



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

**RED OAK VILLAGE
Rock Quarry Road and Red Oak Road
Stockbridge, Henry County, Georgia 30281**

**Effective Date: May 2, 2015
Report Date: June 4, 2015**

Prepared For

**Mr. Jason Maddox
MACO Companies
111 North Main Street
Clarkston, MO 63837**

Prepared By

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June 4, 2015

Mr. Jason Maddox
MACO Companies
111 North Main Street
Clarkston, MO 63837

Re: Market Study for Red Oak Village in Stockbridge, Georgia

Dear Mr. Maddox:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the Stockbridge, Henry County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Red Oak Village, a proposed senior development consisting of 60 units. Units will be restricted to senior households ages 62 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

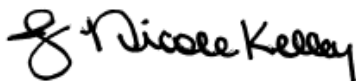
Respectfully submitted,



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Red Oak Village is a proposed LIHTC development that will be located at the intersection of Rock Quarry Road and Red Oak Road in Stockbridge, Henry County, Georgia. The proposed development will be age restricted to senior households 62 and older and will consist of one, elevator serviced lowrise building. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Number of Units	Sqft	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR	4	750	\$475	\$128	\$603	\$640	\$773
2BR	9	950	\$565	\$170	\$735	\$767	\$916
<i>60% AMI</i>							
1BR	16	750	\$565	\$128	\$693	\$768	\$773
2BR	31	950	\$690	\$170	\$860	\$916	\$916
Total	60						

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

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwashers, garbage disposals, oven/range, microwaves, refrigerators, handrails, pull cords, washer and dryer connections, a business center/computer lab, a clubhouse/community room, elevators, a central laundry facility, a swimming pool, off-street parking, on-site management, a covered picnic area, community gardens, and a walking path. The Subject's community amenities will be competitive with the existing properties in the market.

2. Site Description/Evaluation:

The Subject's immediate neighborhood consists of vacant, undeveloped land, small retail/commercial uses, single family homes, and multifamily developments. Retail/commercial uses along Rock Quarry Road appeared to be 90 to 95 percent occupied and are in generally good condition. Single family homes are also in good condition. Two market rate multifamily developments are also located in the immediate area. Carrington Ridge and Stonegate at Eagles Landing both have vacancy rates of less than three percent and are in generally good condition. We have used

both properties as comparables in our analysis and they will be discussed in further detail in the supply section of our report. The LIHTC property Ashley Woods is also located along Rock Quarry Road. This property has a walk-up garden style design and management indicated that there are very few senior tenants at the property. Therefore, we excluded this property from our analysis as there are several senior properties in or near the PMA and these properties represent direct competition for the proposed Subject. Ashley Woods currently has an occupancy rate of 95.3 percent. Overall, the uses immediately surrounding the Subject site are in good condition and the site is located within three miles of the majority of the locational amenities.

A large concentration of retail/commercial uses are located along Eagles Landing Parkway, approximately 1.5 miles from the Subject site. Retail/commercial uses along Eagles Landing Parkway are in good condition and appeared to be 95 percent occupied. Overall, the Subject site is considered desirable and the Subject's neighborhood is well suited for multifamily housing.

3. Market Area Definition:

The Subject site is located in Stockbridge, Henry County, Georgia. The PMA boundaries are defined as Panola Road and Fairview Road to the north, Georgia 155 to the east, Georgia 81 to the south, and US 41, South Main Street, and North McDonough Street to the West. The Subject's PMA includes a significant portion of Henry County as well as the easternmost portion of Clayton County. The furthest PMA boundary from the Subject site is approximately 7.2 miles.

4. Community Demographic Data:

Senior population growth was strong through 2015, significantly outpacing senior growth in the MSA and nation. Although senior population growth is expected to slow through 2019, it will be on pace with senior growth in the MSA and will significantly outpace senior growth nationally. Like senior population, senior households in the PMA increased through 2015 and the number of senior households is expected to continue increasing through 2019, albeit at a slower pace. This growth is a positive indicator for the Subject. Approximately 15 percent of the total population in the PMA is 60 and older, and this age group will represent 17 percent of the total population by 2019. The Subject's units will target tenants within this

age demographic. Our analysis also indicates that approximately 58 percent of senior renter households in the PMA are earning less than \$29,999 annually and the number will increase to 60 percent by the Subject's market entry date. The large percentage of seniors in the lowest income cohorts further illustrates a need for additional low income senior housing within the PMA. Although the majority of senior households in the PMA are owner occupied, the percentage of senior renter households in the PMA is well above the national average and the number of senior renters will increase slightly from 2015 to 2019. Overall, the demographic trends bode well for the Subject's units.

5. Economic Data:

The local economy is relatively healthy; however, it has not fully recovered from the recent national recession. Henry County has a diversified employment base, with eight different industries represented among the top 10 major employers. According to WARN notices published by the Georgia Department of Labor, only three businesses have experienced layoffs or closures over the past three years in Henry County. All three of these businesses were in the manufacturing industry, which is considered volatile in times of economic downturn. However, it should be noted that while manufacturing plays an important role in the county, there is not a significant percentage of individuals employed within the manufacturing industry within the Subject's PMA. Although total employment in the MSA decreased during the national recession, it has increased every year since 2011. Additionally the unemployment rate has decreased from a high of 10.1 percent in 2010 to its current level of 7.1 percent. While the current unemployment rate in the MSA is above the national average of 6.2 percent, the steady unemployment rate decreases in the MSA are a positive sign for the local economy. Additionally, year over year comparisons in the MSA indicate an unemployment rate decrease of 0.4 percentage points from December 2013 to December 2014. While the MSA has not fully recovered from the recent national recession, total employment and unemployment trends are encouraging and indicate that the local economy is improving. Additionally, total jobs numbers within Henry County are positive and have passed their pre-recession peak.

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

Our demand analysis indicates that there are 628 income qualified senior renter households in the PMA. The following table indicates the capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units		Supply	Net Demand	Capture Rate
		Proposed	Total Demand			
1BR at 50%	\$18,090-\$27,300	4	63	0	63	6.3%
2BR at 50%	\$22,050-\$27,300	9	103	0	103	8.7%
Overall 50%	\$18,090-\$27,300	13	166	0	166	7.8%
1BR at 60%	\$20,790-\$32,760	16	63	0	63	25.5%
2BR at 60%	\$25,800-\$32,760	31	102	0	102	30.4%
Overall at 60%	\$20,790-\$32,760	47	165	0	165	28.5%
Overall 1BR	\$18,090-\$32,760	20	87	0	87	22.9%
Overall 2BR	\$22,050-\$32,760	40	142	0	142	28.2%
Project Overall	\$18,090-\$32,760	60	229	0	229	26.2%

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

7. Competitive Rental Analysis:

The availability of senior LIHTC data in the PMA is limited. There is only one LIHTC property targeting seniors that is located within the PMA boundaries, Heritage at McDonough. This property is approximately 10.6 miles south of the proposed Subject in McDonough. Given the lack of senior LIHTC properties in the PMA, we have expanded our search for comparables beyond the PMA boundaries and have included two properties located in markets just outside the PMA. Grier Senior Manor is located just south of the PMA in McDonough while Hampton Court is located slightly further south of the PMA in Hampton. The availability of market rate data is considered good. We have included four market rate comparables, all of which are located in Stockbridge and are within 2.9 miles of the proposed Subject. All four market rate properties reported senior tenancies of approximately 10 percent. Additionally, the senior LIHTC property Grier Senior Manor also offers conventional units. Overall, we believe the comparables are sufficient upon which to base our conclusions.

Although there are several family LIHTC properties located within the PMA boundaries, we have excluded these properties as comparables as management indicated

that they do not have many senior tenants and will not directly compete with the Subject. Although we have excluded them as comparables, we did interview these properties for occupancy and waiting list information. These details can be found in the following table.

Property	Type	Tenancy	Location	Occupancy	Waiting List
Ashley Woods	LIHTC	Family	Stockbridge	95.3%	No
Hyde Park Apartments	LIHTC	Family	Stockbridge	97.9%	No
Sable Chase I and II	LIHTC	Family	McDonough	96.5%	No
Baywood Park	LIHTC	Family	Morrow	N/Av	N/Av
Average Family LIHTC Occupancy	-	-	-	96.6%	-

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

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

Subject Comparison To "Market Rents"

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage Over Average
1 BR at 50% AMI	\$475	\$488	\$890	\$678	43%
2 BR at 50% AMI	\$565	\$465	\$1,005	\$768	36%
1BR at 60% AMI	\$565	\$506	\$890	\$712	26%
2BR at 60% AMI	\$690	\$465	\$1,005	\$805	17%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. With the exception of the one-bedroom rents at 50 percent AMI, the Subject’s proposed LIHTC rents are higher than the surveyed minimum. The senior LIHTC property Hampton Court is achieving the minimum rents in the market. The rents at this property are significantly below the rents at the other comparables and management at Hampton Court reported that the property is 100 percent

occupied with a lengthy waiting list. Therefore, this property does not appear to be testing maximum achievable rents and could likely increase its rents. As a newly constructed property, the Subject will be similar to superior to the existing supply. The other two LIHTC comparables are achieving rents similar to above the Subject's proposed rents and are performing well. Additionally, all of the market rate properties reported strong occupancies and have average rents well above the Subject's proposed rents. Overall, when compared to the rents in the market, we believe that the Subject's rents offer value and are achievable. As previously stated, we believe the Subject will maintain a stabilized occupancy rate of 95 percent as proposed.

