2 BR	10
Total	68

Capture Rate Analysis	60% AMI
1 BR	51.6%
2 BR	32.7%
Total	47.6%

**60% AMI/PBRA**

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

Percent of AMI Level Minimum Income Limit Maximum Income Limit			60% AMI/PBRA		
			\$0		
			\$40,920	4	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	91.82	30.4%	\$9,999	100.0%	92
\$10,000-19,999	78.36	26.0%	\$9,999	100.0%	78
\$20,000-29,999	44.40	14.7%	\$9,999	100.0%	44
\$30,000-39,999	20.51	6.8%	\$9,999	100.0%	21
\$40,000-49,999	14.99	5.0%	\$920	9.2%	1
\$50,000-59,999	10.41	3.5%		0.0%	0
\$60,000-74,999	11.55	3.8%		0.0%	0
\$75,000-99,999	9.54	3.2%		0.0%	0
\$100,000-124,999	6.28	2.1%		0.0%	0
\$125,000-149,999	3.70	1.2%		0.0%	0
\$150,000-199,999	6.22	2.1%		0.0%	0
\$200,000+	3.83	1.3%		0.0%	0
	302	100.0%			236
Percent of renter households within limits versus total number of renter households					78.40%

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

Percent of AMI Level Minimum Income Limit Maximum Income Limit			60% AMI/PBRA		
			\$0		
			\$40,920	4	
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,093	30.4%	\$9,999	100.0%	1,093
\$10,000-19,999	933	26.0%	\$9,999	100.0%	933
\$20,000-29,999	529	14.7%	\$9,999	100.0%	529
\$30,000-39,999	244	6.8%	\$9,999	100.0%	244
\$40,000-49,999	178	5.0%	\$920	9.2%	16
\$50,000-59,999	124	3.5%		0.0%	0
\$60,000-74,999	137	3.8%		0.0%	0
\$75,000-99,999	114	3.2%		0.0%	0
\$100,000-124,999	75	2.1%		0.0%	0
\$125,000-149,999	44	1.2%		0.0%	0
\$150,000-199,999	74	2.1%		0.0%	0
\$200,000+	46	1.3%		0.0%	0
	3,591	100.0%			2,815
Percent of renter households within limits versus total number of renter households					78.40%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$42,706		
2015 Median Income	\$58,809		
Change from 2015 to Prj Mrkt Entry August 2017	\$16,103		
Total Percent Change	37.7%		
Average Annual Change	2.7%		
Inflation Rate	2.7%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,920		
Maximum Allowable Income Inflation Adjusted	\$40,920		
Maximum Number of Occupants	4		
Rent Income Categories	60% AMI/PBRA		
Initial Gross Rent for Smallest Unit	\$0		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$0		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry August 2017

Income Target Population		60% AMI/PBRA
New Renter Households PMA		302
Percent Income Qualified		78.4%
New Renter Income Qualified Households		236

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		60% AMI/PBRA
Total Existing Demand		3,591
Income Qualified		78.4%
Income Qualified Renter Households		2,815
Percent Rent Overburdened Prj Mrkt Entry August 2017		31.9%
Rent Overburdened Households		899

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,815
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		13

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

Senior Households Converting from Homeownership

Income Target Population		60% AMI/PBRA
Total Senior Homeowners		3,591
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		23

Total Demand

Total Demand from Existing Households		935
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		935
Total New Demand		236
Total Demand (New Plus Existing Households)		1,172

Demand from Seniors Who Convert from Homeownership		23
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	73.9%	866
Two Persons	13.1%	153
Three Persons	5.0%	59
Four Persons	5.2%	61
Five Persons	2.9%	34
Total	100.0%	1,172

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	779
Of two-person households in 1BR units	20%	31
Of one-person households in 2BR units	10%	87
Of two-person households in 2BR units	80%	123
Of three-person households in 2BR units	60%	35
Of three-person households in 3BR units	40%	23
Of four-person households in 3BR units	80%	48
Of five-person households in 3BR units	70%	24
Of four-person households in 4BR units	20%	12
Of five-person households in 4BR units	30%	10
Total Demand		1,172

Total Demand by Bedroom 60% AMI/PBRA

1 BR	810
2 BR	209
Total Demand	1,019

Additions To Supply 2015 to Prj Mrkt Entry August 2017 60% AMI/PBRA

1 BR	106
2 BR	30
Total	136

Net Demand 60% AMI/PBRA

1 BR	704
2 BR	179
Total	883

Net Demand 60% AMI/PBRA

1 BR	704
2 BR	179
Total	883

Developer's Unit Mix 60% AMI/PBRA

1 BR	12
2 BR	3
Total	15

Capture Rate Analysis 60% AMI/PBRA

1 BR	1.7%
2 BR	1.7%
Total	1.7%

**Market Rate**

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

Percent of AMI Level			Market Rate		
Minimum Income Limit			\$45,036		
Maximum Income Limit			\$125,000	4	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	91.82	30.4%		0.0%	0
\$10,000-19,999	78.36	26.0%		0.0%	0
\$20,000-29,999	44.40	14.7%		0.0%	0
\$30,000-39,999	20.51	6.8%		0.0%	0
\$40,000-49,999	14.99	5.0%	4,963	49.6%	7
\$50,000-59,999	10.41	3.5%	\$9,999	100.0%	10
\$60,000-74,999	11.55	3.8%	\$9,999	100.0%	12
\$75,000-99,999	9.54	3.2%	\$9,999	100.0%	10
\$100,000-124,999	6.28	2.1%	\$9,999	100.0%	6
\$125,000-149,999	3.70	1.2%		0.0%	0
\$150,000-199,999	6.22	2.1%		0.0%	0
\$200,000+	3.83	1.3%		0.0%	0
	302	100.0%			45
Percent of renter households within limits versus total number of renter households					14.99%

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

Percent of AMI Level			Market Rate		
Minimum Income Limit			\$45,036		
Maximum Income Limit			\$125,000	4	
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,093	30.4%		0.0%	0
\$10,000-19,999	933	26.0%		0.0%	0
\$20,000-29,999	529	14.7%		0.0%	0
\$30,000-39,999	244	6.8%		0.0%	0
\$40,000-49,999	178	5.0%	\$4,963	49.6%	89
\$50,000-59,999	124	3.5%	\$9,999	100.0%	124
\$60,000-74,999	137	3.8%	\$9,999	100.0%	137
\$75,000-99,999	114	3.2%	\$9,999	100.0%	114
\$100,000-124,999	75	2.1%	\$9,999	100.0%	75
\$125,000-149,999	44	1.2%		0.0%	0
\$150,000-199,999	74	2.1%		0.0%	0
\$200,000+	46	1.3%		0.0%	0
	3,591	100.0%			538
Percent of renter households within limits versus total number of renter households					14.99%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	40%
2000 Median Income	\$42,706
2015 Median Income	\$58,809
Change from 2015 to Prj Mrkt Entry August 2017	\$16,103
Total Percent Change	37.7%
Average Annual Change	2.7%
Inflation Rate	2.7%
Two year adjustment	1.0000
Maximum Allowable Income	\$125,000
Maximum Allowable Income Inflation Adjusted	\$125,000
Maximum Number of Occupants	4
Rent Income Categories	Market Rate
Initial Gross Rent for Smallest Unit	\$1,001
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$1,001

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry August 2017

	Market Rate
Income Target Population	
New Renter Households PMA	302
Percent Income Qualified	15.0%
New Renter Income Qualified Households	45

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	3,591
Income Qualified	15.0%
Income Qualified Renter Households	538
Percent Rent Overburdened Prj Mrkt Entry August 2017	31.9%
Rent Overburdened Households	172

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	538
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

	Market Rate
Income Target Population	
Total Senior Homeowners	3,591
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households		178
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		178
Total New Demand		45
Total Demand (New Plus Existing Households)		224

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	1.8%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	73.9%	165
Two Persons	13.1%	29
Three Persons	5.0%	11
Four Persons	5.2%	12
Five Persons	2.9%	7
Total	100.0%	224

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	149
Of two-person households in 1BR units	20%	6
Of one-person households in 2BR units	10%	17
Of two-person households in 2BR units	80%	23
Of three-person households in 2BR units	60%	7
Of three-person households in 3BR units	40%	4
Of four-person households in 3BR units	80%	9
Of five-person households in 3BR units	70%	5
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	2
Total Demand		224

Total Demand by Bedroom	Market Rate
1 BR	155
2 BR	40
Total Demand	195

Additions To Supply 2015 to Prj Mrkt Entry August 2017	Market Rate
1 BR	0
2 BR	0
Total	0

Net Demand	Market Rate
1 BR	155
2 BR	40
Total	195

Net Demand	Market Rate
1 BR	155
2 BR	40
Total	195

Developer's Unit Mix	Market Rate
1 BR	2
2 BR	4
Total	6

Capture Rate Analysis	Market Rate
1 BR	1.3%
2 BR	10.0%
Total	3.1%

**All Affordable**

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

Percent of AMI Level			All Affordable		
Minimum Income Limit			\$0		
Maximum Income Limit			\$40,920 4		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	91.82			
\$10,000-19,999	78.36	26.0%	\$9,999	100.0%	78
\$20,000-29,999	44.40	14.7%	\$9,999	100.0%	44
\$30,000-39,999	20.51	6.8%	\$9,999	100.0%	21
\$40,000-49,999	14.99	5.0%	\$920	9.2%	1
\$50,000-59,999	10.41	3.5%		0.0%	0
\$60,000-74,999	11.55	3.8%		0.0%	0
\$75,000-99,999	9.54	3.2%		0.0%	0
\$100,000-124,999	6.28	2.1%		0.0%	0
\$125,000-149,999	3.70	1.2%		0.0%	0
\$150,000-199,999	6.22	2.1%		0.0%	0
\$200,000+	3.83	1.3%		0.0%	0
	302	100.0%			236
Percent of renter households within limits versus total number of renter households					78.40%

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

Percent of AMI Level			All Affordable		
Minimum Income Limit			\$0		
Maximum Income Limit			\$40,920 4		
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,093			
\$10,000-19,999	933	26.0%	\$9,999	100.0%	933
\$20,000-29,999	529	14.7%	\$9,999	100.0%	529
\$30,000-39,999	244	6.8%	\$9,999	100.0%	244
\$40,000-49,999	178	5.0%	\$920	9.2%	16
\$50,000-59,999	124	3.5%		0.0%	0
\$60,000-74,999	137	3.8%		0.0%	0
\$75,000-99,999	114	3.2%		0.0%	0
\$100,000-124,999	75	2.1%		0.0%	0
\$125,000-149,999	44	1.2%		0.0%	0
\$150,000-199,999	74	2.1%		0.0%	0
\$200,000+	46	1.3%		0.0%	0
	3,591	100.0%			2,815
Percent of renter households within limits versus total number of renter households					78.40%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	\$0		
2000 Median Income	\$42,706		
2015 Median Income	\$58,809		
Change from 2015 to Prj Mrkt Entry August 2017	\$16,103		
Total Percent Change	37.7%		
Average Annual Change	2.7%		
Inflation Rate	2.7%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,920		
Maximum Allowable Income Inflation Adjusted	\$40,920		
Maximum Number of Occupants	0		
Rent Income Categories	All Affordable		
Initial Gross Rent for Smallest Unit	\$0		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$0		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry August 2017

Income Target Population	All Affordable
New Renter Households PMA	302
Percent Income Qualified	78.4%
New Renter Income Qualified Households	236

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	All Affordable
Total Existing Demand	3,591
Income Qualified	78.4%
Income Qualified Renter Households	2,815
Percent Rent Overburdened Prj Mrkt Entry August 2017	31.9%
Rent Overburdened Households	899

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,815
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	13

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

Senior Households Converting from Homeownership

Income Target Population	All Affordable
Total Senior Homeowners	3,591
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	23

Total Demand

Total Demand from Existing Households		935
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		935
Total New Demand		236
Total Demand (New Plus Existing Households)		1,172

Demand from Seniors Who Convert from Homeownership		23
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	73.9%	866
Two Persons	13.1%	153
Three Persons	5.0%	59
Four Persons	5.2%	61
Five Persons	2.9%	34
Total	100.0%	1,172

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	779
Of two-person households in 1BR units	20%	31
Of one-person households in 2BR units	10%	87
Of two-person households in 2BR units	80%	123
Of three-person households in 2BR units	60%	35
Of three-person households in 3BR units	40%	23
Of four-person households in 3BR units	80%	48
Of five-person households in 3BR units	70%	24
Of four-person households in 4BR units	20%	12
Of five-person households in 4BR units	30%	10
Total Demand		1,172

Total Demand by Bedroom	All Affordable
1 BR	810
2 BR	209
Total Demand	1,019

Additions To Supply 2015 to Prj Mrkt Entry August 2017	All Affordable
1 BR	68
2 BR	16
Total	84

Net Demand	All Affordable
1 BR	742
2 BR	193
Total	935

Net Demand	All Affordable
1 BR	742
2 BR	193
Total	935

Developer's Unit Mix	All Affordable
1 BR	72
2 BR	14
Total	86

Capture Rate Analysis	All Affordable
1 BR	9.7%
2 BR	7.3%
Total	9.2%

### **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 senior households in the PMA is expected to increase 4.9 percent between 2015 and 2017.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

## HIGHEST AND BEST USE

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

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

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

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

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

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

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

1. **Physically Possible:** The uses which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

## HIGHEST AND BEST USE AS VACANT

### Physically Possible

The Subject site is part of a larger parent tract that contains approximately 7.67 acres. The portion of the site that is the focus of this analysis is 0.80 acres. The Subject site has generally level topography and an irregular shape. It has good accessibility. The site is considered adequate for a variety of legally permissible uses.

### Legally Permissible

The Subject is zoned **Mixed Use** by the City of Decatur. According to the ordinance, the primary use under the mixed use designation is residential with a density of up to 70 units per acre (determined based on the size of the entire parent tract) with supporting commercial uses. The minimum unit size is 550 square feet. There are also various green space requirements and other ancillary development restrictions. Per restrictions by the city, we understand that the Subject can only be developed with the proposed density and use.

### Financially Feasible

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

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. Given the Subject's surrounding land uses, the site's physical attributes, development patterns in the area, and demand, mixed use with a focus of multifamily residential is considered the most likely use. Strong evidence of this is seen in the fact that the site is being ground-leased by a well-known regional developer for such a use, as well as the fact that new construction of market rate multifamily housing is apparent at several locations in the market area.

### Maximally Productive

Based upon our analysis, the maximally productive use of the site as if vacant would be to construct a mixed use development consistent with the zoning and regulating master site plan.

### Conclusion – Highest and Best Use “As Is”

The highest and best use for the property, as if vacant, would be to construct a mixed use development consistent with the zoning and regulating master site plan.

# **APPRAISAL METHODOLOGY**

## APPRAISAL METHODOLOGY

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

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

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

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

### **Applicability to the Subject Property**

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

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

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

**LAND VALUE**

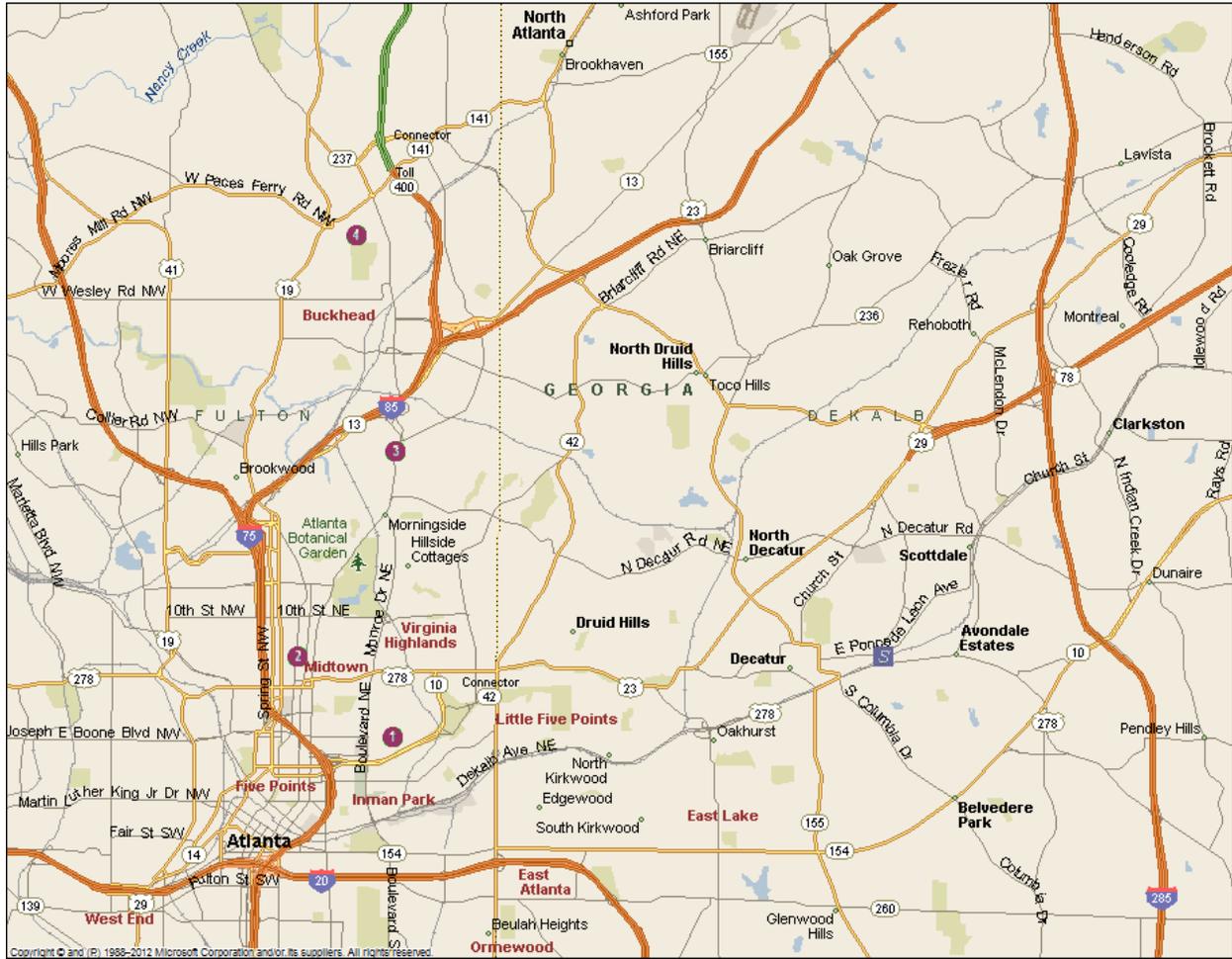
**LAND VALUATION**

According to the client, the Subject site will be leased from the current owner, MARTA. However, we have been asked to provide a value of the fee simple interest of the land. To arrive at an opinion of land value for the Subject site, we have analyzed actual sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the region was made. We were able to locate four land sales occurring between July 2013 and October 2014.

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

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

Land Sales Map



The following table summarizes the land sale transactions.

COMPARABLE LAND SALES

#	Location	City	Buyer	Seller	Sale Date	Price	Acres	Units	Price/Unit
1	608 Ralph McGill Boulevard	Atlanta, GA 30312	JLB Poncey, LLC	Inland Atlantic Fourth Ward, LLC	Oct-14	\$5,500,000	2.43	217	\$25,346
2	782 Peachtree Street NE	Atlanta, GA 30308	JLB Peachtree, LLC	N/Av	Jul-13	\$8,020,000	1.82	294	\$27,279
3	1845-1895 Piedmont Avenue	Atlanta, GA 30324	CPT Morningside Heights Associates	Morton Realty Co., SM&M Realty Corp.	Jan-14	\$12,600,000	6.07	300	\$42,000
4	475 Buckhead Avenue NE	Atlanta, GA 30305	The Hanover Company	N/Av	Nov-14	\$15,000,000	3.63	325	\$46,154

**ADJUSTMENTS**

The following table illustrates adjustments applied to the sale comparables.

<b>Comparable Land Data Adjustment Grid</b>						
	Subject	1	2	3	4	
Location	2615 East College Avenue	608 Ralph McGill Boulevard	782 Peachtree Street NE	1845-1895 Piedmont Avenue	475 Buckhead Avenue NE	
City, State	Decatur, GA 30030	Atlanta, GA 30312	Atlanta, GA 30308	Atlanta, GA 30324	Atlanta, GA 30305	
Parcel Data						
	Zoning	Mixed-Use	Multifamily	Multifamily	Multifamily	Multifamily
	Topography	Level	Similar	Similar	Similar	Similar
	Shape	Irregular	Irregular	Irregular	Rectangular	Irregular
	Corner	No	No	Yes	No	Yes
	Size (SF)	34,769	105,938	79,279	264,475	158,123
	Size (Acres)	0.80	2.43	1.82	6.07	3.63
	Units	92	217	294	300	325
	Units Per Acre	115.3	89.2	161.5	49.4	89.5
Sales Data	Date		Oct-14	Jul-13	Jan-14	Nov-14
	Interest		Fee Simple	Fee Simple	Fee Simple	Fee Simple
	Price		\$5,500,000	\$8,020,000	\$12,600,000	\$15,000,000
	Price per Unit		\$25,346	\$27,279	\$42,000	\$46,154
Adjustments	Property Rights		0	0	0	0
			5,500,000	8,020,000	12,600,000	15,000,000
	Financing		0	0	0	0
			5,500,000	8,020,000	12,600,000	15,000,000
	Conditions of Sale		0	0	0	0
			5,500,000	8,020,000	12,600,000	15,000,000
	Market Conditions		1.000	1.000	1.000	1.000
	Adjusted Sale Price		\$5,500,000	\$8,020,000	\$12,600,000	\$15,000,000
	Adjusted Price Per Unit		\$25,346	\$27,279	\$42,000	\$46,154
Adjustments	Location		20.0%	20.0%	-5.0%	-10.0%
	Zoning / Density		0.0%	0.0%	0.0%	0.0%
	Site Restrictions		0.0%	0.0%	0.0%	0.0%
	Topography		0.0%	0.0%	0.0%	0.0%
	Shape		0.0%	0.0%	0.0%	0.0%
	Size		0.0%	0.0%	0.0%	0.0%
Overall Adjustment			20.0%	20.0%	-5.0%	-10.0%
Adjusted Price Per Unit			\$30,415	\$32,735	\$39,900	\$41,538
Low		\$30,415				
High		\$41,538				
Mean		\$36,147				
Median		\$36,317				
Conclusion		\$35,000	x	92		\$3,220,000
<b>Rounded</b>						<b>\$3,200,000</b>

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

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Zoning/Use**
- **Site Restrictions**
- **Topography**
- **Site Characteristics**
- **Size / Number of Units**

### Property Rights

We are valuing the fee simple interest in the land and all of the sales are fee simple interest; therefore, no adjustments are warranted.

### Financing

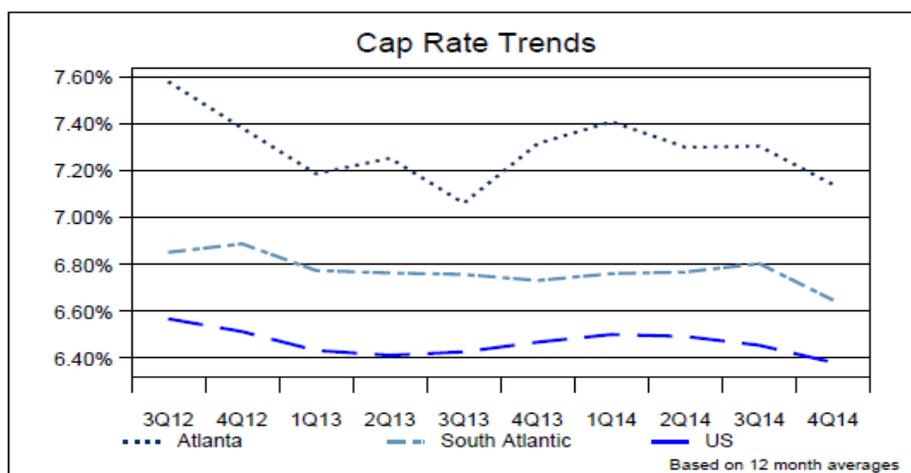
The sales were cash transactions; therefore, no adjustment is necessary.

### Conditions of Sale

No unusual conditions existed or are known; therefore, no adjustment is necessary.

### Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. We have analyzed the changes in market conditions of multifamily rental property values. The following graph details capitalization trends in the Atlanta market, according to REIS.



Source: REIS, retrieved 4/2015

As illustrated above, capitalization rates in the Atlanta market have been generally stable since 2013, and as such we have applied no adjustments for market conditions.

### **Location**

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

In urban locations such as the Subject's, zip code data and census data are helpful but are not the primary consideration when analyzing location. In the Atlanta market, intown locations are highly nuanced; knowledge of the area and of specific locations is required reasonably conclude location adjustments. In this case we have extensive knowledge of the intown multifamily market and are familiar with the locations of the comparable sales.

Land Sale 1 is located on Ralph McGill Boulevard in the Old Fourth Ward District, a few miles west of the Subject. This area has emerged as a popular intown location in the last few years. The area still has a number of commercial and industrial uses and is perceived as a transitional area, with limited appeal to the more security conscious resident. Property values in this area are lower than those for comparable properties within Decatur. For these reasons, upward adjustment is warranted for location.

Land Sale 2 is located on Peachtree Street in the south Midtown area of Atlanta. The south Midtown area has emerged as a popular place to live over the last five years, and several new apartment towers have been constructed here since 2010. Like the location of Land Sale 1, this location is oriented primarily to those working in the Midtown office market. The area has less appeal to families, as the local schools have very low quality rankings. For these reasons, upward adjustment is warranted for location.

Land Sale 3 is located at the corner of Piedmont Avenue and Rock Springs Road, in the Morningside area of Atlanta. Morningside and the adjacent Virginia/Highlands area has long been one of the most desirable intown markets in which to live. The area has an excellent stock of craftsman style homes and offers access to excellent schools. Based on these factors, as well as the quality of surrounding land use patterns and property values, downward adjustment is warranted for location.

Land Sale 4 is located in Buckhead, arguably Atlanta's most desirable intown market. This market includes a combination of trophy office buildings, expensive residences, and the most upscale shopping venues in Atlanta. Property values in this area are generally the highest in the metro area. Accordingly, downward adjustment is warranted for location.

### **Zoning / Use**

The Subject and all of the comparables permit for multifamily/mixed use development and were purchased for such. No adjustments are necessary based on intended use.

**Site Restrictions**

The Phase I portion of the Subject site is not encumbered by any restrictions requiring low income housing, which is similar to the comparables. Therefore, no adjustments are warranted.

**Topography**

The land sales vary in topography, but are generally level and appear to be functional. Therefore, no adjustments are warranted.

**Site Characteristics**

The comparable sales did not feature any existing site characteristics that would have impacted value at the time of sale. Therefore, no adjustments are necessary.

**Size**

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. In urban markets in Atlanta, it is often difficult to discern a size adjustment, as there is a large pool of institutional purchasers that will often pay a premium for a site that will support more units as opposed to fewer units. Accordingly, no adjustments for size are warranted.

**CONCLUSION OF VALUE**

The comparables indicate a range of adjusted prices from \$30,415 to \$41,538 per unit. The mean and the median are \$36,147 and \$36,317 per unit, respectively. We have considered all of the sales in our determination of our land value. Given the specific locational and physical characteristics of the Subject, its value is reasonably estimated near the middle of the range. Overall, we have concluded to a value of \$35,000 per unit, or \$3,220,000 for the land that will support the 92 units in Phase I.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the value of the underlying land in fee simple, as of April 16, 2015, is:

**THREE MILLION TWO HUNDRED THOUSAND DOLLARS**

**(\$3,200,000)**

**ANALYSIS OF GROUND LEASE**

According to the client, the Subject site will be leased from the current owner, MARTA. However, as of the date of this report, the lease terms have not been provided by the client. As such, an analysis of the ground lease is not possible as of the date of this report.

## **INCOME CAPITALIZATION APPROACH**

## INCOME CAPITALIZATION APPROACH

### INTRODUCTION

We were asked to provide several value estimates, including:

- Hypothetical Market Value Upon Completion Assuming Restricted Rents.
- Hypothetical Market Value Upon Completion Assuming Unrestricted Rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with restricted rents.
- Hypothetical Market Value “As Complete and Stabilized” – hypothetical value assuming as complete and stabilized with unrestricted rents.
- Prospective Market Value at 15, 20 (Loan Maturity), 25, and 30 years.
- Favorable Financing.

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

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

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

## POTENTIAL GROSS INCOME

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

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

<b>POTENTIAL GROSS RENTAL INCOME - As Proposed Restricted</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Proposed Rents</b>	<b>Monthly Gross Rent</b>	<b>Annual Gross Rent</b>
<b>Low HOME (50% AMI)</b>				
1BR/1BA	2	\$517	\$1,034	\$12,408
2BR/1BA	1	\$615	\$615	\$7,380
<b>High HOME (60% AMI)</b>				
1BR/1BA	58	\$645	\$37,410	\$448,920
2BR/1BA	10	\$764	\$7,640	\$91,680
<b>60% AMI/PBRA</b>				
1BR/1BA	12	\$648	\$7,776	\$93,312
2BR/1BA	3	\$749	\$2,247	\$26,964
<b>Market Rate</b>				
1BR/1BA	2	\$1,050	\$2,100	\$25,200
2BR/1BA	4	\$1,255	\$5,020	\$60,240
<b>Total</b>	<b>92</b>			<b>\$766,104</b>

<b>POTENTIAL GROSS RENTAL INCOME - As Proposed Unrestricted</b>				
<b>Unit Type</b>	<b>Number of Units</b>	<b>Achievable Market Rents</b>	<b>Monthly Gross Rent</b>	<b>Annual Gross Rent</b>
1BR/1BA	74	\$1,050	\$77,700	\$932,400
2BR/1BA	18	\$1,255	\$22,590	\$271,080
<b>Total</b>	<b>92</b>			<b>\$1,203,480</b>

### Other Income

The other income category is primarily revenue generated from interest income, late charges, special service fees, vending machines, etc. The comparables reported other income ranging from \$317 to \$546 per unit. The developer's budget indicates other income of \$52 per unit. We will conclude to other income of \$55 per unit, which is well below the range of the comparables and slightly above the developer's budgeted other income.

**Vacancy and Collection Loss**

The vacancy rates in the market are very low among the stabilized comparables. As indicated in the supply analysis, we have concluded to a vacancy and collections loss rate of 4.0 percent for both scenarios.

**EXPLANATION OF EXPENSES**

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

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted. The Subject will offer 92 units that target seniors 62 and older. Comparable operating expense data from 2013 to 2014 was collected from properties located in Lithonia, Atlanta, and East Point to serve as a comparison for the Subject's proposed operating budget.