8. Absorption/Stabilization Estimate:

Two of the LIHTC comparables were able to report absorption information. The senior property Heritage at McDonough, which is the only senior LIHTC property in the PMA, was built in 2011 and management reported that the 105 unit property was fully occupied within six months, for an absorption pace of 18 units per month. The newest senior LIHTC property, Hampton Court, opened in 2014 and was fully occupied within three months of opening. This equates to an absorption pace of 20 units per month for the 60 unit property. This comparable is located approximately 14 miles from the Subject site in Hampton and is south of the PMA. Given the low vacancy rates and presence of waiting lists at the senior comparables, we believe the Subject can expect an absorption pace of approximately 18 units per month. Per DCA guidelines, absorption is to be calculated as the time it will take for the project to reach a stabilized occupancy of 93 percent. At a pace of 18 units per month, the Subject will reach stabilized occupancy within four months.

9. Overall Conclusion:

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for a senior property in Stockbridge. There is currently only one senior LIHTC property in the Subject's PMA. This property is 100 percent occupied and has a waiting list. Therefore, there appears to be latent demand in the market. The two senior LIHTC properties located just outside the PMA boundaries are also performing well and both have waiting lists. Our analysis indicates that maximum allowable rents are achievable in the market. The Subject's proposed 50 and 60 percent AMI rents are set below the maximum

allowable levels and are feasible. The Subject's proposed rents also yield a significant advantage over average market rents. Overall, the average vacancy rate of less than three percent in the market and the waiting lists at the comparables suggest a need for additional affordable rental housing, and for senior rental housing in particular. We believe that the Subject will be successful as proposed and will maintain a stabilized vacancy rate of five percent or less. We have estimated an absorption period of four months for the proposed Subject.

Summary Table:

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

Development Name:	Red Oak Village	Total # Units:	60
Location:	Red Oak Road and Rock Quarry Road Stockbridge, Henry County, GA	# LIHTC Units:	60
PMA Boundary:	Panola Road and Fairview Road to the north, GA 81 to the south, GA 55 to the east, US 41, South Main Street, and north Main Street to the west		
	Farthest Boundary Distance to Subject:		7.2 miles

Rental Housing Stock (found on page 45)

Type*	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	1,520	34	97.8%
Market-Rate Housing	5	1,094	32	97.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	0	0	0	0.0%
LIHTC	2	161	2	98.8%
Stabilized Comps	8	1,520	34	97.8%
Properties in Construction & Lease Up	0	0	0	N/Ap

*Some properties offer both LIHTC and market rate units

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	1BR at 50% AMI	1	750	\$475	\$678	\$0.90	43%	\$890	\$0.72
9	2BR at 50% AMI	1	950	\$565	\$768	\$0.59	36%	\$1,040	\$0.80
16	1BR at 60% AMI	1	750	\$565	\$712	\$0.95	26%	\$890	\$0.72
31	2BR at 60% AMI	1	950	\$690	\$805	\$0.85	17%	\$1,040	\$0.80

Demographic Data (found on page 32-33 & 54)

	2010		2015		2017	
Renter Households	1,978	25.40%	2,255	18.60%	2,504	18.90%
Income-Qualified Renter HHs (LIHTC)	489	24.70%	877	24.70%	618	24.70%

Targeted Income-Qualified Renter Household Demand (found on pages 48, 51, 54)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	51	51	N/Ap	N/Ap	71
Existing Households (Overburdened + Substandard)	N/Ap	160	159	N/Ap	N/Ap	222
Homeowner conversion (Seniors)	N/Ap	4	4	N/Ap	N/Ap	6
Total Primary Market Demand	N/Ap	215	214	N/Ap	N/Ap	299
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	215	214	N/Ap	N/Ap	299

Capture Rates (found on pages 49, 52, 55)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	7.80%	28.50%	N/Ap	N/Ap	26.20%


*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject will be located at the intersection of Rock Quarry Road and Red Oak Road in Stockbridge, Henry County, Georgia.
Construction Type:	The Subject will be a newly constructed development consisting of one, lowrise, elevator serviced building.
Occupancy Type:	The Subject will target households 62 and older.
Special Population Target:	None.
Number of Units by Bedroom Type and AMI Level:	See following property profile.
Unit Size:	See following property profile.
Structure Type:	See following property profile.
Rents and Utility Allowances:	See following property profile.
Existing or Proposed Project Based Rental Assistance:	None of the Subject's units will operate with an additional subsidy.
Proposed Development Amenities:	See following property profile.

Red Oak Village, Stockbridge, GA; Market Study

Red Oak Village											
Comp #	Subject										
Effective Rent Date	4/28/2015										
Location	Rock Quarry Rd & Red Oak Rd Stockbridge, GA 30281 Henry County County (verified)										
Distance	n/a										
Units	60										
Vacant Units	N/A										
Vacancy Rate	N/A										
Type	Lowrise (age-restricted)										
Year Built / Renovated	2017										
											
Market											
Program	50%, 60%					Leasing Pace	n/a				
Annual Turnover Rate	N/A					Change in Rent (Past Year)	n/a				
Units/Month Absorbed	n/a					Concession					
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	Lowrise	4	750	\$475	\$0	50%	n/a	N/A	N/A	no
1	1	Lowrise	16	750	\$565	\$0	60%	n/a	N/A	N/A	no
2	1	Lowrise	9	950	\$565	\$0	50%	n/a	N/A	N/A	no
2	1	Lowrise	31	950	\$690	\$0	60%	n/a	N/A	N/A	no
Amenities											
In-Unit	Blinds Carpeting Central A/C Dishwasher Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Washer/Dryer hookup					Security	Perimeter Fencing				
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Recreation Areas Swimming Pool					Premium	none				
Services	none					Other	walking path, community gardens				
Comments											
This is a proposed development that will target households 62 and older. Utility allowances for the Subject's units are \$128 and \$170 for a one and two-bedroom unit, respectively.											

Scope of Renovations:	The Subject will be new construction.
Current Rents:	N/Ap.
Current Occupancy:	N/Ap.
Current Tenant Income:	N/Ap.
Placed in Service Date:	The Subject will be placed in service in June 2017.
Conclusion:	Upon completion, the Subject will be an excellent quality brick and vinyl siding, lowrise, elevator serviced building and will be comparable to the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

Nicole Kelley visited the site on May 2, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

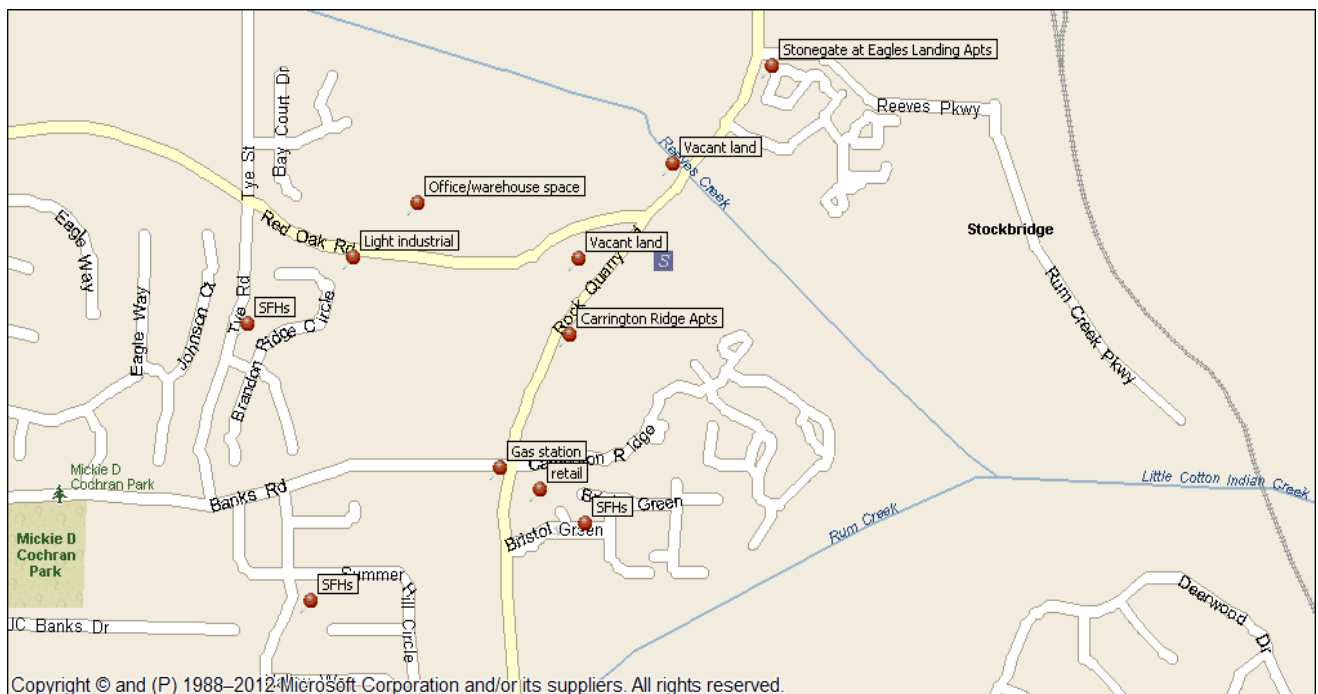
The Subject site has frontage along Rock Quarry Road.