**Columbia Avondale Senior, Decatur, GA; Appraisal**

EXPENSE CATEGORY	Novogradac Estimates As Proposed Restricted Decatur, GA		Novogradac Estimates As Proposed Unrestricted Decatur, GA		2015 SUBJECT BUDGETED EXPENSES Decatur, GA		2014 CONFIDENTIAL ACTUAL EXPENSES Lithonia, GA		2013 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA		2013 CONFIDENTIAL ACTUAL EXPENSES East Point, GA		2013 CONFIDENTIAL ACTUAL EXPENSES Atlanta, GA	
	92		92		92		120		320		160		181	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
<b>OTHER INCOME</b>	\$5,060	\$55	\$5,060	\$55	\$4,800	\$52	\$48,826	\$407	\$101,461	\$317	\$70,316	\$439	\$98,755	\$546
<b>MARKETING</b>														
Advertising / Screening / Credit	\$5,520	\$60	\$5,520	\$60	\$5,500	\$60	\$10,010	\$83	\$10,956	\$34	\$3,574	\$22	\$17,222	\$95
<b>SUBTOTAL</b>	<b>\$5,520</b>	<b>\$60</b>	<b>\$5,520</b>	<b>\$60</b>	<b>\$5,500</b>	<b>\$60</b>	<b>\$10,010</b>	<b>\$83</b>	<b>\$10,956</b>	<b>\$34</b>	<b>\$3,574</b>	<b>\$22</b>	<b>\$17,222</b>	<b>\$95</b>
<b>ADMINISTRATION</b>														
Legal	\$5,060	\$55	\$4,600	\$50	\$5,000	\$54	\$10,100	\$84	\$34,690	\$108	\$16,543	\$103	\$60,569	\$335
Audit	\$20,700	\$225	\$17,480	\$190	\$20,500	\$223	\$6,000	\$50	\$9,592	\$30	\$9,569	\$60	\$8,500	\$47
Office & Other	\$31,280	\$340	\$27,600	\$300	\$31,500	\$342	\$18,535	\$154	\$224,426	\$701	\$28,301	\$177	\$81,698	\$451
<b>SUBTOTAL</b>	<b>\$57,040</b>	<b>\$620</b>	<b>\$49,680</b>	<b>\$540</b>	<b>\$57,000</b>	<b>\$620</b>	<b>\$34,635</b>	<b>\$289</b>	<b>\$268,708</b>	<b>\$840</b>	<b>\$54,413</b>	<b>\$340</b>	<b>\$150,767</b>	<b>\$833</b>
<b>TOTAL ADMINISTRATION</b>	<b>\$62,560</b>	<b>\$680</b>	<b>\$55,200</b>	<b>\$600</b>	<b>\$62,500</b>	<b>\$679</b>	<b>\$44,645</b>	<b>\$372</b>	<b>\$279,664</b>	<b>\$874</b>	<b>\$57,987</b>	<b>\$362</b>	<b>\$167,989</b>	<b>\$928</b>
<b>MAINTENANCE</b>														
Painting / Turnover / Cleaning	\$17,480	\$190	\$17,480	\$190	\$18,300	\$199	\$22,784	\$190	\$45,083	\$141	\$14,023	\$88	\$104,873	\$579
Repairs	\$13,800	\$150	\$13,800	\$150	\$15,460	\$168	\$26,959	\$225	\$19,741	\$62	\$7,442	\$47	\$52,750	\$291
Elevator	\$4,600	\$50	\$4,600	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grounds	\$1,840	\$20	\$1,840	\$20	\$0	\$0	\$16,131	\$134	\$32,182	\$101	\$9,489	\$59	\$1,405	\$8
Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies/Other	\$10,580	\$115	\$10,580	\$115	\$11,600	\$126	\$0	\$0	\$214,565	\$671	\$69,208	\$433	\$16,015	\$88
<b>SUBTOTAL</b>	<b>\$48,300</b>	<b>\$525</b>	<b>\$48,300</b>	<b>\$525</b>	<b>\$45,360</b>	<b>\$493</b>	<b>\$65,874</b>	<b>\$549</b>	<b>\$311,571</b>	<b>\$974</b>	<b>\$100,162</b>	<b>\$626</b>	<b>\$175,043</b>	<b>\$967</b>
<b>OPERATING</b>														
Contracts	\$50,600	\$550	\$50,600	\$550	\$60,000	\$652	\$0	\$0	\$2,031	\$6	\$2,313	\$14	\$20,000	\$110
Exterminating	\$920	\$10	\$920	\$10	\$0	\$0	\$0	\$0	\$4,079	\$13	\$2,312	\$14	\$5,863	\$32
Security	\$4,600	\$50	\$4,600	\$50	\$0	\$0	\$0	\$0	\$23,225	\$73	\$421	\$3	\$7,696	\$43
<b>SUBTOTAL</b>	<b>\$56,120</b>	<b>\$610</b>	<b>\$56,120</b>	<b>\$610</b>	<b>\$60,000</b>	<b>\$652</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,335</b>	<b>\$92</b>	<b>\$5,046</b>	<b>\$32</b>	<b>\$33,559</b>	<b>\$185</b>
<b>TOTAL MAINTENANCE AND OPERATING</b>	<b>\$104,420</b>	<b>\$1,135</b>	<b>\$104,420</b>	<b>\$1,135</b>	<b>\$105,360</b>	<b>\$1,145</b>	<b>\$65,874</b>	<b>\$549</b>	<b>\$340,906</b>	<b>\$1,065</b>	<b>\$105,208</b>	<b>\$658</b>	<b>\$208,602</b>	<b>\$1,152</b>
<b>PAYROLL</b>														
On-site manager	\$60,000	\$652	\$60,000	\$652	\$60,000	\$652	\$36,754	\$306	\$142,746	\$446	\$93,152	\$582	\$157,466	\$870
Other management staff	\$15,000	\$163	\$15,000	\$163	\$11,000	\$120	\$48,520	\$404	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance staff	\$60,000	\$652	\$60,000	\$652	\$60,000	\$652	\$36,413	\$303	\$157,022	\$491	\$103,828	\$649	\$57,936	\$320
Janitorial staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$10,000	\$109	\$10,000	\$109	\$28,000	\$304	\$19,416	\$162	\$23,997	\$75	\$7,865	\$49	\$1,000	\$6
Payroll taxes	\$16,200	\$176	\$16,200	\$176	\$19,000	\$207	\$10,140	\$85	\$54,761	\$171	\$39,048	\$244	\$0	\$0
<b>SUBTOTAL</b>	<b>\$161,200</b>	<b>\$1,752</b>	<b>\$161,200</b>	<b>\$1,752</b>	<b>\$178,000</b>	<b>\$1,935</b>	<b>\$151,243</b>	<b>\$1,260</b>	<b>\$378,526</b>	<b>\$1,183</b>	<b>\$243,893</b>	<b>\$1,524</b>	<b>\$216,402</b>	<b>\$1,196</b>
<b>UTILITIES</b>														
Water & Sewer	\$5,000	\$54	\$5,000	\$54	\$25,000	\$272	\$95,413	\$795	\$180,000	\$563	\$89,672	\$560	\$83,815	\$463
Electricity	\$5,861	\$64	\$5,861	\$64	\$20,000	\$217	\$32,093	\$267	\$73,047	\$228	\$48,134	\$301	\$51,653	\$285
Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,741	\$104
Cable Television	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trash	\$30,000	\$326	\$30,000	\$326	\$0	\$0	\$14,416	\$120	\$31,980	\$100	\$10,441	\$65	\$0	\$0
<b>SUBTOTAL</b>	<b>\$40,861</b>	<b>\$444</b>	<b>\$40,861</b>	<b>\$444</b>	<b>\$45,000</b>	<b>\$489</b>	<b>\$141,922</b>	<b>\$1,183</b>	<b>\$285,027</b>	<b>\$891</b>	<b>\$148,247</b>	<b>\$927</b>	<b>\$154,209</b>	<b>\$852</b>
<b>MISCELLANEOUS</b>														
Insurance	\$28,980	\$315	\$28,980	\$315	\$30,000	\$326	\$37,802	\$315	\$79,296	\$248	\$37,083	\$232	\$47,615	\$263
Real Estate Taxes / PILOT	\$50,055	\$544	\$96,774	\$1,052	\$35,000	\$380	\$75,451	\$629	\$75,777	\$237	\$38,223	\$239	\$105,827	\$585
Reserves	\$23,000	\$250	\$23,000	\$250	\$23,000	\$250	\$30,000	\$250	\$20,000	\$250	\$36,750	\$250	\$45,250	\$250
Supportive Services	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$102,035</b>	<b>\$1,109</b>	<b>\$148,754</b>	<b>\$1,617</b>	<b>\$93,000</b>	<b>\$1,011</b>	<b>\$143,253</b>	<b>\$1,194</b>	<b>\$175,073</b>	<b>\$547</b>	<b>\$112,056</b>	<b>\$700</b>	<b>\$198,692</b>	<b>\$1,098</b>
<b>MANAGEMENT</b>														
<b>SUBTOTAL</b>	<b>\$44,419</b>	<b>\$483</b>	<b>\$46,408</b>	<b>\$504</b>	<b>\$48,000</b>	<b>\$522</b>	<b>\$56,181</b>	<b>\$468</b>	<b>\$109,591</b>	<b>\$342</b>	<b>\$57,313</b>	<b>\$358</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENSES</b>	<b>\$515,495</b>	<b>\$5,603</b>	<b>\$556,843</b>	<b>\$6,053</b>	<b>\$531,860</b>	<b>\$5,781</b>	<b>\$603,118</b>	<b>\$5,026</b>	<b>\$1,568,787</b>	<b>\$4,902</b>	<b>\$724,704</b>	<b>\$4,529</b>	<b>\$945,894</b>	<b>\$5,226</b>

### General Administrative

This category includes all professional fees for items such as legal, accounting, and marketing expenses, as well as office supplies and general and administrative costs. This expense is based on an analysis of the Subject's budget and the comparable property expense data. The developer's budget indicates a general administrative expense of \$679 per unit. The comparable expense data ranges from \$362 to \$928 per unit. We have concluded to \$680 per unit for the restricted scenario and \$600 per unit for the unrestricted scenario. According to a Novogradac & Company LLP comprehensive analysis of national 2010 operating expense data (Multifamily Rental Housing Operating Expense Report, 2014), it costs on average approximately \$80 more per unit for administrative costs for low income housing tax credit property nationally than it does for a market-rate property.

### Repairs, Maintenance, and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The developer's budgeted expense is \$1,145 per unit. The comparable expense data ranges from \$549 to \$1,152 per unit. The Subject will exhibit superior condition relative to the comparables, which were constructed or last renovated between 1995 and 2005. The Subject will be new construction; however, it will also be an elevator-serviced midrise building whereas the comparables are all two to three-story garden-style buildings, which generally require less repairs and maintenance. We have concluded to an expense of \$1,135 per unit for both scenarios, which is within the range of the comparables and just below the developer's estimate.

### Payroll

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category. The developer has estimated a payroll expense of \$1,935 per unit. The comparable expense data ranges from \$1,183 to \$1,524 per unit. We estimate a full-time manager, one full-time maintenance employee, and one part-time leasing assistant for the Subject. The following table illustrates Novoco's staffing plan for the Subject.

<b>PAYROLL EXPENSE CALCULATION</b>		
	<b>Expense</b>	<b>Per Unit</b>
Manager's Salary	\$60,000	\$652
Maintenance Salary	\$60,000	\$652
Leasing Assistant (PT)	\$15,000	\$163
Benefits (\$5,000 per FTE)	\$10,000	\$109
Payroll Taxes (estimated at 12%)	\$16,200	\$176
<b>Total Annual Payroll</b>	<b>\$146,200</b>	<b>\$1,752</b>

## Utilities

The landlord will be responsible for trash collection and common area utilities. The Subject's budgeted utility expense is \$489 per unit. Comparable operating expenses indicate a range of \$852 to \$1,183 per unit. Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Per GA DCA guidelines, we have relied on GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of DeKalb County to determine the Subject's utility expense.

UTILITY ALLOWANCES			
Utility	Paid By	One-bedroom	Two-bedroom
Utilities-Electricity	Tenant	\$9	\$11
Utilities-Electric Heating	Tenant	\$17	\$19
Utilities-Air Conditioning	Tenant	\$8	\$10
Utilities-Electric Cooking	Tenant	\$3	\$4
Utilities-Electric Heated Hot Water	Tenant	\$23	\$26
Utilities-Water and Sewer Services	Tenant	\$51	\$70
Utilities-Trash Collection	Landlord	\$12	\$12
<b>Total Utility Allowance</b>		\$21	\$21
Total Tenant Paid Utilities		<b>\$144</b>	<b>\$173</b>

Source: Property-specific HUD Utility modeling, 5/2/2015

Utility Expense Calculation for Owner's Share (Vacant Units and Common Areas)	One Bedroom	Two Bedroom	All Units
Number of Units	74	18	92
Annual Electric Costs - All Units	\$56,832	\$18,360	\$75,192
Annual Water and Sewer Cost - All Units	\$54,168	\$17,712	\$71,880
Annual Trash Cost - All Units	\$18,648	\$4,536	\$23,184
Total Annual Utility Expense for Units			\$170,256
Multiplied by Stabilized Vacancy Rate			4.0%
Owner's Share of Unit Utility Expenses			\$6,810
Plus Allowance for Common Areas (\$170,256 x 20%)			\$34,051
Owner's Total Annual Utility Expense			\$40,861
Total Number of Units			92
<b>Owner's Annual Utility Expense Per Unit</b>			<b>\$444</b>

The developer's budgeted utility expense appears somewhat high based upon GA DCA Utility Allowance and the Utility Allowance provided by the Housing Authority of DeKalb County. Therefore, we have concluded to an expense of \$444 per unit.

## Insurance

The Subject has projected an annual insurance expense of \$326 per unit. The comparables range from \$232 to \$315 per unit. The developer's budgeted expense is just above the range of comparables. Therefore, we have concluded to an insurance expense of \$315 per unit for both scenarios.

## Taxes

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

## Replacement Reserves

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

## Management Fees

The typical range of fees for professionally managing an apartment property such as the Subject is 4.0 to 7.0 percent of effective gross rental income, depending upon the size and age of the apartment complex with the latter percentage being charged to smaller or older complexes. This amount will also vary dependent upon what is included in the management task which some would also classify as administration. Three comparables were able to report a management fee per unit, ranging between \$342 and \$468 per unit. The developer's budgeted management fee is 6.3 percent. We have concluded to a management fee of 6.0 percent (\$483 per unit) for the restricted scenario and a management fee of 4.0 percent (\$504 per unit) for the unrestricted scenario.

## SUMMARY

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

Comparable Expense Properties		
Total Expense per Unit	W/ Taxes	W/o Taxes
Developer's Budget	\$5,781	\$5,401
Expense Comparable 1	\$5,026	\$4,397
Expense Comparable 2	\$4,902	\$4,666
Expense Comparable 3	\$4,529	\$4,291
Expense Comparable 4	\$5,226	\$4,641
<b>Subject (As Proposed Restricted)</b>	<b>\$5,603</b>	<b>\$5,059</b>
<b>Subject (As Proposed Unrestricted)</b>	<b>\$6,053</b>	<b>\$5,001</b>

The estimated operating expenses for the Subject are slightly below the budget and just above the range of comparable properties. We believe the estimated expenses for the restricted and unrestricted scenarios are reasonable based upon the comparable expenses.

## DIRECT CAPITALIZATION

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

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

### Overall Capitalization Rate

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

### Market Extraction

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

#### SALES COMPARISON

	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Paces Park 250	Dec-14	\$31,500,000	250	\$126,000	10.4	5.7%
2	Oak Forest Apartments	Feb-14	\$8,780,000	150	\$58,533	6.9	6.0%
3	Marquis 2200	Oct-13	\$51,900,000	399	\$130,075	10.2	5.8%
4	Bell Lenox Park	Sep-13	\$29,300,000	206	\$142,233	9.8	6.2%
	<b>Average</b>		<b>\$30,370,000</b>	<b>251</b>	<b>\$114,210</b>	<b>9.3</b>	<b>5.9%</b>

The properties are all stabilized and represent typical market transactions for multifamily properties in the Atlanta metropolitan area. The primary factor that influences the selection of a rate is the Subject's condition and location. The sales illustrate a range of overall rates from 5.7 percent to 6.2 percent and occurred between September 2013 and December 2014. It appears that capitalization rates have remained stable in the region during this time period. Sale 3 was reportedly in excellent condition at the time of its sale, while Sales 1 and 4 were reportedly in good condition, and Sale 2 was reportedly in fair condition. As such, the Subject will exhibit similar to slightly superior condition to Sale 3 and superior condition to the remaining sales. Sale 2 operates with a Section 8 HAP contract on all units, which likely led to a lower capitalization rate. Sales 1 and 2 are located in similar to slightly inferior locations in Decatur and Scottdale, respectively, while Sales 3 and 4 are both located in slightly superior locations in Atlanta. Further, all the sales are larger in terms of number of units. We believe a capitalization rate of 6.0 percent is considered reasonable based on market extraction for the Subject.

The following chart details capitalization rates as provided by REIS for the Atlanta, Georgia multifamily sales market for the fourth quarter of 2014.

	4Q 2014 Metro Statistics			Metro Statistics - 12 Month Rolling		
	Mean	Median	25th Percentile	Mean	Median	75th Percentile
Cap Rate	6.9%	7.2%	5.4%	7.1%	7.3%	9.3%
Sale Price	\$19,086,777	\$13,300,000	\$1,303,750	\$15,880,059	\$8,194,250	\$22,152,000
Sale Price Per Unit	\$100,800	\$62,500	\$40,604	\$87,600	\$60,119	\$106,017
Number of Units	189	196	25	181	200	293
Number of Floors	3	3	2	3	2	3
Year Built	1989	1983	1968	1988	1984	1995

Source: REIS.com, 4/2015

The average capitalization rate in Atlanta during the fourth quarter 2014 was 6.9 percent, with a median capitalization rate of 7.2 percent. The average 12-month rolling capitalization rate for this market was 7.1 percent, with a median capitalization rate of 7.3 percent. Given the Subject's newly constructed condition and excellent condition adjacent to a MARTA station, we believe the Subject could achieve a capitalization below the average for the Atlanta market.

### **The PwC Real Estate Investor Survey**

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

#### **PwC REAL ESTATE INVESTOR SURVEY**

##### **National Apartment Market**

##### **Overall Capitalization Rate - Institutional Grade Investments**

Range: 3.50% - 8.00%

Average: 5.36%

##### **Non-Institutional Grade Investments**

Range: 3.75% - 12.00%

Average: 6.58%

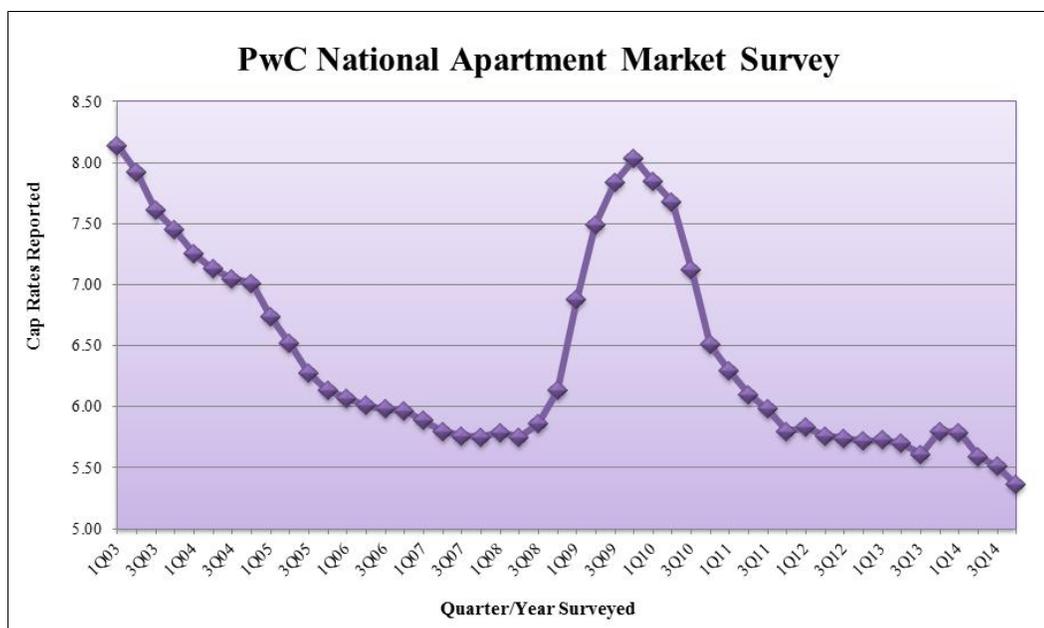
Source: PwC Real Estate Investor Survey, Q4 2014

The *PwC Real Estate Investor Survey* defines "Institutional – Grade" real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria<sup>2</sup>. Typical "Institutional – Grade" apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 122 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

<sup>2</sup> PwC Real Estate Investor Survey

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

Source: PwC Real Estate Investor Survey, Q4 2014



As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the fourth quarter of 2014 with the exception of an increase from the third quarter of 2013 through the fourth quarter of 2013. Capitalization rates as of the fourth quarter of 2014 have exhibited a decrease over capitalization rates from the fourth quarter of 2013. Overall, we have estimated a capitalization rate of 6.0 percent by this technique which is within the range of the Non-Institutional Grade capitalization rates.

### Debt Coverage Ratio

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

The ratio used is:

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

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

$$R_O = \text{D.C.R} \times R_M \times M$$

Where:

$R_O$  = Overall Capitalization Rate

D.C.R = Debt Coverage Ratio

$R_M$  = Mortgage Constant  
 $M$  = Loan-to-Value Ratio

### **Band of Investment**

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

The formula is:

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

Where:

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

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

The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 5.00 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 5.00 and 6.00 percent. Therefore, we believe a 5.0 percent interest rate with a 30 year amortization period and a loan to value of 80 percent is reasonable. The following table illustrates the band of investment for the Subject property

**CAPITALIZATION RATE DERIVATION**

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.25	Treasury Bond Basis*	
Rm	0.06	10 Year T Bond Rate (4/2015)	2.00%
Interest (per annum)*	5.00%	Interest rate spread	300
Amortization (years)	30	Interest Rate (per annum)	5.00%
M	80%		
Re	6%		

**Debt Coverage Ratio**

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

$$6.44\% = 1.25 \times 0.06 \times 80\%$$

**Band of Investment**

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

$$6.35\% = (80\% \times 0.06) + (20\% \times 6\%)$$

\* Source: Bloomberg.com, 4/2015

**Conclusion of Overall Rate Selection**

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

**CAPITALIZATION RATE SELECTION SUMMARY**

Method	Indicated Rate
Market Extraction	6.00%
REIS	6.90%
PwC Survey	6.00%
Debt Coverage Ratio	6.44%
Band of Investment	6.35%

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

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

The four approaches indicate a range from 6.0 to 6.9 percent. Therefore, we reconciled to a 6.0 percent capitalization rate for all scenarios based primarily upon the market-extracted rates. A summary of the direct capitalization analysis for these scenarios can be found on the following pages.

**Direct Capitalization Technique Year One Operating Statement**

			<b>As Proposed Restricted</b>		<b>As Proposed Unrestricted</b>	
Apartment Rentals	Restricted Unit Mix	Unrestricted Unit Mix	Rent	Total Revenue	Rent	Total Revenue
1BR Low HOME	2	-	\$517	\$12,408	-	-
2BR Low HOME	1	-	\$615	\$7,380	-	-
1BR 60% AMI	58	-	\$645	\$448,920	-	-
2BR 60% AMI	10	-	\$764	\$91,680	-	-
1BR @60%/PBRA	12	-	\$648	\$93,312	-	-
2BR @60%/PBRA	3	-	\$749	\$26,964	-	-
1 BR (Market Rate)	2	74	\$1,050	\$25,200	\$1,050	\$932,400
2 BR (Market Rate)	4	18	\$1,255	\$60,240	\$1,255	\$271,080
<b>Total Potential Rental Income</b>	<b>92</b>	<b>92</b>	<b>\$694</b>	<b>\$766,104</b>	<b>\$1,090</b>	<b>\$1,203,480</b>
Other Income						
Miscellaneous			\$55	\$5,060	\$55	\$5,060
<b>Residential Potential Revenues</b>			<b>\$8,382</b>	<b>\$771,164</b>	<b>\$13,136</b>	<b>\$1,208,540</b>
Vacancy			<b>-\$335</b>	<b>-\$30,846.56</b>	<b>-\$525</b>	<b>-\$48,342</b>
Vacancy and Collections Loss Percentage				-4%		-4%
<b>Effective Gross Income</b>			<b>\$8,047</b>	<b>\$740,317</b>	<b>\$12,611</b>	<b>\$1,160,198</b>

**Operating Expenses**

			<b>As Proposed Restricted</b>		<b>As Proposed Unrestricted</b>	
Administration and Marketing			\$680	\$62,560	\$600	\$55,200
Maintenance and Operating			\$1,135	\$104,420	\$1,135	\$104,420
Payroll			\$1,752	\$161,200	\$1,752	\$161,200
Utilities			\$444	\$40,861	\$444	\$40,861
Property & Liability Insurance			\$315	\$28,980	\$315	\$28,980
Real Estate and Other Taxes			\$544	\$50,055	\$1,052	\$96,774
Replacement Reserves			\$250	\$23,000	\$250	\$23,000
Management Fee	6.0%	4.0%	\$483	\$44,419	\$504	\$46,408
<b>Total Operating Expenses</b>			<b>\$5,603</b>	<b>\$515,495</b>	<b>\$6,053</b>	<b>\$556,843</b>
<b>Expenses as a ratio of EGI</b>				<b>70%</b>		<b>48%</b>

**Valuation**

	<b>As Proposed Restricted</b>		<b>As Proposed Unrestricted</b>	
Net Operating Income	\$2,444	\$224,822	\$6,558	\$603,356
Capitalization Rate		6%		6%
<b>Indicated Value "rounded"</b>		<b>\$3,700,000</b>		<b>\$10,100,000</b>

	<b>As Complete Restricted</b>		<b>As Complete Unrestricted</b>	
Number of Months to lease to Stabilized 96%	3.5		3.5	
Income loss	\$112,461	15%	\$176,245	15%
Initial market costs	\$10,000		\$10,000	
Total loss to lease	\$122,461		\$186,245	
Value as complete	\$3,577,539		\$9,913,755	
<b>As Complete Value Rounded</b>	<b>\$3,600,000</b>		<b>\$9,900,000</b>	

**Conclusion**

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

**DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"**

<b>Scenario</b>	<b>Loss To Lease</b>	<b>Indicated Value (Rounded)</b>
As Complete Restricted	\$122,461	\$3,600,000
As Complete Unrestricted	\$186,245	\$9,900,000

**DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"**

<b>Scenario</b>	<b>Cap Rate</b>	<b>Net Operating Income</b>	<b>Indicated Value (Rounded)</b>
As Proposed Restricted	6.00%	\$224,822	\$3,700,000
As Proposed Unrestricted	6.00%	\$603,356	\$10,100,000

The Subject's hypothetical market value of the real estate assuming the achievable LIHTC and market rents as proposed contract rents "**As Complete**", via the Income Capitalization Approach, as of April 16, 2015 is:

**THREE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$3,600,000)**

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "**As Complete**", via the Income Capitalization Approach, as of April 16, 2015 is:

**NINE MILLION NINE HUNDRED THOUSAND DOLLARS**  
**(\$9,900,000)**

The Subject's hypothetical market value of the real estate assuming the achievable LIHTC and market rents and proposed contract rents "**As Complete and Stabilized**", via the Income Capitalization Approach, as of April 16, 2015 is:

**THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS**  
**(\$3,700,000)**

The Subject's hypothetical market value of the real estate assuming the achievable unrestricted rents "**As Complete and Stabilized**", via the Income Capitalization Approach, as of April 16, 2015 is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$10,100,000)**

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

**PROSPECTIVE MARKET VALUE AT LOAN MATURITY**

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

**Income and Expense Growth Projections**

The AMI in DeKalb County increased 0.8 percent annually between 1999 and 2015. The AMI within this county has decreased in three of the last five years and few of the LIHTC and market rate comparables experienced rent growth over the past year. One senior LIHTC comparable reported that rents had increased to max, while the remaining LIHTC comparables reported no change in rents. Two of the market rate comparables reported modest rent increases over the last year, while the remaining report no change or that rents fluctuate daily based on the market. We have increased the income and expense line items by one percent per annum over the holding period. This is based upon the slight AMI growth in DeKalb County.

**Terminal Capitalization Rate**

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

**PwC REAL ESTATE INVESTOR SURVEY****National Apartment Market****Overall Capitalization Rate - Institutional Grade Investments**

Range:	3.50% - 8.00%
Average:	5.36%

**Non-Institutional Grade Investments**

Range:	3.75% - 12.00%
Average:	6.58%

Source: PwC Real Estate Investor Survey, Q4 2014

Additionally, we have considered the market extracted capitalization rates in the Savannah market. As noted previously, we have estimated a capitalization rate of 6.0 percent for the Subject.

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

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

In view of the preceding data, observed rate trends, and careful consideration of the Subject's physical appeal and economic characteristics, a terminal rate of 6.5 percent has been used, which is

within the range and is considered reasonable for a non-institutional grade property such as the Subject following construction.

**VALUATION ANALYSIS**

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

## As Proposed Restricted Scenario (Years 1 through 15)

## LIHTC Cash Flow Value Derivation

Fiscal Year	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021	Year 6 2022	Year 7 2023	Year 8 2024	Year 9 2025	Year 10 2026	Year 11 2027	Year 12 2028	Year 13 2029	Year 14 2030	Year 15 2031
<b>Income</b>															
Low Income Units	\$766,104	\$773,765	\$781,503	\$789,318	\$797,211	\$805,183	\$813,235	\$821,367	\$829,581	\$837,877	\$846,255	\$854,718	\$863,265	\$871,898	\$880,617
Nonresidential	\$5,060	\$5,111	\$5,162	\$5,213	\$5,265	\$5,318	\$5,371	\$5,425	\$5,479	\$5,534	\$5,589	\$5,645	\$5,702	\$5,759	\$5,816
Gross Project Income	\$771,164	\$778,876	\$786,664	\$794,531	\$802,476	\$810,501	\$818,606	\$826,792	\$835,060	\$843,411	\$851,845	\$860,363	\$868,967	\$877,657	\$886,433
Vacancy Allowance	-\$30,847	-\$31,155	-\$31,467	-\$31,781	-\$32,099	-\$32,420	-\$32,744	-\$33,072	-\$33,402	-\$33,736	-\$34,074	-\$34,415	-\$34,759	-\$35,106	-\$35,457
Effective Gross Income	\$740,317	\$747,721	\$755,198	\$762,750	\$770,377	\$778,081	\$785,862	\$793,720	\$801,658	\$809,674	\$817,771	\$825,949	\$834,208	\$842,550	\$850,976
<b>Expenses</b>															
Administrative and Marketing	\$62,560	\$63,186	\$63,817	\$64,456	\$65,100	\$65,751	\$66,409	\$67,073	\$67,744	\$68,421	\$69,105	\$69,796	\$70,494	\$71,199	\$71,911
Maintenance and Operating	\$104,420	\$105,464	\$106,519	\$107,584	\$108,660	\$109,746	\$110,844	\$111,952	\$113,072	\$114,203	\$115,345	\$116,498	\$117,663	\$118,840	\$120,028
Payroll	\$161,200	\$162,812	\$164,440	\$166,085	\$167,745	\$169,423	\$171,117	\$172,828	\$174,557	\$176,302	\$178,065	\$179,846	\$181,644	\$183,461	\$185,295
Utilities	\$40,861	\$41,270	\$41,682	\$42,099	\$42,520	\$42,945	\$43,375	\$43,809	\$44,247	\$44,689	\$45,136	\$45,587	\$46,043	\$46,504	\$46,969
Insurance	\$28,980	\$29,270	\$29,562	\$29,858	\$30,157	\$30,458	\$30,763	\$31,070	\$31,381	\$31,695	\$32,012	\$32,332	\$32,655	\$32,982	\$33,312
Real Estate Taxes	\$50,055	\$50,556	\$51,061	\$51,572	\$52,088	\$52,609	\$53,135	\$53,666	\$54,203	\$54,745	\$55,292	\$55,845	\$56,404	\$56,968	\$57,537
Replacement Reserve	\$23,000	\$23,230	\$23,462	\$23,697	\$23,934	\$24,173	\$24,415	\$24,659	\$24,906	\$25,155	\$25,406	\$25,660	\$25,917	\$26,176	\$26,438
Management Fee	\$44,419	\$44,863	\$45,312	\$45,765	\$46,223	\$46,685	\$47,152	\$47,623	\$48,099	\$48,580	\$49,066	\$49,557	\$50,052	\$50,553	\$51,059
Total Expenses	\$515,495	\$520,650	\$525,857	\$531,115	\$536,427	\$541,791	\$547,209	\$552,681	\$558,208	\$563,790	\$569,428	\$575,122	\$580,873	\$586,682	\$592,549
<b>Net Operating Income</b>	<b>\$224,822</b>	<b>\$227,070</b>	<b>\$229,341</b>	<b>\$231,634</b>	<b>\$233,951</b>	<b>\$236,290</b>	<b>\$238,653</b>	<b>\$241,040</b>	<b>\$243,450</b>	<b>\$245,885</b>	<b>\$248,343</b>	<b>\$250,827</b>	<b>\$253,335</b>	<b>\$255,868</b>	<b>\$258,427</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate	6.5%														6.5%
Sales Costs	3%														3%
Net Sales Proceeds															\$3,900,000

As Proposed Restricted Scenario (Years 16 through 30)

LIHTC Cash Flow Value Derivation

Year 16 2032	Year 17 2033	Year 18 2034	Year 19 2035	Year 20 2036	Year 21 2037	Year 22 2038	Year 23 2039	Year 24 2040	Year 25 2041	Year 26 2042	Year 27 2043	Year 28 2044	Year 29 2045	Year 30 2046
\$889,423	\$898,317	\$907,300	\$916,373	\$925,537	\$934,792	\$944,140	\$953,582	\$963,118	\$972,749	\$982,476	\$992,301	\$1,002,224	\$1,012,246	\$1,022,369
\$5,875	\$5,933	\$5,993	\$6,053	\$6,113	\$6,174	\$6,236	\$6,298	\$6,361	\$6,425	\$6,489	\$6,554	\$6,620	\$6,686	\$6,753
\$895,297	\$904,250	\$913,293	\$922,426	\$931,650	\$940,967	\$950,376	\$959,880	\$969,479	\$979,174	\$988,965	\$998,855	\$1,008,844	\$1,018,932	\$1,029,121
<b>-\$35,812</b>	<b>-\$36,170</b>	<b>-\$36,532</b>	<b>-\$36,897</b>	<b>-\$37,266</b>	<b>-\$37,639</b>	<b>-\$38,015</b>	<b>-\$38,395</b>	<b>-\$38,779</b>	<b>-\$39,167</b>	<b>-\$39,559</b>	<b>-\$39,954</b>	<b>-\$40,354</b>	<b>-\$40,757</b>	<b>-\$41,165</b>
\$859,486	\$868,080	\$876,761	\$885,529	\$894,384	\$903,328	\$912,361	\$921,485	\$930,700	\$940,007	\$949,407	\$958,901	\$968,490	\$978,175	\$987,956
\$72,630	\$73,357	\$74,090	\$74,831	\$75,579	\$76,335	\$77,098	\$77,869	\$78,648	\$79,435	\$80,229	\$81,031	\$81,842	\$82,660	\$83,487
\$121,228	\$122,441	\$123,665	\$124,902	\$126,151	\$127,412	\$128,686	\$129,973	\$131,273	\$132,586	\$133,912	\$135,251	\$136,603	\$137,969	\$139,349
\$187,148	\$189,020	\$190,910	\$192,819	\$194,747	\$196,695	\$198,662	\$200,648	\$202,655	\$204,681	\$206,728	\$208,795	\$210,883	\$212,992	\$215,122
\$47,438	\$47,913	\$48,392	\$48,876	\$49,365	\$49,858	\$50,357	\$50,860	\$51,369	\$51,883	\$52,401	\$52,925	\$53,455	\$53,989	\$54,529
\$33,645	\$33,981	\$34,321	\$34,664	\$35,011	\$35,361	\$35,715	\$36,072	\$36,433	\$36,797	\$37,165	\$37,537	\$37,912	\$38,291	\$38,674
\$58,113	\$58,694	\$59,281	\$59,874	\$60,472	\$61,077	\$61,688	\$62,305	\$62,928	\$63,557	\$64,193	\$64,835	\$65,483	\$66,138	\$66,799
\$26,702	\$26,969	\$27,239	\$27,511	\$27,787	\$28,064	\$28,345	\$28,628	\$28,915	\$29,204	\$29,496	\$29,791	\$30,089	\$30,390	\$30,694
\$51,569	\$52,085	\$52,606	\$53,132	\$53,663	\$54,200	\$54,742	\$55,289	\$55,842	\$56,400	\$56,964	\$57,534	\$58,109	\$58,690	\$59,277
\$598,474	\$604,459	\$610,503	\$616,609	\$622,775	\$629,002	\$635,292	\$641,645	\$648,062	\$654,542	\$661,088	\$667,699	\$674,376	\$681,119	\$687,931
<b>\$261,011</b>	<b>\$263,622</b>	<b>\$266,258</b>	<b>\$268,920</b>	<b>\$271,610</b>	<b>\$274,326</b>	<b>\$277,069</b>	<b>\$279,840</b>	<b>\$282,638</b>	<b>\$285,464</b>	<b>\$288,319</b>	<b>\$291,202</b>	<b>\$294,114</b>	<b>\$297,055</b>	<b>\$300,026</b>