Visibility/Views:

The Subject site is located on the eastern side of Rock Quarry Road and has good visibility and views. Views from the Subject site consist of vacant, undeveloped land and a small commercial use in good condition.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject’s immediate neighborhood consists of vacant, undeveloped land, small retail/commercial uses, single family homes, and multifamily developments. Retail/commercial uses along Rock Quarry Road appeared to be 90 to 95 percent occupied and are in generally good condition. Single family homes are also in good condition. Two market rate multifamily developments are also located in the immediate area. Carrington Ridge and Stonegate at Eagles Landing both have vacancy rates of less than three percent and are in generally good condition. We have used both properties as comparables in our analysis and they will

be discussed in further detail in the supply section of our report. The LIHTC property Ashley Woods is also located along Rock Quarry Road. This property has a walk-up garden style design and management indicated that there are very few senior tenants at the property. Therefore, we have excluded this property from our analysis as there are several senior properties within the PMA boundaries and these properties represent direct competition for the proposed Subject. Ashley Woods currently has an occupancy rate of 95.3 percent. Overall, the uses immediately surrounding the Subject site are in good condition and the site is located within three miles of the majority of the locational amenities.

A large concentration of retail/commercial uses are located along Eagles Landing Parkway, approximately 1.5 miles from the Subject site. Retail/commercial uses along Eagles Landing Parkway are in good condition and appeared to be 95 percent occupied. Overall, the Subject site is considered desirable and the Subject's neighborhood is well suited for multifamily housing.

Positive/Negative Attributes of Site: The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in good condition, are considered positive attributes. The Subject is also located 1.6 miles from Interstate 75, which provides convenient access to employment centers.

3. Physical Proximity to Locational Amenities:

The Subject site is located approximately 1.6 miles from Interstate 75. Interstate 75 traverses north and south and provides access to Atlanta to the north and Macon to the south. The Subject site is also located within three miles of the majority of locational amenities. There is no fixed route transit system in Henry County.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



View south on Rock Quarry Road



View north on Rock Quarry Road



Small commercial development adjacent to site



Warehouse west



Commercial west



SFH west



Gas station south



Retail south



Carrington Ridge Apartments south



Ashley Woods Apartments south



SFH south



Small retail development south



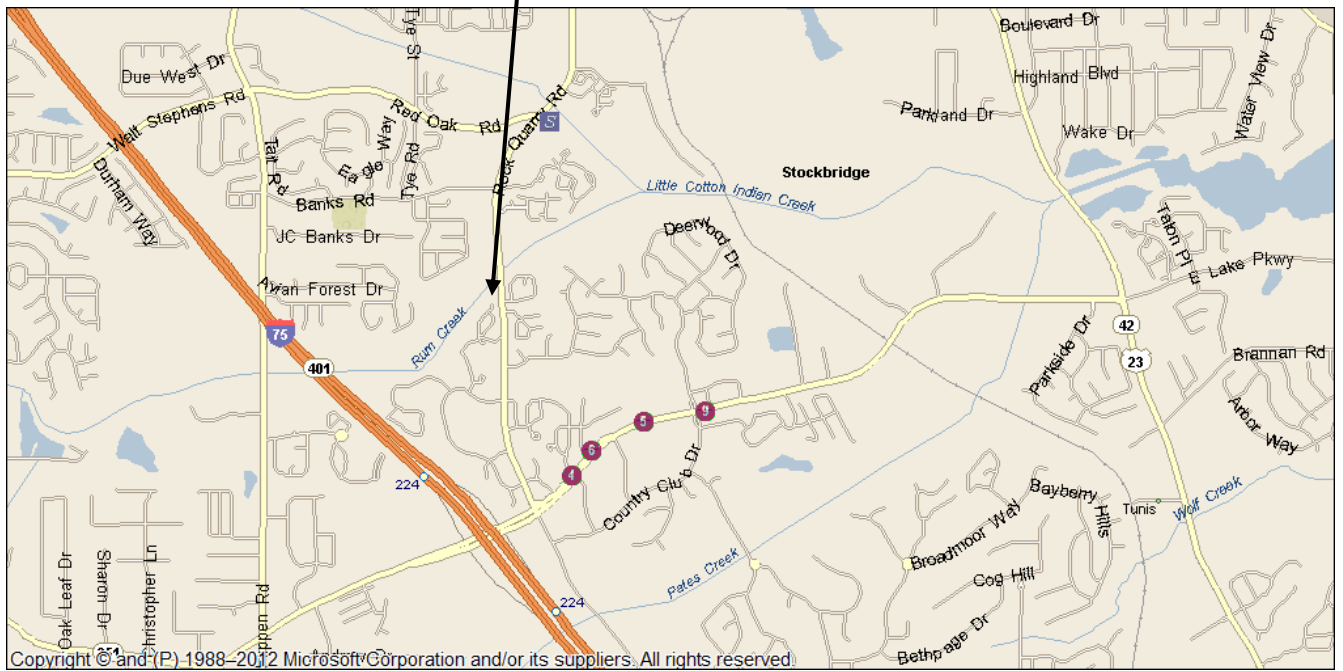
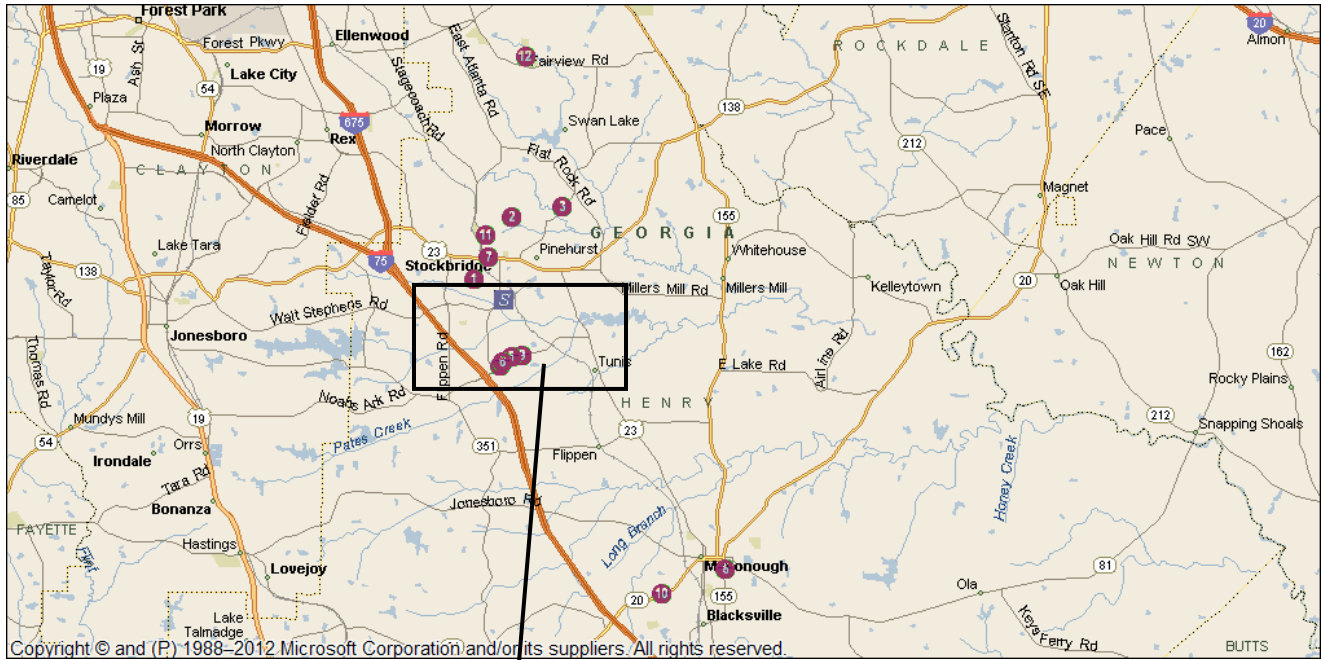
Vacant land north



Stonegate at Eagles Landing Apartments north

5. Proximity to Locational Amenities:

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



Map#	Service/Amenity	Distance from Subject
1	Smith Barnes Elementary School	1.2 miles
2	Stockbridge Middle School	2.9 miles
3	Stockbridge Senior High School	3.3 miles
4	Piedmont Henry Hospital	2.1 miles
5	Publix Supermarket	2.0 miles
6	Eagle's Landing Pharmacy	2.0 miles
7	Stockbridge Public Library	1.5 miles
8	Henry County Police Department	11.4 miles
9	Employment Center-Stockbridge	2.0 miles
10	Employment Center-McDonough	9.5 miles
11	Stockbridge Fire Department	2.2 miles
12	Hidden Valley Senior Center	8.6 miles

6. Description of Land Uses:

The Subject’s immediate neighborhood consists of vacant, undeveloped land, small retail/commercial uses, single family homes, and multifamily developments. Retail/commercial uses along Rock Quarry Road appeared to be 90 to 95 percent occupied and are in generally good condition. Single family homes are also in good condition. Two market rate multifamily developments are also located in the immediate area. Carrington Ridge and Stonegate at Eagles Landing both have vacancy rates of less than three percent and are in generally good condition. We have used both properties as comparables in our analysis and they will be discussed in further detail in the supply section of our report. The LIHTC property Ashley Woods is also located along Rock Quarry Road. This property has a walk-up garden style design and management indicated that there are very few senior tenants at the property. Therefore, we have exclude this property from our analysis as there are several senior properties within the PMA boundaries and these properties represent direct competition for the proposed Subject. Ashley Woods currently has an occupancy rate of 95.3 percent. Overall, the uses immediately surrounding the Subject site are in good condition and the site is located within three miles of the majority of the locational amenities.