6.5%	6.5%	6.5%
3%	3%	3%
\$4,100,000	\$4,300,000	\$4,500,000

As Proposed Unrestricted Scenario (Years 1 through 15)

Market Cash Flow Value Derivation															
Fiscal Year	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021	Year 6 2022	Year 7 2023	Year 8 2024	Year 9 2025	Year 10 2026	Year 11 2027	Year 12 2028	Year 13 2029	Year 14 2030	Year 15 2031
<b>Income</b>															
Low Income Units	\$1,203,480	\$1,221,532	\$1,239,855	\$1,258,453	\$1,277,330	\$1,296,490	\$1,315,937	\$1,335,676	\$1,355,711	\$1,376,047	\$1,396,688	\$1,417,638	\$1,438,903	\$1,460,486	\$1,482,393
Nonresidential	\$5,060	\$5,136	\$5,213	\$5,291	\$5,370	\$5,451	\$5,533	\$5,616	\$5,700	\$5,786	\$5,872	\$5,960	\$6,050	\$6,141	\$6,233
Gross Project Income	\$1,208,540	\$1,226,668	\$1,245,068	\$1,263,744	\$1,282,700	\$1,301,941	\$1,321,470	\$1,341,292	\$1,361,411	\$1,381,833	\$1,402,560	\$1,423,598	\$1,444,952	\$1,466,627	\$1,488,626
Vacancy Allowance	-\$48,342	-\$49,067	-\$49,803	-\$50,550	-\$51,308	-\$52,078	-\$52,859	-\$53,652	-\$54,456	-\$55,273	-\$56,102	-\$56,944	-\$57,798	-\$58,665	-\$59,545
Effective Gross Income	\$1,160,198	\$1,177,601	\$1,195,265	\$1,213,194	\$1,231,392	\$1,249,863	\$1,268,611	\$1,287,640	\$1,306,955	\$1,326,559	\$1,346,458	\$1,366,654	\$1,387,154	\$1,407,962	\$1,429,081
<b>Expenses</b>															
Administrative and Marketing	\$55,200	\$56,028	\$56,868	\$57,721	\$58,587	\$59,466	\$60,358	\$61,263	\$62,182	\$63,115	\$64,062	\$65,023	\$65,998	\$66,988	\$67,993
Maintenance and Operating	\$104,420	\$105,986	\$107,576	\$109,190	\$110,828	\$112,490	\$114,177	\$115,890	\$117,628	\$119,393	\$121,184	\$123,001	\$124,846	\$126,719	\$128,620
Payroll	\$161,200	\$163,618	\$166,072	\$168,563	\$171,092	\$173,658	\$176,263	\$178,907	\$181,591	\$184,314	\$187,079	\$189,885	\$192,734	\$195,625	\$198,559
Utilities	\$40,861	\$41,474	\$42,096	\$42,727	\$43,368	\$44,019	\$44,679	\$45,349	\$46,030	\$46,720	\$47,421	\$48,132	\$48,854	\$49,587	\$50,331
Insurance	\$28,980	\$29,415	\$29,856	\$30,304	\$30,758	\$31,220	\$31,688	\$32,163	\$32,646	\$33,135	\$33,632	\$34,137	\$34,649	\$35,169	\$35,696
Real Estate Taxes	\$96,774	\$98,225	\$99,699	\$101,194	\$102,712	\$104,253	\$105,817	\$107,404	\$109,015	\$110,650	\$112,310	\$113,994	\$115,704	\$117,440	\$119,202
Replacement Reserve	\$23,000	\$23,345	\$23,695	\$24,051	\$24,411	\$24,778	\$25,149	\$25,526	\$25,909	\$26,298	\$26,692	\$27,093	\$27,499	\$27,912	\$28,330
Management Fee	\$46,408	\$70,656	\$71,716	\$72,792	\$73,884	\$74,992	\$76,117	\$77,258	\$78,417	\$79,594	\$80,787	\$81,999	\$83,229	\$84,478	\$85,745
Total Expenses	\$556,843	\$588,747	\$597,579	\$606,542	\$615,640	\$624,875	\$634,248	\$643,762	\$653,418	\$663,219	\$673,168	\$683,265	\$693,514	\$703,917	\$714,476
<b>Net Operating Income</b>	<b>\$603,356</b>	<b>\$588,854</b>	<b>\$597,687</b>	<b>\$606,652</b>	<b>\$615,752</b>	<b>\$624,988</b>	<b>\$634,363</b>	<b>\$643,879</b>	<b>\$653,537</b>	<b>\$663,340</b>	<b>\$673,290</b>	<b>\$683,389</b>	<b>\$693,640</b>	<b>\$704,045</b>	<b>\$714,605</b>
<b>Reversion Calculation</b>															
Terminal Capitalization Rate	6.5%														
Sales Costs	3%														
Net Sales Proceeds	\$10,700,000														

As Proposed Unrestricted Scenario (Years 16 through 30)

Market Cash Flow Value Derivation														
Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
\$1,504,629	\$1,527,199	\$1,550,107	\$1,573,358	\$1,596,959	\$1,620,913	\$1,645,227	\$1,669,905	\$1,694,954	\$1,720,378	\$1,746,184	\$1,772,376	\$1,798,962	\$1,825,947	\$1,853,336
\$6,326	\$6,421	\$6,517	\$6,615	\$6,714	\$6,815	\$6,917	\$7,021	\$7,126	\$7,233	\$7,342	\$7,452	\$7,564	\$7,677	\$7,792
\$1,510,955	\$1,533,620	\$1,556,624	\$1,579,973	\$1,603,673	\$1,627,728	\$1,652,144	\$1,676,926	\$1,702,080	\$1,727,611	\$1,753,525	\$1,779,828	\$1,806,526	\$1,833,624	\$1,861,128
-\$60,438	-\$61,345	-\$62,265	-\$63,199	-\$64,147	-\$65,109	-\$66,086	-\$67,077	-\$68,083	-\$69,104	-\$70,141	-\$71,193	-\$72,261	-\$73,345	-\$74,445
\$1,450,517	\$1,472,275	\$1,494,359	\$1,516,775	\$1,539,526	\$1,562,619	\$1,586,058	\$1,609,849	\$1,633,997	\$1,658,507	\$1,683,384	\$1,708,635	\$1,734,265	\$1,760,279	\$1,786,683
\$69,013	\$70,048	\$71,099	\$72,165	\$73,248	\$74,346	\$75,462	\$76,594	\$77,742	\$78,909	\$80,092	\$81,294	\$82,513	\$83,751	\$85,007
\$130,549	\$132,507	\$134,495	\$136,513	\$138,560	\$140,639	\$142,748	\$144,889	\$147,063	\$149,269	\$151,508	\$153,780	\$156,087	\$158,428	\$160,805
\$201,537	\$204,560	\$207,629	\$210,743	\$213,904	\$217,113	\$220,370	\$223,675	\$227,030	\$230,436	\$233,892	\$237,401	\$240,962	\$244,576	\$248,245
\$51,086	\$51,852	\$52,630	\$53,419	\$54,221	\$55,034	\$55,859	\$56,697	\$57,548	\$58,411	\$59,287	\$60,176	\$61,079	\$61,995	\$62,925
\$36,232	\$36,775	\$37,327	\$37,887	\$38,455	\$39,032	\$39,617	\$40,212	\$40,815	\$41,427	\$42,048	\$42,679	\$43,319	\$43,969	\$44,629
\$120,990	\$122,804	\$124,646	\$126,516	\$128,414	\$130,340	\$132,295	\$134,280	\$136,294	\$138,338	\$140,413	\$142,520	\$144,657	\$146,827	\$149,030
\$28,755	\$29,187	\$29,624	\$30,069	\$30,520	\$30,978	\$31,442	\$31,914	\$32,393	\$32,879	\$33,372	\$33,872	\$34,380	\$34,896	\$35,420
\$87,031	\$88,337	\$89,662	\$91,006	\$92,372	\$93,757	\$95,163	\$96,591	\$98,040	\$99,510	\$101,003	\$102,518	\$104,056	\$105,617	\$107,201
\$725,193	\$736,071	\$747,112	\$758,318	\$769,693	\$781,239	\$792,957	\$804,852	\$816,924	\$829,178	\$841,616	\$854,240	\$867,054	\$880,060	\$893,260
<b>\$725,324</b>	<b>\$736,204</b>	<b>\$747,247</b>	<b>\$758,456</b>	<b>\$769,833</b>	<b>\$781,380</b>	<b>\$793,101</b>	<b>\$804,998</b>	<b>\$817,073</b>	<b>\$829,329</b>	<b>\$841,769</b>	<b>\$854,395</b>	<b>\$867,211</b>	<b>\$880,219</b>	<b>\$893,422</b>

6.5%	6.5%	6.5%
3%	3%	3%
\$11,500,000	\$12,400,000	\$13,300,000

## Conclusion

### **Prospective Market Value as Restricted at 15, 20 (Loan Maturity), 25 and 30 years**

The future prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2031, as of April 16, 2015, is:

**THREE MILLION NINE HUNDRED THOUSAND DOLLARS**  
**(\$3,900,000)**

The future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2036, as of April 16, 2015, is:

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

The future prospective market value at 25 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2041, as of April 16, 2015, is:

**FOUR MILLION THREE HUNDRED THOUSAND DOLLARS**  
**(\$4,300,000)**

The future prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2046, as of April 16, 2015, is:

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**(\$4,500,000)**

### **Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), 25 and 30 years**

The hypothetical future prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2031, as of April 16, 2015, is:

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

The hypothetical future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2036, as of April 16, 2015, is:

**ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**(\$11,500,000)**

The hypothetical future prospective market value at 25 years of the Subject's fee simple interest, as an unrestricted property in the year 2041, as of April 16, 2015, is:

**TWELVE MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**(\$12,400,000)**

The hypothetical future prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2046, as of April 16, 2015, is:

**THIRTEEN MILLION THREE HUNDRED THOUSAND DOLLARS**  
**(\$13,300,000)**

**BELOW MARKET DEBT**

The developer has indicated that there will be a \$1,600,000 HOME loan with a term of 20 years and an interest rate of 1.0 percent. In order to determine the economic benefit of this loan, we compared the resulting payment to the equivalent payment for a loan at a forward market oriented interest rate and term.

Favorable Financing Assumptions - Columbia Avondale Senior		Market Financing Assumptions	
Principal	\$1,600,000	Principal	\$1,600,000
Interest Rate	0.01	Interest Rate	0.07
Term of Loan	20	Term of Loan	30

Year	Principal	Interest	Total	Year	Principal	Interest	Total	Differential	Discount Rate	Present Value
1	\$72,632	\$15,668	\$88,300	1	\$16,253	\$111,485	\$127,738	\$39,438	\$1	\$36,858
2	\$73,362	\$14,938	\$88,300	2	\$17,428	\$110,310	\$127,738	\$39,438	\$1	\$34,447
3	\$74,099	\$14,201	\$88,300	3	\$18,688	\$109,050	\$127,738	\$39,438	\$1	\$32,193
4	\$74,843	\$13,457	\$88,300	4	\$20,039	\$107,699	\$127,738	\$39,438	\$1	\$30,087
5	\$75,595	\$12,705	\$88,300	5	\$21,487	\$106,251	\$127,738	\$39,438	\$1	\$28,119
6	\$76,354	\$11,945	\$88,300	6	\$23,041	\$104,697	\$127,738	\$39,438	\$1	\$26,279
7	\$77,121	\$11,178	\$88,300	7	\$24,706	\$103,032	\$127,738	\$39,438	\$1	\$24,560
8	\$77,896	\$10,404	\$88,300	8	\$26,492	\$101,246	\$127,738	\$39,438	\$1	\$22,953
9	\$78,679	\$9,621	\$88,300	9	\$28,407	\$99,331	\$127,738	\$39,438	\$1	\$21,452
10	\$79,469	\$8,831	\$88,300	10	\$30,461	\$97,277	\$127,738	\$39,438	\$1	\$20,048
11	\$80,267	\$8,032	\$88,300	11	\$32,663	\$95,075	\$127,738	\$39,438	\$0	\$18,737
12	\$81,074	\$7,226	\$88,300	12	\$35,024	\$92,714	\$127,738	\$39,438	\$0	\$17,511
13	\$81,888	\$6,411	\$88,300	13	\$37,556	\$90,182	\$127,738	\$39,438	\$0	\$16,366
14	\$82,711	\$5,589	\$88,300	14	\$40,271	\$87,467	\$127,738	\$39,438	\$0	\$15,295
15	\$83,542	\$4,758	\$88,300	15	\$43,182	\$84,556	\$127,738	\$39,438	\$0	\$14,294
16	\$84,381	\$3,919	\$88,300	16	\$46,304	\$81,434	\$127,738	\$39,438	\$0	\$13,359
17	\$85,229	\$3,071	\$88,300	17	\$49,651	\$78,087	\$127,738	\$39,438	\$0	\$12,485
18	\$86,085	\$2,215	\$88,300	18	\$53,240	\$74,498	\$127,738	\$39,438	\$0	\$11,668
19	\$86,950	\$1,350	\$88,300	19	\$57,089	\$70,649	\$127,738	\$39,438	\$0	\$10,905
20	\$87,823	\$476	\$88,300	20	\$978,017	\$66,522	\$1,044,539	\$956,240	\$0	\$247,110
Total	\$1,600,000	\$165,994	\$1,765,994	Total	\$1,600,000	\$1,871,563	\$3,471,563	\$1,705,569		\$654,730
								<b>Rounded</b>		<b>\$650,000</b>

As the calculations above show, this mortgage will have little economic value, as it represents less than 11 percent of the overall funding. There is additional value in the fact that it allows the property to obtain more up-front financing and have a lower debt service.

**FAVORABLE FINANCING VALUATION**

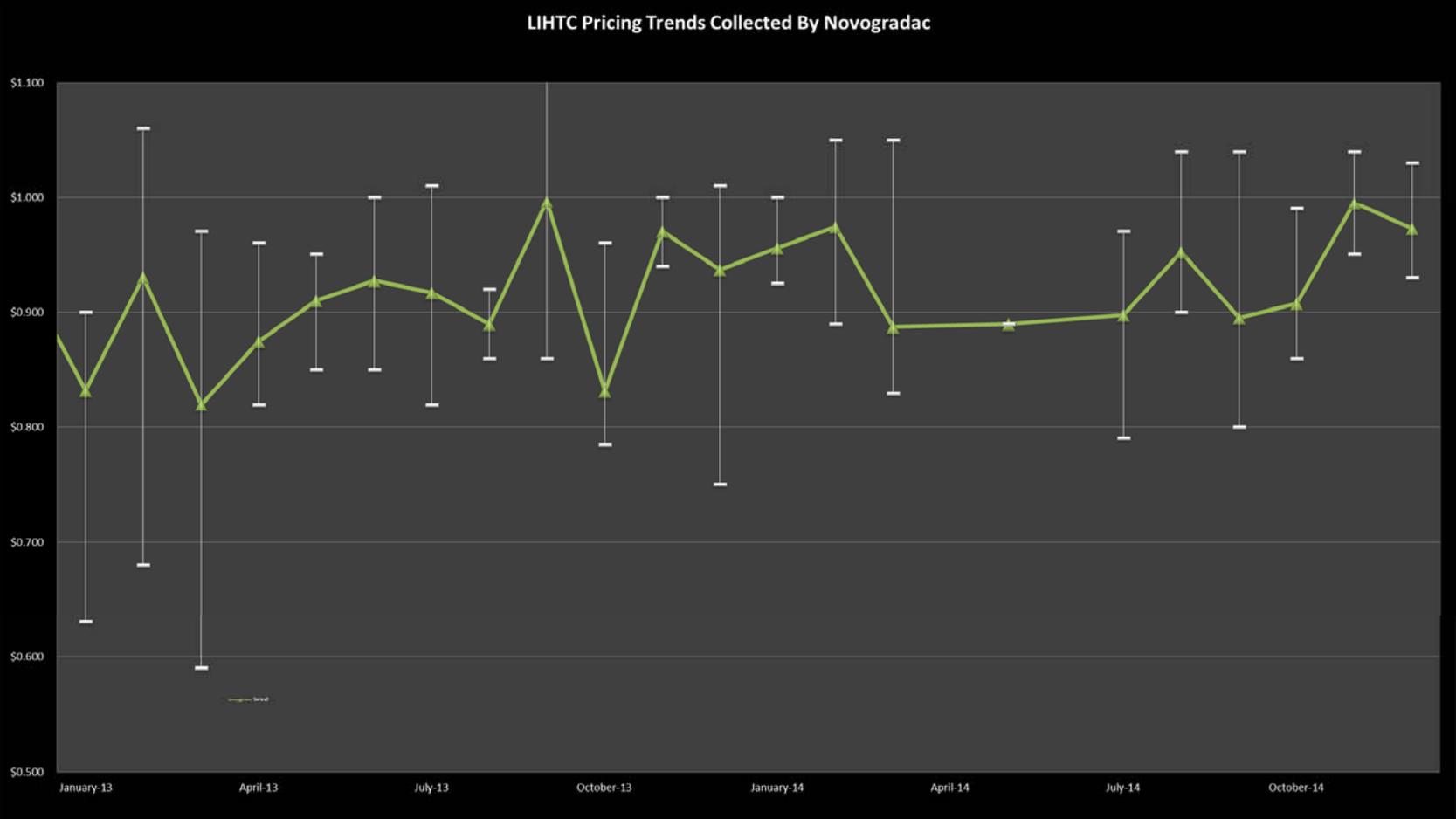
	Indicated Value (Rounded)
Restricted & Unrestricted	\$650,000

**VALUATION - TAX CREDIT EQUITY**

We were asked to value the federal Low-Income Housing Tax Credits (LIHTC). A 10-year federal tax credit incentive program will encumber the Subject. The Subject is a proposed LIHTC property with a portion of the units covered with a project-based subsidy. We were asked to value the tax credits.