A large concentration of retail/commercial uses are located along Eagles Landing Parkway, approximately 1.5 miles from the Subject site. Retail/commercial uses along Eagles Landing Parkway are in good condition and appeared to be 95 percent occupied. Overall, the Subject site is considered desirable and the Subject’s neighborhood is well suited for multifamily housing.

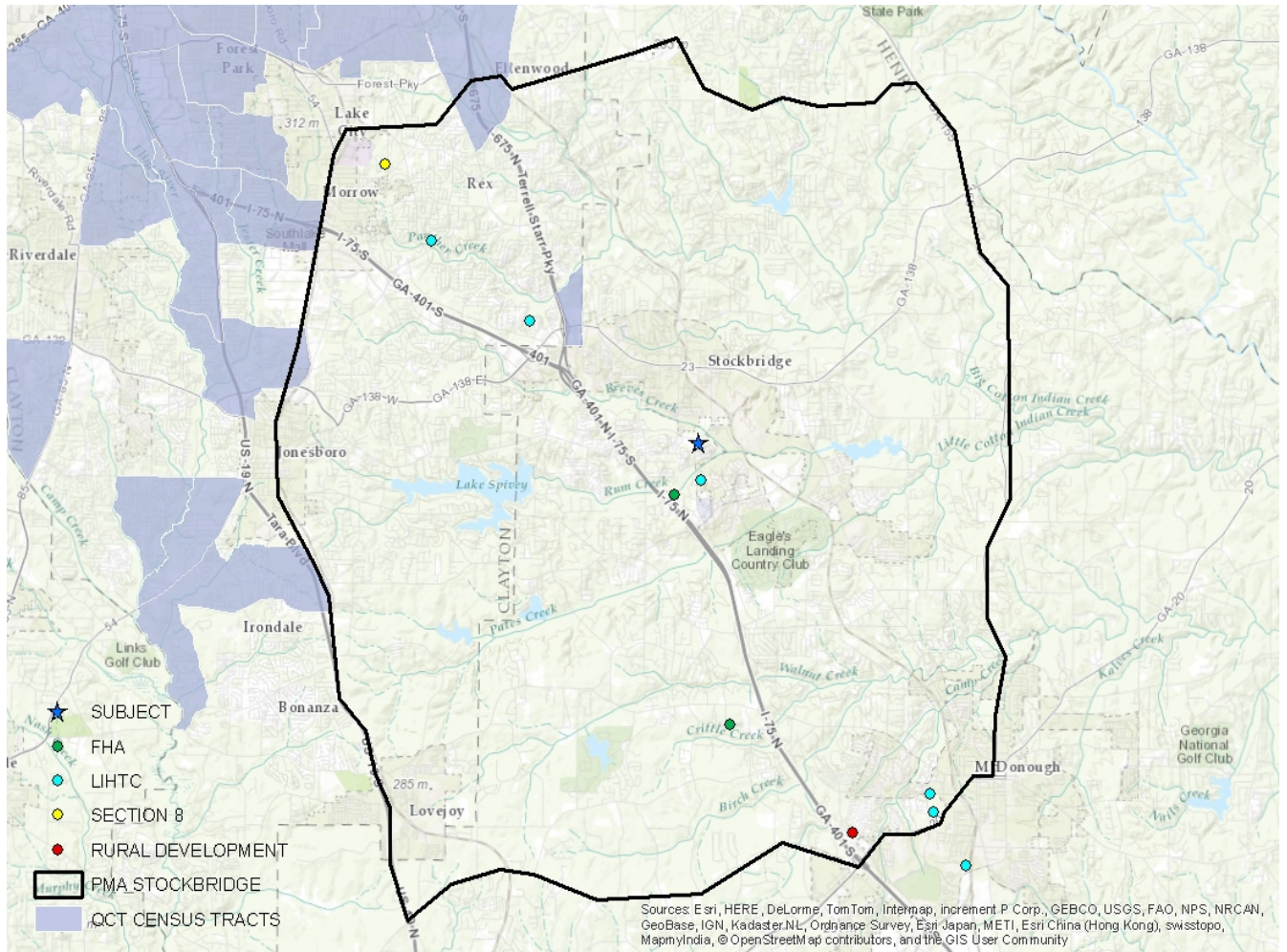
7. Existing Assisted Rental Housing

Property Map:

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

Name	Address	City	Type	Tenancy	Map Color	Mileage	Included/Excluded	Reason for Exclusion
Grier Senior Manor	391 Old Griffin Rd	McDonough	LIHTC	Senior		11.1 miles	Included	-
Heritage at McDonough	180 Bridges Rd	McDonough	LIHTC	Senior		10.6 miles	Included	-
Ashley Woods	1050 Rock Quarry Rd	Stockbridge	LIHTC	Family		0.8 miles	Excluded	Does not have a significant senior tenancy; more comparable properties
Hyde Park Apartments	3386 Mt. Zion Rd	Stockbridge	LIHTC	Family		4.8 miles	Excluded	Does not have a significant senior tenancy; more comparable properties
Sable Chase I and II	102 Sable Chase Blvd	McDonough	LIHTC	Family		9.9 miles	Excluded	Does not have a significant senior tenancy; more comparable properties
Baywood Park Apartments	6655 Mt. Zion Rd	Morrow	LIHTC	Family		9.3 miles	Excluded	Does not have a significant senior tenancy; more comparable properties
Brookshire Apartments	23 Brookshire Circle	McDonough	Rural Development	Family		8.9 miles	Excluded	Rent subsidized
North Park Apartments	250 Evergreen Terrace	Stockbridge	FHA	Family		1.4 miles	Excluded	Inferior; could not reach management
Mandalay Villas	1395 Towne Center Village	McDonough	FHA	Family		5.9 miles	Excluded	Closer, more comparable propertie available
Southwood Apartments	6001 Trammell Rd	Morrow	Section 8	Family		9.6 miles	Excluded	Rent subsidized
Red Oak Village	802 Rock Quarry Rd	Stockbridge	LIHTC	Senior		-	-	Subject

Red Oak Village, Stockbridge, GA; Market Study



Stockbridge, GA



8. Road/Infrastructure

Proposed Improvements:

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

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

The Subject site is located along Rock Quarry Road, a moderately trafficked roadway containing retail, commercial, and residential developments as well as vacant, undeveloped land. Rock Quarry Road intersects with Eagles Landing Parkway approximately 1.5 miles from the Subject site. Eagles Landing Parkway is the major retail/commercial corridor of the area and it also provides access to Interstate 75 approximately 1.6 miles from the Subject site. Overall, access and visibility are considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

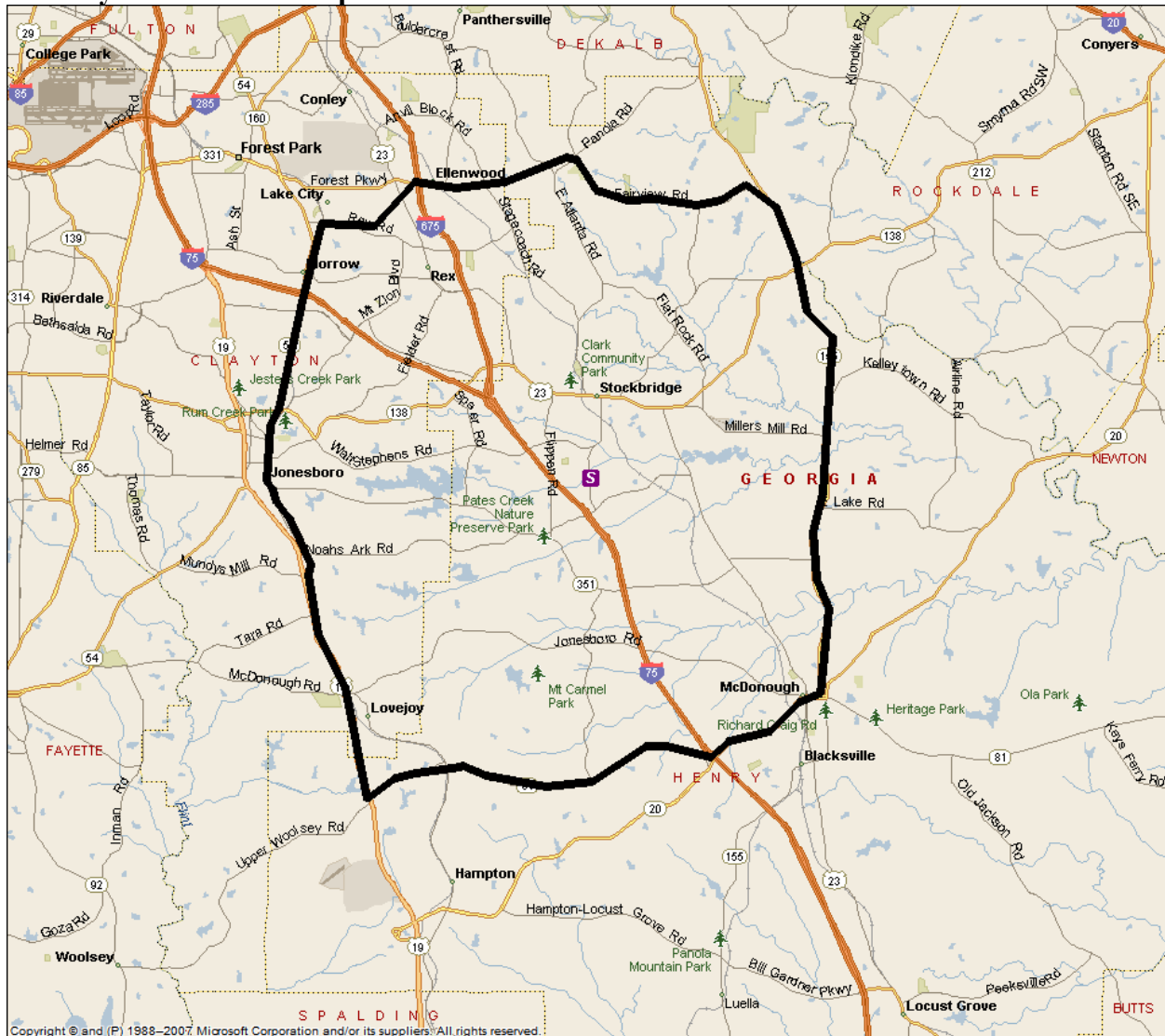
The Subject is located along Rock Quarry Road which contains a mixture of retail/commercial and residential uses as well as vacant, undeveloped land. The Subject is located within close proximity of an abundance of retail. Retail in the area is newer and appears to have an occupancy of 90 to 95 percent. Single family and multi-family residences in the immediate area appear to be in good condition and most have been built since 1990. Overall, the community presents a good location for an affordable, multifamily development and the Subject will have a positive impact on the local neighborhood.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Atlanta-Sandy Springs-Roswell, GA MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:
 North – Panola Road and Fairview Road

South- GA 81

East-GA 55

West-US 41, South Main Street, North McDonough Street

The PMA is defined by Fairview and Panola Roads to the north, US 41, South Main Street, and North McDonough Street to the west, GA 81 to the south, and GA 155 to the east. This area includes the cities of Stockbridge and McDonough as well as portions of Jonesboro and Morrow. The area was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from out of state. Of those residents coming from within Georgia most are coming from the Stockbridge/McDonough areas or from south Atlanta. Per Georgia DCA guidelines, we have not accounted for leakage from outside the PMA boundaries.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2010 through 2019.

TOTAL POPULATION

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	127,760	-	4,263,438	-	281,421,906	-
2010	166,910	3.1%	5,286,728	2.4%	308,745,538	1.0%
2015	170,360	0.4%	5,467,379	0.7%	314,467,933	0.4%
Projected Mkt Entry June 2017	173,153	0.9%	5,622,315	1.5%	319,918,857	0.9%
2019	176,189	0.7%	5,790,724	1.2%	325,843,774	0.7%

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

TOTAL SENIOR POPULATION (62+)

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	11,270	-	407,225	-	41,475,021	-
2010	18,464	6.4%	625,999	5.4%	50,358,738	2.1%
2015	21,812	3.5%	737,625	3.4%	54,877,680	1.7%
Projected Mkt Entry March 2017	23,690	5.2%	802,231	5.3%	58,573,206	4.0%
2019	26,319	4.1%	892,679	4.2%	63,746,942	3.2%

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry	2019
0-4	10,083	11,802	11,507	11,688	11,884
5-9	10,377	12,763	11,896	11,876	11,854
10-14	10,309	13,477	12,631	12,450	12,254
15-19	9,067	13,279	12,452	12,222	11,972
20-24	7,832	10,648	12,397	11,897	11,353
25-29	9,908	10,623	12,219	13,164	14,191
30-34	11,212	11,487	11,207	12,176	13,229
35-39	12,279	13,444	11,338	11,532	11,742
40-44	10,807	13,553	13,283	12,276	11,181
45-49	9,148	13,372	12,789	12,618	12,432
50-54	8,031	11,593	12,643	12,380	12,094
55-59	5,816	9,342	10,754	11,216	11,718
60-64	4,055	7,657	8,581	9,223	9,921
65-69	3,086	5,078	6,617	7,130	7,687
70-74	2,306	3,538	4,225	4,930	5,697
75-79	1,651	2,459	2,768	3,102	3,466
80-84	1,009	1,652	1,744	1,871	2,009
85+	785	1,143	1,309	1,404	1,507
Total	127,761	166,910	170,360	173,154	176,191

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

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Atlanta-Sandy Springs-Roswell, GA MSA		
	Total Population	Non-Elderly	Elderly (62+)	Total Population	Non-Elderly	Elderly (62+)
1990	74,548	68,142	6,406	3,082,308	2,769,581	312,727
2000	127,761	116,491	11,270	4,263,438	3,856,213	407,225
2010	166,910	148,446	18,464	5,286,728	4,660,729	625,999
2015	170,360	148,548	21,812	5,467,379	4,729,754	737,625
Projected Mkt Entry March 2017	172,790	149,100	23,690	5,602,106	4,799,875	802,231
2019	176,191	149,872	26,319	5,790,724	4,898,045	892,679

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

Total population in the PMA increased significantly through 2010 and has continued to increase through 2015, albeit at a slower pace. The population is expected to grow at a rate of 0.7 percent through 2019, a pace similar to the nation but slightly below the MSA. Senior population growth in the PMA was strong through 2010 at 6.4 percent. Growth in the PMA significantly outpaced growth in the MSA and the nation. Although senior population growth has slowed somewhat, the senior population in the PMA is still on pace with growth in the MSA and is well above national growth. This strong population growth in the senior age cohorts bodes well for the Subject's units.

The largest age cohort in the PMA is the 10 to 14 age group, followed by the 40 to 44 and 45 to 49 age groups. These age groups represent 24 percent of the population in the PMA. Approximately 15 percent of the total population in the PMA is 60 and older, and this age group will represent 17 percent of the total population by 2019. The Subject's units will target tenants within this age demographic. Overall, these demographic trends are positive indicators for the Subject, which will provide low income housing to elderly households.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs- Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	44,789	-	1,566,711	-	105,991,193	-
2010	59,725	3.3%	1,943,885	2.4%	116,716,292	1.0%
2015	60,892	0.4%	2,010,072	0.6%	118,979,182	0.4%
Projected Mkt Entry June 2017	61,892	0.9%	2,068,644	1.5%	121,128,586	0.9%
2019	62,979	0.7%	2,132,309	1.2%	123,464,895	0.8%

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

TOTAL NUMBER OF SENIOR HOUSEHOLDS (62+)

Year	PMA		Atlanta-Sandy Springs- Roswell, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	6,664	-	260,346	-	26,713,074	-
2010	10,248	5.4%	357,494	3.7%	30,124,245	1.3%
2015	12,119	3.5%	427,381	3.7%	33,677,155	2.2%
Projected Mkt Entry March 2017	13,241	5.6%	468,875	5.8%	35,729,240	3.7%
2019	14,811	4.4%	526,967	4.7%	38,602,158	2.9%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell,		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.81	-	2.67	-	2.58	-
2010	2.77	-0.2%	2.68	0.0%	2.58	0.0%
2015	2.77	0.0%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry June 2017	2.77	0.0%	2.68	0.0%	2.57	0.0%
2019	2.77	0.0%	2.68	0.0%	2.57	0.0%

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

Total number of households in the PMA increased significantly through 2010 and has continued to increase through 2015, but at a slower pace. The total number of households in the PMA is expected to grow at a rate of 0.7 percent through 2019, a pace slightly below the MSA and nation. Like total households, senior households in the PMA increased through 2015 and the number of senior households is expected to continue increasing through 2019, albeit at a slower pace. The PMA is expected to experience senior household growth of 4.4 percent from 2015 to 2019, a pace slightly below the MSA but well above the nation.

The average household size in the PMA is 2.77 persons, slightly larger than the average household size in both the MSA and the nation. This average household size is expected to remain stable through 2019. As a senior development, the Subject will target households of one to two persons.

2b. Households by Tenure

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

PMA TENURE PATTERNS OF SENIORS 62+

Year	Renter-Occupied	Percentage	Owner-Occupied	Percentage
	Units	Renter-Occupied	Units	Owner-Occupied
2000	844	12.7%	5,820	87.3%
2010	1,978	25.4%	5,820	74.6%
2015	2,255	18.6%	9,864	81.4%
Projected Mkt Entry				
March 2017	2,504	18.9%	10,737	81.1%
2019	2,852	19.3%	11,959	80.7%

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

As illustrated, the majority of senior households in the PMA are owner households. However, the percentage of senior renter households in the PMA is expected to increase slightly from 2015 to market entry and is expected to continue increasing through 2019. Nationally, approximately 13 percent of senior households are renters. The percentage of senior renters in the PMA is above the national average, a positive indicator for the Subject’s units.