As an incentive to participate in the low-income housing program the developer is awarded “tax credits” which provide the incentive to construct and rehabilitate affordable housing in otherwise financially infeasible markets. The tax credit program was created by the Internal Revenue Code Section 42, and is a Federal tax program administered by the states. The annual allocation will be received for ten years at 99.99 percent. Based on information provided by the client, the Subject’s tax credits total \$12,950,000 (\$8,585,000 federal tax credit equity and \$4,375,000 Georgia State tax credit equity, respectively), yielding an annual allocation of \$1,295,000 at 99.99 percent.

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



As the previous table illustrates, tax credit raise rates in recent months have hovered between \$0.80 and \$1.00. The pricing above reflects transactions similar to Subject. As part of the yield analysis and pricing determination investors consider, among other factors, construction risk, lease-up risk and timing of the credits. The Subject is located in Decatur, Georgia, and will be a newly constructed property. Tax credit pricing has trended up over the past several months and has settled in the mid-\$0.90 range. The sponsor has received a letter of intent for LIHTC pricing of \$0.97. We believe that this pricing is reasonable and will conclude to a price of \$0.97 for the Low Income Housing Tax Credit, which results in a credit value of approximately \$12,600,000 (rounded). This value is effective as of April 16, 2015.

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$12,600,000)**

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

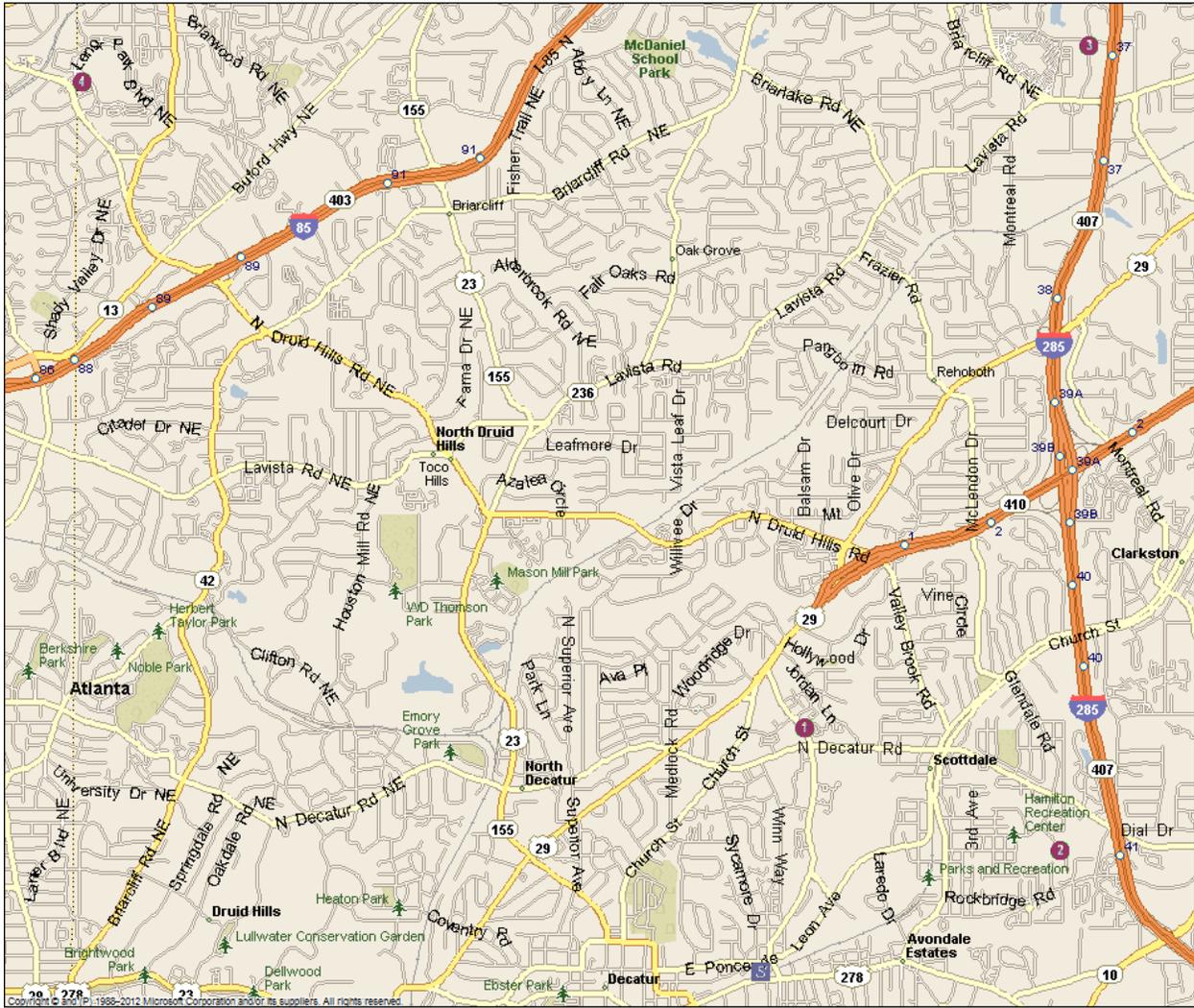
# **SALES COMPARISON APPROACH**

## **SALES COMPARISON APPROACH**

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

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

Comparable Sales Map



SALES COMPARISON

	Property	Location	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Paces Park 250	Decatur, GA	Dec-14	\$31,500,000	250	\$126,000	10.4	5.7%
2	Oak Forest Apartments	Scottdale, GA	Feb-14	\$8,780,000	150	\$58,533	6.9	6.0%
3	Marquis 2200	Atlanta, GA	Oct-13	\$51,900,000	399	\$130,075	10.2	5.8%
4	Bell Lenox Park	Atlanta, GA	Sep-13	\$29,300,000	206	\$142,233	9.8	6.2%
	<b>Average</b>			<b>\$30,370,000</b>	<b>251</b>	<b>\$114,210</b>	<b>9.3</b>	<b>5.9%</b>

**Comparable Sale 1**

**Name:** **Paces Park 250**  
**Location:** 100 Paces Park Drive  
 Decatur, GA 30033



**Buyer:** Inwood Holdings, LLC  
**Seller:** General Electric Capital Corporation  
**Sale Date:** Dec-14  
**Sale Price:** \$31,500,000

**Financing:** Conventional  
**Number of Units:** 250  
**Year Built:** 2000  
**Site:** 10.49 acres

**Units of Comparison:**

Effective Gross Income:	\$3,029,750
EGIM	10.4
Total Expenses:	\$1,250,000
Net Operating Income:	\$1,779,750
Net Operating Income per Unit:	\$7,119
Overall Rate with Reserves:	5.7%
Sale Price per Unit:	\$126,000

**Comments:**

This property offers one, two, and three-bedroom units and was reported 97 percent occupied and in good condition at the time of the sale. The broker confirmed the sale price, date, and capitalization rate. Expenses were estimated by Novogradac at \$5,000 per unit.

**Verification:** Costar, Broker- Chris Spain of Cushman & Wakefield (404-853-5234)

**Comparable Sale 2**

**Name:** Oak Forest Apartments  
**Location:** 338 Hatton Drive  
 Scottdale, GA 30079



**Buyer:** Herman & Kittle Properties, Inc.  
**Seller:** Housing Preservation, Inc.  
**Sale Date:** Feb-14  
**Sale Price:** \$8,780,000

**Financing:** Conventional  
**Number of Units:** 150  
**Year Built:** 1974  
**Site:** 13.3 acres

**Units of Comparison:**

Effective Gross Income:	\$1,276,800
EGIM	6.9
Total Expenses:	\$750,000
Net Operating Income:	\$526,800
Net Operating Income per Unit:	\$3,512
Overall Rate with Reserves:	6.0%
Sale Price per Unit:	\$58,533

**Comments:**

This is an existing Section 8 project that offers two and three-bedroom units that was 98 percent occupied and in fair condition at the time of the sale. The buyer intends to substantially renovate the property with LIHTC funds. As of this date, the project has not been awarded LIHTC funds. The sale price, date, and capitalization rate were confirmed by the broker. The expenses were estimated by Novogradac at \$5,000 per unit.

**Verification:** Costar, Broker - Gene Levantal, Sperry Van Ness, 513-321-7589

**Comparable Sale 3**

**Name:** Marquis 2200  
**Location:** 2200 Parklake Drive NE  
 Atlanta, GA 30345



**Buyer:** CWS Parklake SAF V, LLC  
**Seller:** JLB Northlake, LLC  
**Sale Date:** Oct-13  
**Sale Price:** \$51,900,000

**Financing:** Conventional  
**Number of Units:** 399  
**Year Built:** 2009  
**Site:** 8.7 acres

**Units of Comparison:**

Effective Gross Income:	\$5,108,105
EGIM	10.2
Total Expenses:	\$2,101,200
Net Operating Income:	\$3,006,905
Net Operating Income per Unit:	\$7,536
Overall Rate with Reserves:	5.8%
Sale Price per Unit:	\$130,075

**Comments:**

The property was reportedly 97 percent occupied at the time of the sale with no atypical conditions to the transaction. The property consists of one, two, and three-bedroom units and was reportedly in excellent condition at the time of the sale. The broker confirmed the sale price, date, expenses, and capitalization rate.

**Verification:** Costar, Broker - Malcolm McComb, CBRE - 404-923-1421

**Comparable Sale 4**

**Name:** Bell Lenox Park  
**Location:** 100 Lenox Park Circle NE  
 Atlanta, GA 30319



**Buyer:** NIC Lenox Park, LLC  
**Seller:** Bell Partners, Inc.  
**Sale Date:** Sep-13  
**Sale Price:** \$29,300,000

**Financing:** Conventional  
**Number of Units:** 206  
**Year Built:** 1995  
**Site:** 8.49 acres

**Units of Comparison:**

Effective Gross Income:	\$2,846,600
EGIM	9.8
Total Expenses:	\$1,030,000
Net Operating Income:	\$1,816,600
Net Operating Income per Unit:	\$8,818
Overall Rate with Reserves:	6.2%
Sale Price per Unit:	\$142,233

**Comments:**

This property offers one, two, and three-bedroom units and was reportedly 95 percent occupied and in good condition at the time of the sale. The broker confirmed sale price, date, and capitalization rate. Expenses were estimated by Novogradac at \$5,000 per unit.

**Verification:** Costar; Broker - Name withheld at broker request, CBRE - 404-504-7900

**VALUATION ANALYSIS**

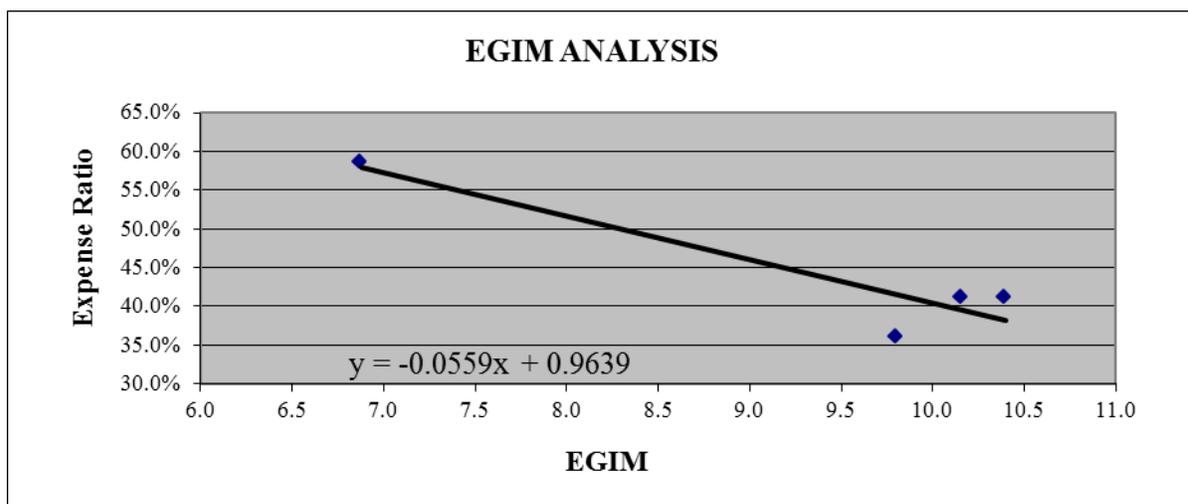
The sales selected for this analysis are summarized in the following table.

**SALES COMPARISON**

	Property	Location	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate
1	Paces Park 250	Decatur, GA	Dec-14	\$31,500,000	250	\$126,000	10.4	5.7%
2	Oak Forest Apartments	Scottsdale, GA	Feb-14	\$8,780,000	150	\$58,533	6.9	6.0%
3	Marquis 2200	Atlanta, GA	Oct-13	\$51,900,000	399	\$130,075	10.2	5.8%
4	Bell Lenox Park	Atlanta, GA	Sep-13	\$29,300,000	206	\$142,233	9.8	6.2%
	<b>Average</b>			<b>\$30,370,000</b>	<b>251</b>	<b>\$114,210</b>	<b>9.3</b>	<b>5.9%</b>

**EGIM Analysis**

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



	Sale Price	EGI	Expenses	Expense Ratio	EGIM
<b>As Proposed Restricted</b>	<b>\$3,700,000</b>	<b>\$740,317</b>	<b>\$515,495</b>	<b>70%</b>	<b>5.0</b>
<b>As Proposed Unrestricted</b>	<b>\$10,100,000</b>	<b>\$1,160,198</b>	<b>\$556,843</b>	<b>48%</b>	<b>8.7</b>
Comparable #1	\$31,500,000	\$3,029,750	\$1,250,000	41%	10.4
Comparable #2	\$8,780,000	\$1,276,800	\$750,000	59%	6.9
Comparable #3	\$51,900,000	\$5,108,105	\$2,101,200	41%	10.2
Comparable #4	\$29,300,000	\$2,846,600	\$1,030,000	36%	9.8

We have estimated EGIMs of 5.0 to 8.7 for the restricted and unrestricted scenarios. The Subject’s indicated value using the EGIM method is presented in the following table.

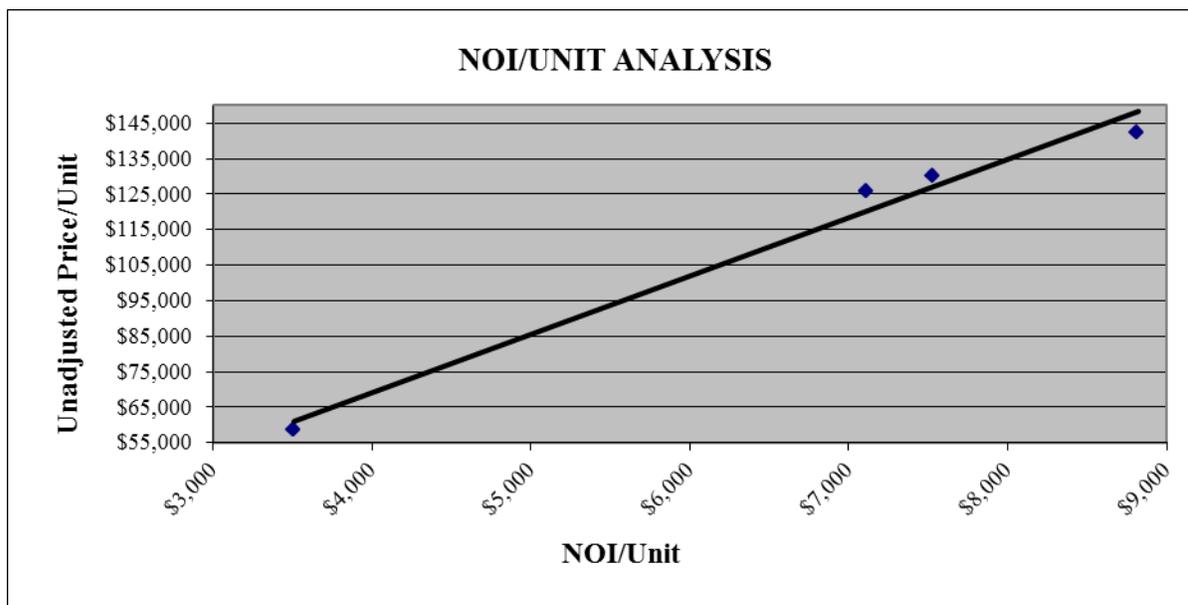
**EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	5.0	\$740,317	\$3,700,000
As Proposed Unrestricted	8.7	\$1,160,198	\$10,100,000

**NOI/UNIT ANALYSIS**

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

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



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

**NOI/UNIT ANALYSIS**

**As Proposed Restricted**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$2,444	/	\$7,119	=	0.34	X	\$126,000	=	\$43,252
2	\$2,444	/	\$3,512	=	0.70	X	\$58,533	=	\$40,729
3	\$2,444	/	\$7,536	=	0.32	X	\$130,075	=	\$42,179
4	\$2,444	/	\$8,818	=	0.28	X	\$142,233	=	\$39,415
			<b>\$6,746</b>		<b>0.41</b>		<b>\$114,210</b>		<b>\$41,394</b>

**NOI/UNIT ANALYSIS**  
**As Proposed Unrestricted**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$6,558	/	\$7,119	=	0.92	X	\$126,000	=	\$116,075
2	\$6,558	/	\$3,512	=	1.87	X	\$58,533	=	\$109,304
3	\$6,558	/	\$7,536	=	0.87	X	\$130,075	=	\$113,197
4	\$6,558	/	\$8,818	=	0.74	X	\$142,233	=	\$105,778
			<b>\$6,746</b>		<b>1.10</b>		<b>\$114,210</b>		<b>\$111,088</b>

Sale 3 was constructed in 2009 and is the most similar to the proposed Subject in terms of age and condition. Comparables one and four were constructed between 1995 and 2000 and are slightly inferior to the Subject in terms of age and condition. In terms of NOI, Sale 2 is the most similar to the Subject as restricted, while Sale 1 is most similar to the Subject as unrestricted. Based upon the comparable properties, we have concluded to a price per unit within the middle of the range. Value indications via the NOI per unit analysis are summarized below.

**NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	92	\$40,000	\$3,700,000
As Proposed Unrestricted	92	\$110,000	\$10,100,000

**Conclusion**

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

The Subject's prospective market value of the real estate As Restricted assuming the achievable LIHTC and market rents and proposed contract rents "**As Complete and Stabilized**", via the Sales Comparison Approach, as of April 16, 2015 is:

**THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS**  
**(\$3,700,000)**

The Subject's hypothetical market value of the real estate assuming achievable market rents "**As Complete and Stabilized**", via the Sales Comparison Approach, as of April 16, 2015 is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$10,100,000)**

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

## **RECONCILIATION**

**RECONCILIATION**

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

**AS IS VACANT LAND**

Scenario	Units	Price Per Unit	Indicated Value (Rounded)
Land Value	92	\$35,000	\$3,200,000

**DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE"**

Scenario	Loss To Lease	Indicated Value (Rounded)
As Complete Restricted	\$122,461	\$3,600,000
As Complete Unrestricted	\$186,245	\$9,900,000

**DIRECT CAPITALIZATION ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Proposed Restricted	6.0%	\$224,822	\$3,700,000
As Proposed Unrestricted	6.0%	\$603,356	\$10,100,000

**EGIM ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Proposed Restricted	5.0	\$740,317	\$3,700,000
As Proposed Unrestricted	8.7	\$1,160,198	\$10,100,000

**NOI/UNIT ANALYSIS - "AS COMPLETE AND STABILIZED"**

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
As Proposed Restricted	92	\$40,000	\$3,700,000
As Proposed Unrestricted	92	\$110,000	\$10,100,000

**VALUE AT LOAN MATURITY - RESTRICTED**

	Year	Indicated Value (Rounded)
Restricted	15 years	\$3,900,000
Restricted	20 years	\$4,100,000
Restricted	25 years	\$4,300,000
Restricted	30 years	\$4,500,000

**VALUE AT LOAN MATURITY - UNRESTRICTED**

	Year	Indicated Value (Rounded)
Unrestricted	15 years	\$10,700,000
Unrestricted	20 years	\$11,500,000
Unrestricted	25 years	\$12,400,000
Unrestricted	30 years	\$13,300,000

**TAX CREDIT VALUATION**

	Credit Amount	Price Per Credit	Indicated Value (Rounded)
Federal LIHTC	\$12,950,000	0.97	\$12,600,000

**FAVORABLE FINANCING VALUATION**

	Indicated Value (Rounded)
Restricted & Unrestricted	\$650,000

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

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

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

**“As Is” Land Value**

The Subject's indicated restricted “Land Value”, as of April 16, 2015 is:

**THREE MILLION TWO HUNDRED THOUSAND DOLLARS  
(\$3,200,000)**

**Upon Completion Assuming Restricted Rents**

The Subject's hypothetical market value of the real estate assuming restricted rental rates, “Upon Completion,” as of April 16, 2015, is:

**THREE MILLION SIX HUNDRED THOUSAND  
(\$3,600,000)**

**Upon Completion Assuming Unrestricted Rents**

The Subject's hypothetical market value of the real estate assuming unrestricted operation “Upon Completion,” as of April 16, 2015, is:

**NINE MILLION NINE HUNDRED THOUSAND  
(\$9,900,000)**

**As Complete and Stabilized Restricted**

The Subject's estimated market value “As Complete and Stabilized” assuming restricted rental rates, as of April 16, 2015, is:

**THREE MILLION SEVEN HUNDRED THOUSAND  
(\$3,700,000)**

**As Complete and Stabilized Unrestricted**

The Subject's estimated market value "As Complete and Stabilized" assuming unrestricted market rental rates, as of April 16, 2015, is:

**TEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$10,100,000)**

**Prospective Market Value as Restricted at 15, 20 (Loan Maturity), 25 and 30 years**

The future prospective market value at 15 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2031, as of April 16, 2015, is:

**THREE MILLION NINE HUNDRED THOUSAND DOLLARS**  
**(\$3,900,000)**

The future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, subject to the rental restrictions in the year 2036, as of April 16, 2015, is:

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

The future prospective market value at 25 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2041, as of April 16, 2015, is:

**FOUR MILLION THREE HUNDRED THOUSAND DOLLARS**  
**(\$4,300,000)**

The future prospective market value at 30 years of the Subject's fee simple interest, subject to the rental restrictions in the year 2046, as of April 16, 2015, is:

**FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**(\$4,500,000)**

**Prospective Market Value as Proposed Unrestricted at 15, 20 (Loan Maturity), 25 and 30 years**

The hypothetical future prospective market value at 15 years of the Subject's fee simple interest, as an unrestricted property in the year 2031, as of April 16, 2015, is:

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

The hypothetical future prospective market value at 20 years (loan maturity) of the Subject's fee simple interest, as an unrestricted property in the year 2036, as of April 16, 2015, is:

**ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS**  
**(\$11,500,000)**

The hypothetical future prospective market value at 25 years of the Subject's fee simple interest, as an unrestricted property in the year 2041, as of April 16, 2015, is:

**TWELVE MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**(\$12,400,000)**

The hypothetical future prospective market value at 30 years of the Subject's fee simple interest, as an unrestricted property in the year 2046, as of April 16, 2015, is:

**THIRTEEN MILLION THREE HUNDRED THOUSAND DOLLARS**  
**(\$13,300,000)**

**Tax Credit Value**

The market value of the tax credits allocated to the Subject over a ten-year period, on a cash equivalent basis and the date of completion, as of April 16, 2015, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$12,600,000)**

**Favorable Financing**

The estimated present value of the favorable financing, as of April 16, 2015, is

**SIX HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$650,000)**

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

**MARKETING TIME PROJECTION:**

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

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

**Reasonable Exposure Time:**

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

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

*Addendum A*

*Assumptions and Limiting Conditions, Certification*

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

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

## **SPECIFIC ASSUMPTIONS**

The terms of the subsidy programs are preliminary as of the appraisal's effective date, April 16, 2015; therefore, any description of such terms is intended to reflect the current expectations and perceptions of market participants along with available factual data. The terms should be judged on the information available when the forecasts are made, not whether specific items in the forecasts or programs are realized. The program terms outlined in this report, as of April 16, 2015, form the basis upon which the value estimates are made. Novogradac & Co. LLP cannot be held responsible for unforeseen events that alter the stated terms subsequent to the date of this report.

The prospective value estimates reported herein are prepared using assumptions stated in this report which are based on the owner's/developer's plan to complete the Subject. As of April 16, 2015, the Subject's completion date is in 2017.

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

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

## CERTIFICATION

The undersigned hereby certify that:

We have no present or contemplated future interest in the real estate that is the subject of this appraisal report; the values expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners or occupants; We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved;

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;

This appraisal report sets forth all of the limiting conditions (imposed by the terms of this assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report; our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and FIRREA;

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

Lawson Short provided significant professional assistance to the persons signing this report. Brad E. Weinberg and Ed Mitchell reviewed comparable market data incorporated in this report.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Brad E. Weinberg, MAI, CCIM has completed the requirements of the continuing education program of the Appraisal Institute.



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Brad Weinberg, MAI, CCIM  
Partner  
GA License #CG221179



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Edward R. Mitchell  
GA License # 4649  
Expiration Date: 4/30/2015  
Manager

*Addendum B*

*Qualifications of Consultants*

**CURRICULUM VITAE**  
**BRAD E. WEINBERG, MAI, CCIM**

**I. Education**

University of Maryland, Masters of Science in Accounting & Financial Management  
University of Maryland, Bachelors of Arts in Community Planning

**II. Licensing and Professional Affiliations**

MAI Member, Appraisal Institute, No. 10790  
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute  
Member, Urban Land Institute  
Member, National Council of Affordable Housing Market Analysts (NCAHMA)

State of Alabama – Certified General Real Estate Appraiser; No. G00628  
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340  
State of Georgia – Certified General Real Property Appraiser; No. 221179  
State of Maryland – Certified General Real Estate Appraiser; No. 6048  
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

**III. Professional Experience**

Partner, Novogradac & Company LLP  
President, Capital Realty Advisors, Inc.  
Vice President, The Community Partners Realty Advisory Services Group, LLC  
President, Weinberg Group, Real Estate Valuation & Consulting  
Manager, Ernst & Young LLP, Real Estate Valuation Services  
Senior Appraiser, Joseph J. Blake and Associates  
Senior Analyst, Chevy Chase F.S.B.  
Fee Appraiser, Campanella & Company

**IV. Professional Training**

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIRESI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

**V. Speaking Engagements and Authorship**

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored “New Legislation Emphasizes Importance of Market Studies in Allocation Process,” *Affordable Housing Finance*, March 2001

## **VI. Real Estate Assignments**

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a “flat” rent, or an “income-based” rent. The flat rent is based on the “market rent”, defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL**

### **I. Education**

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

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

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

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

### **II. Professional Experience**

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

### **III. Assignments**

- Currently conducts market feasibility studies and appraisals of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- 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 corridors, and recycling plants.

### **IV. Licensure**

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

*Addendum C*  
*Subject Photos*



Subject site



Subject site



Subject site



Subject site



Typical multifamily development in neighborhood



Commercial in neighborhood



Commercial in neighborhood



Commercial in neighborhood



Commercial in neighborhood



Street view along Sam's Street facing north



Street view along Sam's Street facing south

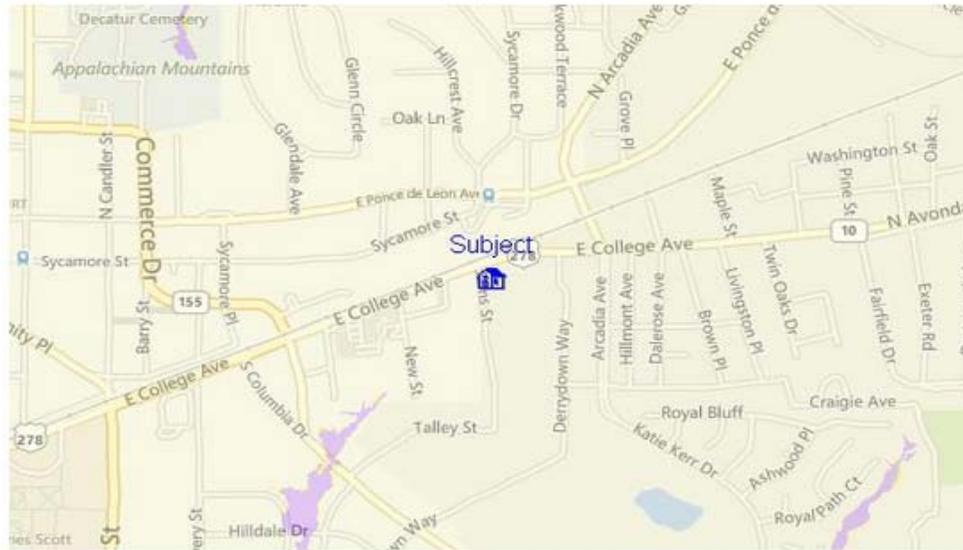


Street view along East College Avenue facing east



Street view along East College Avenue facing west

*Addendum D*  
*Flood Plain Map*



## Location Report

[New Address](#)
[Print](#)
[Download PDF](#)
[Email PDF](#)

### Flood Zone Determinations (Non-Guaranteed)

SFHA (Flood Zone)	Out
Within 250 feet of multiple flood zones?	No
Zone	X
Community	135159
Community Name	DECATUR, CITY OF
Panel	0068J
Panel Date	May 16, 2013
Cobra	OUT
Map Number	13089C0068J
FIPS Code	13089
Census Tract	0229.00

### Flood Map Legend

#### Flood Zones

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

*Addendum E*  
*Developer's Budget and Proforma*



**PART SIX - PROJECTED REVENUES & EXPENSES - 2015-0 Columbia Avondale Senior Residences, Decatur, DeKalb County**

April 2015 Revision

**II. UNIT SUMMARY**

**Units:**

**NOTE TO APPLICANTS: If the numbers compiled in this Summary do not appear to match what was entered in the Rent Chart above, please verify that all applicable columns were completed in the rows used in the Rent Chart above.**

			Efficiency	1BR	2BR	3BR	4BR	Total		
Low-Income	60% AMI			70	13			83	(Includes manager units that are income restricted)	
	50% AMI			2	1			3		
	Total			72	14			86		
Unrestricted				2	4			6	(no rent to be charged)	
	Total Residential Common Space			74	18			92		
Total				74	18			92		
PBRA-Assisted (included in LI above)	60% AMI			12	3			15		
	50% AMI									
	Total			12	3			15		
PHA Operating Subsidy-Assisted (included in LI above)	60% AMI									
	50% AMI									
	Total									
Type of Construction Activity	New Construction	Low Inc		72	14			86		
		Unrestricted		2	4			6		
		Total + CS		74	18			92		
	Acq/Rehab	Low Inc								
		Unrestricted								
		Total + CS								
	Substantial Rehab Only	Low Inc								
		Unrestricted								
		Total + CS								
	Adaptive Reuse Historic Adaptive Reuse									
Historic										
Building Type: (for <b>Utility Allowance</b> and other purposes)	Multifamily	1-Story		74	18			92		
		Historic								
		2-Story								
		Historic								
		2-Story Wlkp								
	3+-Story	Historic		74	18			92		
		Historic								
	SF Detached									
	Townhome									
	Duplex									
Manufactured home										

**PART SIX - PROJECTED REVENUES & EXPENSES - 2015-0 Columbia Avondale Senior Residences, Decatur, DeKalb County**

April 2015 Revision

Building Type: (for <b>Cost Limit</b> purposes)	Detached / SemiDetached	Historic						
	Row House	Historic						
	Walkup	Historic						
	Elevator	Historic		74	18			92

**Unit Square Footage:**

Low Income	60% AMI	52,500	12,740			65,240
	50% AMI	1,500	980			2,480
	Total	54,000	13,720			67,720
Unrestricted		1,500	3,920			5,420
Total Residential		55,500	17,640			73,140
Common Space						
Total		55,500	17,640			73,140

**III. ANCILLARY AND OTHER INCOME (annual amounts)**

**Ancillary Income**

15,177

Laundry, vending, app fees, etc. **Actual pct of PGI:**

2.00%

**Other Income (OI) by Year:**

**Included in Mgt Fee:**

	1	2	3	4	5	6	7	8	9	10
Operating Subsidy										
Other:										
Total OI in Mgt Fee	-	-	-	-	-	-	-	-	-	-

**NOT Included in Mgt Fee:**

Property Tax Abatement	16,828	17,333	17,853	18,388	18,940	19,508	20,094	20,696	21,317	21,957
Other:										
Total OI <b>NOT</b> in Mgt Fee	16,828	17,333	17,853	18,388	18,940	19,508	20,094	20,696	21,317	21,957

**Included in Mgt Fee:**

	11	12	13	14	15	16	17	18	19	20
Operating Subsidy										
Other:										
Total OI in Mgt Fee	-	-	-	-	-	-	-	-	-	-

**NOT Included in Mgt Fee:**

Property Tax Abatement	22,615	23,294	23,993	24,712	25,454	26,217	27,004	27,814	28,649	29,508
Other:										
Total OI <b>NOT</b> in Mgt Fee	22,615	23,294	23,993	24,712	25,454	26,217	27,004	27,814	28,649	29,508

**Included in Mgt Fee:**

	21	22	23	24	25	26	27	28	29	30
Operating Subsidy										
Other:										
Total OI in Mgt Fee	-	-	-	-	-	-	-	-	-	-