2c. Households by Income

The following table depicts household income in 2010, 2015 and 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 62+)

Income Cohort	2010		2015		Projected Mkt Entry March 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	176	9%	275	12.2%	341	13.6%	433	15.2%
\$10,000-19,999	400	20%	652	28.9%	739	29.5%	859	30.1%
\$20,000-29,999	349	18%	386	17.1%	421	16.8%	471	16.5%
\$30,000-39,999	163	8%	188	8.3%	209	8.3%	237	8.3%
\$40,000-49,999	167	8%	162	7.2%	173	6.9%	189	6.6%
\$50,000-59,999	156	8%	166	7.3%	168	6.7%	172	6.0%
\$60,000-74,999	207	10%	135	6.0%	147	5.9%	163	5.7%
\$75,000-99,999	153	8%	116	5.1%	122	4.9%	131	4.6%
\$100,000-124,999	109	6%	81	3.6%	84	3.4%	89	3.1%
\$125,000-149,999	35	2%	30	1.3%	33	1.3%	38	1.3%
\$150,000-199,999	33	2%	45	2.0%	47	1.9%	50	1.8%
\$200,000+	31	2%	18	0.8%	19	0.7%	19	0.7%
Total	1,978	100%	2,255	100.0%	2,504	100.0%	2,852	100.0%

Source: Ribbon Demographics 2007, Novogradac & Company LLP, May 2015

As indicated, approximately 58 percent of senior renter households in the PMA are earning less than \$29,999 annually. By the Subject’s market entry date, this percentage will have increased to 60 percent. The large percentage of senior renters in the lowest income cohorts indicates a strong need for additional low income senior rental units.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2010		2015		Projected Mkt Entry March 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	5,626	29.7%	6,338	30.3%	5,077	14.1%	6,599	30.6%
With 2 Persons	4,563	24.1%	5,015	24.0%	3,859	10.7%	5,163	23.9%
With 3 Persons	3,455	18.2%	3,807	18.2%	2,903	8.1%	3,932	18.2%
With 4 Persons	2,673	14.1%	2,880	13.8%	2,913	8.1%	2,934	13.6%
With 5+ Persons	2,653	14.0%	2,878	13.8%	21,199	59.0%	2,962	13.7%
Total Renter Households	18,970	100.0%	20,919	100.0%	35,950	100.0%	21,590	100.0%

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

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

CONCLUSION

Senior population growth was strong through 2015, significantly outpacing senior growth in the MSA and nation. Although senior population growth is expected to slow through 2019, it will be on pace with senior growth in the MSA and will significantly outpace senior growth nationally. Like senior population, senior households in the PMA increased through 2015 and the number of senior households is expected to continue increasing through 2019, albeit at a slower pace. This growth is a positive indicator for the Subject. Approximately 15 percent of the total population in the PMA is 60 and older, and this age group will represent 17 percent of the total population by 2019. The Subject’s units will target tenants within this age demographic. Our analysis also indicates that approximately 58 percent of senior renter households in the PMA are earning less than \$29,999 annually and the number will increase to 60 percent by the Subject’s market entry

date. The large percentage of seniors in the lowest income cohorts further illustrates a need for additional low income senior housing within the PMA. Although the majority of senior households in the PMA are owner occupied, the percentage of senior renter households in the PMA is well above the national average and the number of senior renters will increase slightly from 2015 to 2019. Overall, the demographic trends bode well for the Subject's units.

F. EMPLOYMENT TRENDS

Employment Trends

Henry County is located approximately 20 miles from downtown Atlanta, which is easily accessed via Interstate 75. The four key industries in Henry County are manufacturing, healthcare, logistics, and professional services. Within the manufacturing industry, Henry County has experienced niche specific employment growth in medical manufacturing and plastics and rubber manufacturing. Over the past decade, more than 300 jobs have been added to Henry County in these two manufacturing sectors. However, it should be noted that while manufacturing plays an important role in Henry County, the PMA is not heavily dependent on this industry, which could explain why the PMA’s economy has fared better than the county’s economy as a whole. Large corporations such as The Home Depot, John Deere, Whirlpool, and Toys R Us have identified Henry County as a prime location for their distribution and warehousing operations, further adding to the importance of the logistics industry within the county. While the MSA has still not fully recovered from the national recession, increasing total employment trends and decreasing unemployment rates are a positive sign for the local economy. Additionally, our analysis indicates that total jobs in the county are currently above their pre-recession peak.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Henry County.

Total Jobs in Henry County, Georgia

Year	Total Employment	% Change
2005	81,968	-
2006	86,702	5.46%
2007	92,707	6.48%
2008	95,032	2.45%
2009	88,044	-7.94%
2010	90,021	2.20%
2011	92,032	2.19%
2012	93,025	1.07%
2013	96,838	3.94%
2014	94,865	-2.08%
2014 YTD Average	97,193	2.40%
Mar-14	95,957	-
Mar-15	96,890	0.96%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

Total employment in Henry County decreased in 2009 as a result of the national recession. However, total employment increased from 2010 to 2013. Most recently, total employment in the county decreased by 2.08 percent in 2014. Despite this decrease, year over year comparisons indicate a total employment increase of 0.96 percent from March 2014 to March 2015. As of March 2015, total employment still stands above its pre-recession peak, a positive sign for the local economy.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the county as of March 2015.

**March 2015 Covered Employment
Henry County, Georgia**

	Number	Percent
Total, all industries	42,356	-
Goods-producing	4,293	-
Natural resources and mining	106	0.25%
Construction	1,551	3.66%
Manufacturing	2,636	6.22%
Service-providing	38,063	-
Trade, transportation, and utilities	14,839	35.03%
Information	455	1.07%
Financial activities	1,734	4.09%
Professional and business services	5,928	14.00%
Education and health services	6,738	15.91%
Leisure and hospitality	6,944	16.39%
Other services	1,238	2.92%
Unclassified	187	0.44%

Source: Bureau of Labor Statistics, 2015

Trade, transportation, and utilities is the largest industry in Henry County, representing 35 percent of total employment. Several of the major employers in Henry County are in these sectors. While trade and transportation can be somewhat volatile in times of economic downturn, the utilities industry is considered relatively stable. Overall, the local economy is considered healthy.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	105	0.1%	1,800,354	1.3%
Mining	111	0.2%	868,282	0.6%
Construction	4,852	6.8%	8,291,595	5.8%
Manufacturing	3,852	5.4%	15,162,651	10.6%
Wholesale Trade	2,613	3.7%	3,628,118	2.5%
Retail Trade	8,438	11.8%	16,592,605	11.6%
Transportation/Warehousing	9,993	14.0%	5,898,791	4.1%
Utilities	730	1.0%	1,107,105	0.8%
Information	1,528	2.1%	2,577,845	1.8%
Finance/Insurance	2,843	4.0%	6,884,133	4.8%
Real Estate/Rental/Leasing	1,958	2.7%	2,627,562	1.8%
Prof/Scientific/Tech Services	3,672	5.1%	9,808,289	6.8%
Mgmt of Companies/Enterprises	143	0.2%	97,762	0.1%
Admin/Support/Waste Mgmt Svcs	2,866	4.0%	6,316,579	4.4%
Educational Services	7,101	9.9%	12,979,314	9.1%
Health Care/Social Assistance	7,132	10.0%	20,080,547	14.0%
Arts/Entertainment/Recreation	841	1.2%	3,151,821	2.2%
Accommodation/Food Services	4,436	6.2%	10,849,114	7.6%
Other Services (excl Publ Adm)	3,817	5.3%	7,850,739	5.5%
Public Administration	4,449	6.2%	6,713,073	4.7%
Total Employment	71,480	100.0%	143,286,279	100.0%

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

As indicated, the largest industries in the PMA are retail trade, transportation/warehousing, educational services, and healthcare/social assistance. Combined, these four industries account for 46 percent of employment in the PMA. Although the Henry County Economic Development Department identifies manufacturing as one of the largest industries in Henry County, there are significantly fewer individuals employed in this industry within the PMA boundaries when compared to the national average. Other industries underrepresented in the PMA when compared to the nation are agriculture/forestry/fishing/hunting, healthcare/social assistance, and accommodation/food services. Conversely, industries overrepresented in the PMA when compared to the nation are transportation/warehousing, and public administration.

3. Major Employers

The following table illustrates the major employers within Henry County.

Major Employers-Henry County

#	Employer	Sector	Employees
1	Henry County Schools	Education	6,000
2	Henry County Government	Public Administration	1,566
3	Piedmont Henry Hospital	Healthcare	1,281
4	Federal Aviation Administration	Transportation	800
5	PHV Corp	Retail	660
6	Georgia Power Customer Care Center	Utilities	625
7	Southern States, LLC	Manufacturing	458
8	Carter's Inc	Retail	357
9	Home Depot Direct Fulfillment Center	Transportation/Logistics	350
10	Ken's Foods	Manufacturing	323

Source: Henry County Economic Development, May 2015.

Eight different industries are represented among the top 10 employers in Henry County, indicating a diverse economy. The three largest employers in the county are in the education, public administration, and healthcare industries, all three of which are considered relatively stable in times of economic downturn. Overall, the local economy appears to be diverse and is not overly dependent on any one industry. The broad employment base in Henry County is likely contributing to the steady total employment gains and unemployment rate decreases in the MSA.

Expansions/Contractions

The following table lists business closures and layoffs within Henry County for the past three years, according to Georgia Department of Labor’s Worker Adjustment and Retraining Notification (WARN) filings.

Layoffs - Henry County			
Employer	City	Jobs Affected	Effective Date
Smead Manufacturing Company	Locust Grove	150	4/21/2015
Briggs and Stratton Co.	McDonough	400	3/1/2015
Ryder	McDonough	106	10/7/2013

As illustrated in the previous table, there was a total of 656 jobs affected by WARN filings in the past three years in the Henry County. The largest layoff occurred at Briggs and Stratton Co., totaling 400 jobs at its McDonough, GA factory in 2014. The layoff was a result of market conditions at the time, and the company’s inability to run the plant at full capacity.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Henry County from 2004 to 2014 (through December).

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
2004	2,379,513	-	4.7%	-	139,252,000	-	5.5%	-
2005	2,456,221	3.2%	5.3%	0.5%	141,730,000	1.8%	5.1%	-0.4%
2006	2,535,341	3.2%	4.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	2,604,115	2.7%	4.5%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	2,578,276	-1.0%	6.2%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	2,434,371	-5.6%	9.8%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	2,400,160	-1.4%	10.1%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	2,429,675	1.2%	9.8%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,477,843	2.0%	8.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2013	2,510,965	1.3%	7.9%	-0.9%	143,929,000	1.0%	7.0%	-1.1%
2014 YTD Average*	2,542,625	2.6%	7.1%	-1.7%	146,305,333	2.7%	6.2%	-1.9%
Dec-2013	2,543,811	-	6.8%	-	144,423,000	-	6.5%	-
Dec-2014	2,553,201	0.4%	6.4%	-0.4%	147,190,000	1.9%	5.4%	-1.1%

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

*2014 data is through Dec

Total employment in the MSA experienced decreases from 2008 to 2010, a direct result of the national recession. However, total employment has increased each year since 2011, indicating that the local economy is working to recover from the national recession. Current total employment numbers are still below pre-recession levels. The MSA also experienced significant increases in the unemployment rate in 2008 and 2009 and a slight increase in 2010. Again, these increases are a direct result of the national recession. Since 2010, the unemployment rate has decreased from a high of 10.1 percent to its current level of 7.1 percent. While the current unemployment rate in the MSA is above the national average of 6.2 percent, the steady unemployment rate decreases in the MSA are a positive sign for the local economy. Additionally, year over year comparisons in the MSA indicate an unemployment rate decrease of 0.4 percentage points from December 2013 to December 2014. While the MSA has not fully recovered from the recent national recession, total employment and unemployment trends are encouraging and indicate that the local economy is improving.

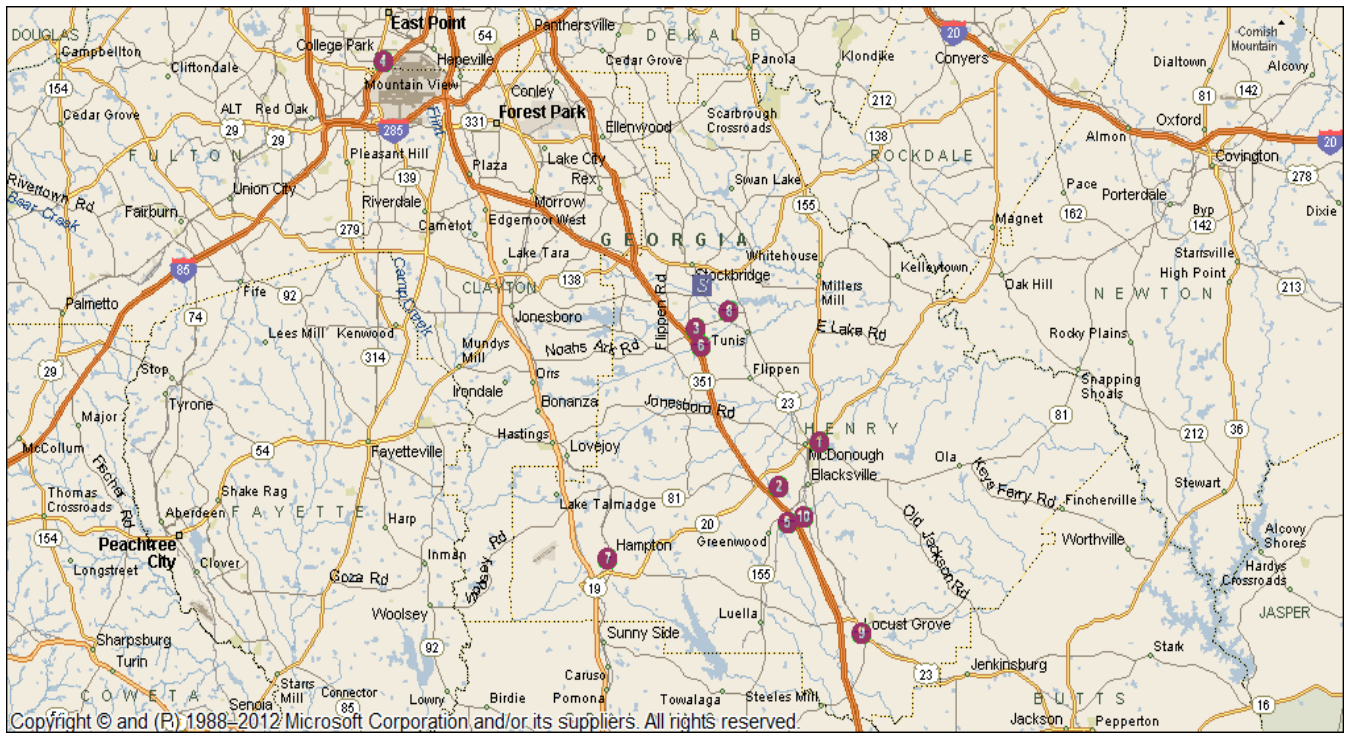
5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Henry County.

Major Employers-Henry County

#	Employer	Sector	Employees
1	Henry County Schools	Education	6,000
2	Henry County Government	Public Administration	1,566
3	Piedmont Henry Hospital	Healthcare	1,281
4	Federal Aviation Administration	Transportation	800
5	PHV Corp	Retail	660
6	Georgia Power Customer Care Center	Utilities	625
7	Southern States, LLC	Manufacturing	458
8	Carter's Inc	Retail	357
9	Home Depot Direct Fulfillment Center	Transportation/Logistics	350
10	Ken's Foods	Manufacturing	323

Source: Henry County Economic Development, May 2015.



Conclusion

The local economy is relatively healthy; however, it has not fully recovered from the recent national recession. Henry County has a diversified employment base, with eight different industries represented among the top 10 major employers. According to WARN notices published by the Georgia Department of Labor, only three businesses have experienced layoffs or closures over the past three years in Henry County. All three of these businesses were in the manufacturing industry, which is considered volatile in times of economic downturn. However, it should be noted that while manufacturing plays an important role in the county, there is not a significant percentage of individuals employed within the manufacturing industry within the Subject's PMA. Although total employment in the MSA decreased during the national recession, it has increased every year since 2011. Additionally the unemployment rate has decreased from a high of 10.1 percent in 2010 to its current level of 7.1 percent. While the current unemployment rate in the MSA is above the national average of 6.2 percent, the steady unemployment rate decreases in the MSA are a positive sign for the local economy. Additionally, year over year comparisons in the MSA indicate an unemployment rate decrease of 0.4 percentage points from December 2013 to December 2014. While the MSA has not fully recovered from the recent national recession, total employment and unemployment trends are encouraging and indicate that the local economy is improving. Additionally, total jobs numbers within Henry County are positive and have passed their pre-recession peak.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

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

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

2. AFFORDABILITY

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

3. DEMAND

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

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to 2017 by interpolation of the difference between 2015 estimates and 2017 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2017. This number takes the overall growth from 2015 to 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 we have lowered the demand from seniors who convert to homeownership to be at or below 2.0 percent.

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

3C. SECONDARY MARKET AREA

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

3D. OTHER

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2013 to the present.

ADDITIONS TO SUPPLY

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

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

discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

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

There are no competitive units in the PMA that were awarded LIHTC, constructed or placed in service in 2013 or 2014. Therefore, we have not deducted any units from our demand analysis. While the LIHTC property Hampton Court was placed in service in 2014, it is located outside the Subject’s PMA. Therefore, the units at this property have not been deducted from our demand analysis.

PMA OCCUPANCY

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA. We have excluded the comparable LIHTC property Hampton Court from the following table as it is located outside the PMA. Additionally, we have not included family LIHTC properties in our analysis as management reported that very few tenants are seniors and these properties are not considered to be directly competitive with the proposed Subject.

PMA OCCUPANCY

Property Name	Rent Structure	Tenancy	Total Units	Occupied Units	Occupancy Rate
Grier Senior Manor	LIHTC/Market	Senior	64	61	95.30%
Heritage At McDonough	LIHTC	Senior	105	105	100.00%
Carrington Ridge	Market	Family	290	282	97.20%
St. Ives Crossing	Market	Family	348	340	97.70%
Stonegate At Eagles Landing	Market	Family	167	163	97.60%
Villas At Eagles Landing	Market	Family	244	233	95.50%
Total			1,278	1,244	97.30%

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.