**NOT Included in Mgt Fee:**

Property Tax Abatement	30,393	31,305	32,244	33,212	34,208	35,234	36,291	37,380	38,501	39,656
Other:										
Total OI <b>NOT</b> in Mgt Fee	30,393	31,305	32,244	33,212	34,208	35,234	36,291	37,380	38,501	39,656

**Included in Mgt Fee:**

	31	32	33	34	35
Operating Subsidy					
Other:					
Total OI in Mgt Fee	-	-	-	-	-

**NOT Included in Mgt Fee:**

Property Tax Abatement					
Other:					
Total OI <b>NOT</b> in Mgt Fee	-	-	-	-	-

**PART SIX - PROJECTED REVENUES & EXPENSES - 2015-0 Columbia Avondale Senior Residences, Decatur, DeKalb County**

April 2015 Revision

**IV. ANNUAL OPERATING EXPENSE BUDGET**

**On-Site Staff Costs**

Management Salaries & Benefits	100,000
Maintenance Salaries & Benefits	75,000
Support Services Salaries & Benefits	
Other (describe here)	
<b>Subtotal</b>	<b>175,000</b>

**On-Site Office Costs**

Office Supplies & Postage	2,000
Telephone	8,000
Travel	
Leased Furniture / Equipment	5,000
Activities Supplies / Overhead Cost	5,000
Other (describe here)	
<b>Subtotal</b>	<b>20,000</b>

**Maintenance Expenses**

Contracted Repairs	15,000
General Repairs	15,000
Grounds Maintenance	15,000
Extermination	5,000
Maintenance Supplies	10,000
Elevator Maintenance	5,000
Redecorating	7,000
Other (describe here)	
<b>Subtotal</b>	<b>72,000</b>

**On-Site Security**

Contracted Guard	
Electronic Alarm System	3,000
<b>Subtotal</b>	<b>3,000</b>

**Professional Services**

Legal	10,000
Accounting	10,000
Advertising	8,000
Other (describe here)	
<b>Subtotal</b>	<b>28,000</b>

**Utilities (Avg\$/mth/unit)**

Electricity 18	20,000
Natural Gas	
Water&Swr 23	25,000
Trash Collection	15,000
Other (describe here)	
<b>Subtotal</b>	<b>60,000</b>

**Taxes and Insurance**

Real Estate Taxes (Gross)*	103,211
Insurance**	28,344
Other (describe here)	
<b>Subtotal</b>	<b>131,555</b>

**Management Fee:**

	<b>43,192</b>
504.82	Average per unit per year
42.07	Average per unit per month
(Management Fee is from Pro Forma, Section 1, Operating Assumptions)	

**TOTAL OPERATING EXPENSE 532,747**

5,790.73 Average per unit

**Replacement Reserve (RR)**

	<b>23,000</b>
Proposed avg RR/unit amount:	<b>250</b>
250	Average per unit

Unit Type	Units x RR	Total by Type
Multifamily		
Rehab	0 units x \$350 =	
New Constr	92 units x \$250 =	23,000
SF or Duplex	0 units x \$420 =	
Historic Rhb	0 units x \$420 =	
<b>Totals</b>	<b>92</b>	<b>23,000</b>

**TOTAL ANNUAL EXPENSES 555,747**

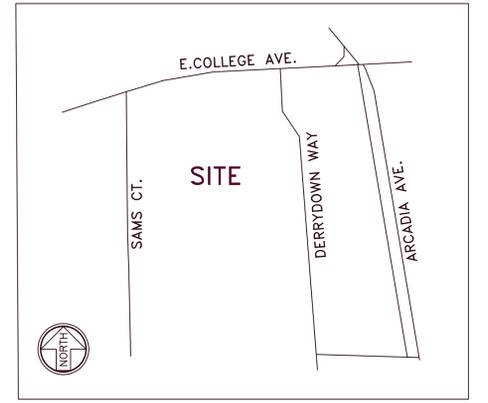
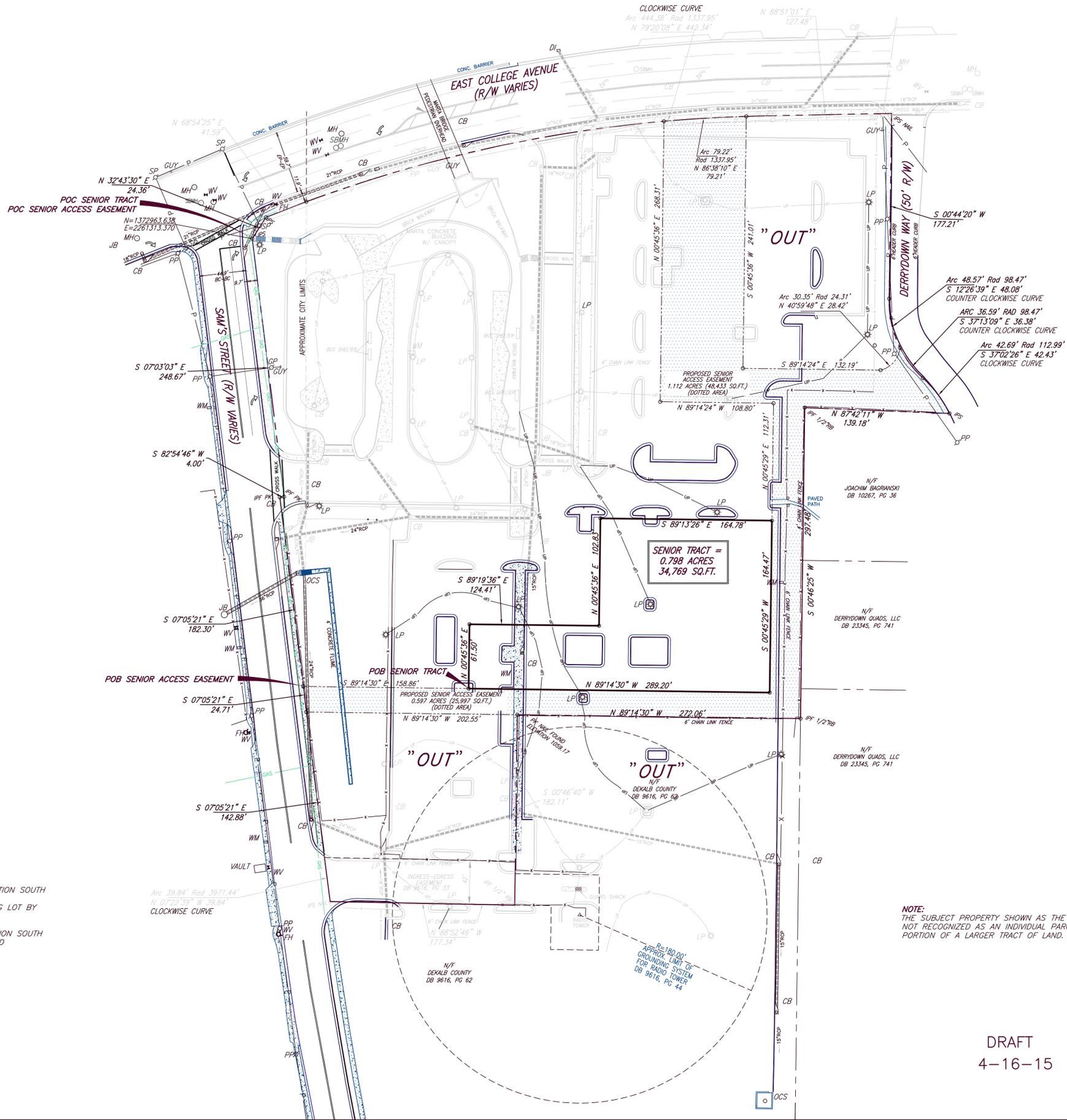
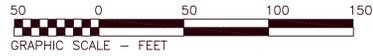
**V. APPLICANT COMMENTS AND CLARIFICATIONS**

\* Taxes = Improved Property Value (Estimated at 60% of Construction Cost) \* 40% Assessment Adjustment \* Millage Rate  
 \* Per Georgia Legislation included in Tab 1, and prior success in obtaining tax abatement in our other properties located in DeKalb County - 15 PBRA units are subject to tax exemption since they are subject to a PBRA Agreement with the DeKalb Housing Authority  
 \* Insurance = (Building Cost + FF&E + 1st Year Rents) = Total Improved Value (TIV) . Total Improved Value of Property/Total Improved Value of Columbia Residential Properties = Property TIV%. TIV%\*Total Compay Insurance Premium = Property Insurance Premium.  
 \* Detailed calculation of Property Taxes and Insurance is found in Tab 1, Section of the Application

**VI. DCA COMMENTS**

***Addendum F***  
***Site Plans***

- LEGEND:**
- IPF IRON PIN FOUND
  - IPS IRON PIN SET
  - RB REBAR
  - OT OPEN TOP PIPE
  - R/W RIGHT OF WAY
  - MH MANHOLE
  - CB CATCH BASIN
  - DI DROP INLET
  - JB JUNCTION BOX
  - RTDI RAISED TOP DROP INLET
  - HW HEADWALL
  - CMP CORRUGATED METAL PIPE
  - RCP REINFORCED CONCRETE PIPE
  - WM WATER METER
  - WV WATER VALVE
  - GV GATE VALVE
  - 24" C & G 24" CURB & GUTTER
  - PP POWER POLE
  - TP TELEPHONE POLE
  - LP LIGHT POLE
  - S- SEWER LINE
  - X- FENCE
  - T- TELEPHONE LINE
  - P- POWER LINE
  - W- WATER LINE
  - 11R 11 REGULAR PARKING SPACE
  - 1 H/C 1 HANDICAP PARKING SPACE
  - TR TRANSFORMER
  - FH FIRE HYDRANT
  - P/T POWER & TELEPHONE LINE
  - GW GUY WIRE
  - 12"HW 12" HARDWOOD
  - 6"CM 6" CREPE MYRTLE



**Legal Description**  
**Avondale Marta Senior Tract**

All that tract or parcel of land lying and being in Land Lot 247 of the 15th District, City of Decatur, DeKalb County, Georgia and being more particularly described as follows:

To Reach the TRUE POINT OF BEGINNING commence at a point being the southwestern most mitered corner of the intersection of the easterly Right of Way of Sam's Street (Variable R/W) and the southerly Right of Way of East College Avenue (Variable R/W), from point thus established and running along said Right of Way of Sam's Street the following courses: thence South 07° 03' 03" East a distance of 248.67 feet to a PK nail found; thence South 82° 54' 46" West a distance of 4.00 feet to a PK nail found; thence South 07° 05' 21" East a distance of 182.30 feet to a point; thence leaving said Right of Way and running South 89° 14' 30" East a distance of 158.86 feet to a point and the TRUE POINT OF BEGINNING, from point thus established thence North 00° 45' 36" East a distance of 61.50 feet to a point; thence South 89° 19' 36" East a distance of 124.41 feet to a point; thence North 00° 45' 36" East a distance of 102.83 feet to a point; thence South 89° 13' 26" East a distance of 164.78 feet to a point; thence South 00° 45' 29" West a distance of 164.47 feet to a point; thence North 89° 14' 30" West a distance of 289.20 feet to the TRUE POINT OF BEGINNING. Said tract contains 0.798 Acres (34,769 Square Feet).

**Legal Description**  
**Avondale Marta Senior Access Easement**

All that tract or parcel of land lying and being in Land Lot 247 of the 15th District, City of Decatur, DeKalb County, Georgia and being more particularly described as follows:

To Reach the TRUE POINT OF BEGINNING commence at a point being the southwestern most mitered corner of the intersection of the easterly Right of Way of Sam's Street (Variable R/W) and the southerly Right of Way of East College Avenue (Variable R/W), from point thus established and running along said Right of Way of Sam's Street the following courses: thence South 07° 03' 03" East a distance of 248.67 feet to a PK nail found; thence South 82° 54' 46" West a distance of 4.00 feet to a PK nail found; thence South 07° 05' 21" East a distance of 182.30 feet to a point and the TRUE POINT OF BEGINNING, from point thus established and leaving said Right of Way and running South 89° 14' 30" East a distance of 158.86 feet to a point; thence South 89° 14' 30" East a distance of 289.20 feet to a point; thence North 00° 45' 29" East a distance of 164.47 feet to a point; thence North 00° 45' 29" East a distance of 112.31 feet to a point; thence North 89° 14' 24" West a distance of 108.80 feet to a point; thence North 00° 45' 36" East a distance of 268.31 feet to a point on the southerly Right of Way of East College Avenue (Variable R/W); thence running along said Right of Way along a curve to the right an arc length of 79.22 feet, (said curve having a radius of 1,337.95 feet, with a chord bearing of North 86° 38' 10" East, and a chord length of 79.21 feet) to a point; thence leaving said Right of Way South 00° 45' 36" West a distance of 241.01 feet to a point; thence South 89° 14' 24" East a distance of 132.19 feet to a point, thence running along a curve to the left an arc length of 30.35 feet, (said curve having a radius of 24.31 feet, with a chord bearing of North 40° 59' 48" East, and a chord length of 28.42 feet) to a point on the southerly Right of Way of Derrydown Way (50' R/W); thence along said Right of Way along a curve to the left an arc length of 36.59 feet, (said curve having a radius of 98.47 feet, with a chord bearing of South 37° 13' 09" East, and a chord length of 36.38 feet) to a point; thence continuing along said Right of Way along a curve to the right an arc length of 42.69 feet, (said curve having a radius of 112.99 feet, with a chord bearing of South 37° 02' 28" East, and a chord length of 42.43 feet) to an iron pin set; thence leaving said Right of Way and running North 87° 42' 11" West a distance of 139.18 feet to a 1/2" rebar found; thence South 00° 46' 25" West a distance of 297.48 feet to a 1/2" rebar found; thence North 89° 14' 30" West a distance of 272.06 feet to a point; thence North 89° 14' 30" West a distance of 202.55 feet to a point on the aforementioned Right of Way of Sam's Street; thence along said Right of Way North 07° 05' 21" West a distance of 24.71 feet to the TRUE POINT OF BEGINNING. Said tract contains 1.112 Acres (48,433 Square Feet).

**UNDERGROUND UTILITY NOTE:**  
UNDERGROUND UTILITIES SHOWN WERE LOCATED AS FLAGGED BY AN UNDERGROUND UTILITY LOCATOR. TECHNICAL SURVEY SERVICES, INC. DOES NOT CERTIFY OR ASSUME RESPONSIBILITY TO THE EXACT LOCATION OR THE ACCURACY OF THE TYPE OF THOSE UTILITIES SHOWN.

- REFERENCES:**
- ALTA/ACSM LAND TITLE SURVEY OF: AVONDALE MARTA STATION SOUTH PARKING LOT BY STREET SMARTS, DATED 08-05-05.
  - BOUNDARY SURVEY OF AVONDALE STATION SOUTH PARKING LOT BY METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY, DATED 08-15-2013.
  - BOUNDARY AND TOPOGRAPHIC SURVEY OF AVONDALE STATION SOUTH PARKING LOT BY TECHNICAL SURVEY SERVICES, INC., DATED DECEMBER 22, 2014.

**FLOOD NOTE:**  
THE SUBJECT PROPERTY DOES NOT LIE WITHIN A SPECIAL FLOOD HAZARD AREA PER FIRM MAP NUMBER 13089C0068J AND 13089C006J, EFFECTIVE MAY 16, 2013. THE SUBJECT PROPERTY LIES WITHIN A ZONE "X" WHICH IS DEFINED AS AREAS OUTSIDE THE 500 YEAR FLOODPLAIN.

THE FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN \_\_\_\_\_ FEET AND AN ANGULAR ERROR OF \_\_\_\_\_ PER ANGLE AND WAS ADJUSTED USING THE COMPASS RULE.

A \_\_\_\_\_ LEICA TS12 TOTAL STATION AND AN \_\_\_\_\_ ALLEGRO \_\_\_\_\_ DATA COLLECTOR WERE USED TO OBTAIN THE LINEAR AND ANGULAR MEASUREMENTS USED IN THE PREPARATION OF THIS PLAT.

THIS MAP OR PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE TO WITHIN ONE FOOT IN \_\_\_\_\_ FEET.

**NOTE:**  
THE SUBJECT PROPERTY SHOWN AS THE SENIOR TRACT IS NOT RECOGNIZED AS AN INDIVIDUAL PARCEL AND IS A PORTION OF A LARGER TRACT OF LAND.

**BOUNDARY SURVEY**  
FOR  
**COLUMBIA VENTURES**  
OF  
**AVONDALE SENIOR**

LAND LOT 247 15TH DISTRICT  
DEKALB COUNTY CITY OF DECATUR GEORGIA  
DECEMBER 22, 2014; BOUNDARY SURVEY  
APRIL 6, 2015; PREPARE PLAT SCALE: 1" = 50'  
APRIL 16, 2015; REVISED PROPOSED SENIOR ACCESS EASEMENT

**TECHNICAL SURVEY SERVICES, INC.**  
Land Surveyors  
794 WEST CIRCLE, SW Telephone (770) 922-6391  
CONYERS, GEORGIA 30012 FAX (770) 922-0767  
JOB: 2014-197 AVONDALE3.CRD SCREEN FILE: AVONDALE MARTA.DWG

DRAFT  
4-16-15