Red Oak Village, Stockbridge, GA; Market Study

Renter Household Income Distribution 2015 to Projected Market Entry June 2017					
Red Oak Village					
PMA					
	2015		Projected Mkt Entry June 2017		Percent Growth
	#	%	#	%	
\$0-9,999	275	12.2%	351	13.8%	21.5%
\$10,000-19,999	652	28.9%	752	29.6%	13.2%
\$20,000-29,999	386	17.1%	426	16.8%	9.5%
\$30,000-39,999	188	8.3%	212	8.3%	11.2%
\$40,000-49,999	162	7.2%	175	6.9%	7.3%
\$50,000-59,999	166	7.3%	169	6.6%	1.9%
\$60,000-74,999	135	6.0%	149	5.8%	8.8%
\$75,000-99,999	116	5.1%	123	4.9%	5.9%
\$100,000-124,999	81	3.6%	85	3.3%	4.9%
\$125,000-149,999	30	1.3%	34	1.3%	10.9%
\$150,000-199,999	45	2.0%	48	1.9%	5.3%
\$200,000+	18	0.8%	19	0.7%	1.6%
Total	2,255	100.0%	2,541	100.0%	11.3%

Renter Household Income Distribution Projected Market Entry June 2017			
Red Oak Village			
	PMA		
	Projected Mkt Entry June 2017		Change 2015 to Prj Mrkt Entry June 2017
	#	%	#
\$0-9,999	351	13.8%	39
\$10,000-19,999	752	29.6%	85
\$20,000-29,999	426	16.8%	48
\$30,000-39,999	212	8.3%	24
\$40,000-49,999	175	6.9%	20
\$50,000-59,999	169	6.6%	19
\$60,000-74,999	149	5.8%	17
\$75,000-99,999	123	4.9%	14
\$100,000-124,999	85	3.3%	10
\$125,000-149,999	34	1.3%	4
\$150,000-199,999	48	1.9%	5
\$200,000+	19	0.7%	2
Total	2,541	100.0%	286

Tenure Prj Mrkt Entry June 2017	
Renter	81.0%
Owner	19.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry June 2017		
Size	Number	Percentage
1 Person	1,180	46.4%
2 Person	775	30.5%
3 Person	311	12.2%
4 Person	94	3.7%
5+ Person	181	7.1%
Total	2,541	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,860	27.1%
2 Person	3,091	29.2%
3 Person	2,072	19.6%
4 Person	1,434	13.6%
5+ Person	1,113	10.5%
Total	10,570	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$18,090		
Maximum Income Limit			\$27,300 2 persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	39.48			
\$10,000-19,999	84.61	29.6%	1,909	19.1%	16
\$20,000-29,999	48.01	16.8%	7,300	73.0%	35
\$30,000-39,999	23.84	8.3%		0.0%	0
\$40,000-49,999	19.72	6.9%		0.0%	0
\$50,000-59,999	19.00	6.6%		0.0%	0
\$60,000-74,999	16.72	5.8%		0.0%	0
\$75,000-99,999	13.89	4.9%		0.0%	0
\$100,000-124,999	9.54	3.3%		0.0%	0
\$125,000-149,999	3.80	1.3%		0.0%	0
\$150,000-199,999	5.37	1.9%		0.0%	0
\$200,000+	2.09	0.7%		0.0%	0
	286	100.0%			51
Percent of renter households within limits versus total number of renter households					17.90%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$18,090		
Maximum Income Limit			\$27,300 2 persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	351			
\$10,000-19,999	752	29.6%	\$1,909	19.1%	143
\$20,000-29,999	426	16.8%	\$7,300	73.0%	311
\$30,000-39,999	212	8.3%		0.0%	0
\$40,000-49,999	175	6.9%		0.0%	0
\$50,000-59,999	169	6.6%		0.0%	0
\$60,000-74,999	149	5.8%		0.0%	0
\$75,000-99,999	123	4.9%		0.0%	0
\$100,000-124,999	85	3.3%		0.0%	0
\$125,000-149,999	34	1.3%		0.0%	0
\$150,000-199,999	48	1.9%		0.0%	0
\$200,000+	19	0.7%		0.0%	0
	2,541	100.0%			455
Percent of renter households within limits versus total number of renter households					17.90%

Does the Project Benefit from Rent Subsidy? (Y/N) _____
 Type of Housing (Family vs Senior) _____
 Location of Subject (Rural versus Urban) _____
 Percent of Income for Housing _____
 2000 Median Income _____
 2015 Median Income _____
 Change from 2015 to Prj Mrkt Entry June 2017 _____
 Total Percent Change _____
 Average Annual Change _____
 Inflation Rate _____
 Maximum Allowable Income _____
 Maximum Allowable Income Inflation Adjusted _____
 Maximum Number of Occupants _____
 Rent Income Categories _____
 Initial Gross Rent for Smallest Unit _____
 Initial Gross Rent for Smallest Unit Inflation Adjusted _____

No
Senior
Urban
\$0
\$53,897
\$53,889
(\$\$)
0.0%
0.0%
0.0%
Two year adjustment
1.0000
\$27,300
\$27,300
2 persons
50%
\$603
\$603.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	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 June 2017

Income Target Population	50%
New Renter Households PMA	286
Percent Income Qualified	17.9%
New Renter Income Qualified Households	51

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	2,541
Income Qualified	17.9%
Income Qualified Renter Households	455
Percent Rent Overburdened Prj Mrkt Entry June 2017	35.0%
Rent Overburdened Households	159

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	455
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	1

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	2541
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households		164
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		164
Total New Demand		51
Total Demand (New Plus Existing Households)		216

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	46.4%	100
Two Persons	30.5%	66
Three Persons	12.2%	26
Four Persons	3.7%	8
Five Persons	7.1%	15
Total	100.0%	216

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	50%	50
Of two-person households in 1BR units	20%	13
Of one-person households in 2BR units	50%	50
Of two-person households in 2BR units	80%	53
Of three-person households in 2BR units	60%	16
Of three-person households in 3BR units	40%	11
Of four-person households in 3BR units	80%	6
Of five-person households in 3BR units	70%	11
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	5

Total Demand 216

Check OK

Total Demand by Bedroom 50%

1 BR 63

2 BR 103

Total Demand 166

Additions To Supply 2015 to Prj Mrkt Entry June 2017 50%

1 BR 0

2 BR 0

Total 0

Net Demand 50%

1 BR 63

2 BR 103

Total 166

Developer's Unit Mix 50%

1 BR 4

2 BR 9

Total 13

Capture Rate Analysis 50%

1 BR 6.3%

2 BR 8.7%

Total 7.8%

60%AMI

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

Percent of AMI Level			60%			
Minimum Income Limit			\$20,790			
Maximum Income Limit			\$32,760 2 persons			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Households	%				
\$0-9,999	39.48	13.8%		0.0%	0	
\$10,000-19,999	84.61	29.6%		0.0%	0	
\$20,000-29,999	48.01	16.8%	9,209	92.1%	44	
\$30,000-39,999	23.84	8.3%	2,760	27.6%	7	
\$40,000-49,999	19.72	6.9%		0.0%	0	
\$50,000-59,999	19.00	6.6%		0.0%	0	
\$60,000-74,999	16.72	5.8%		0.0%	0	
\$75,000-99,999	13.89	4.9%		0.0%	0	
\$100,000-124,999	9.54	3.3%		0.0%	0	
\$125,000-149,999	3.80	1.3%		0.0%	0	
\$150,000-199,999	5.37	1.9%		0.0%	0	
\$200,000+	2.09	0.7%		0.0%	0	
	286	100.0%			51	
Percent of renter households within limits versus total number of renter households					17.76%	

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

Percent of AMI Level			60%			
Minimum Income Limit			\$20,790			
Maximum Income Limit			\$32,760 2 persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2017		Income Brackets	Percent within Cohort	Households within Bracket	
	Households	%				
\$0-9,999	351	13.8%		0.0%	0	
\$10,000-19,999	752	29.6%		0.0%	0	
\$20,000-29,999	426	16.8%	\$9,209	92.1%	393	
\$30,000-39,999	212	8.3%	\$2,760	27.6%	58	
\$40,000-49,999	175	6.9%		0.0%	0	
\$50,000-59,999	169	6.6%		0.0%	0	
\$60,000-74,999	149	5.8%		0.0%	0	
\$75,000-99,999	123	4.9%		0.0%	0	
\$100,000-124,999	85	3.3%		0.0%	0	
\$125,000-149,999	34	1.3%		0.0%	0	
\$150,000-199,999	48	1.9%		0.0%	0	
\$200,000+	19	0.7%		0.0%	0	
	2,541	100.0%			451	
Percent of renter households within limits versus total number of renter households					17.76%	

Does the Project Benefit from Rent Subsidy? (Y/N)
 Type of Housing (Family vs Senior)
 Location of Subject (Rural versus Urban)
 Percent of Income for Housing
 2000 Median Income
 2015 Median Income
 Change from 2015 to Prj Mrkt Entry June 2017
 Total Percent Change
 Average Annual Change
 Inflation Rate
 Maximum Allowable Income
 Maximum Allowable Income Inflation Adjusted
 Maximum Number of Occupants
 Rent Income Categories
 Initial Gross Rent for Smallest Unit
 Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Urban
\$0
\$53,897
\$53,889
(\$8)
0.0%
0.0%
0.0%
0.0%
Two year adjustment
1.0000
\$32,760
\$32,760
2 persons
60%
\$693
\$693.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	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 June 2017

Income Target Population		60%
New Renter Households PMA		286
Percent Income Qualified		17.8%
New Renter Income Qualified Households		51

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		2,541
Income Qualified		17.8%
Income Qualified Renter Households		451
Percent Rent Overburdened Prj Mrkt Entry June 2017		35.0%
Rent Overburdened Households		158

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		451
Percent Living in Substandard Housing		0.3%
Households Living in Substandard Housing		1

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		2541
Rural Versus Urban	0.2%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		163
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		163
Total New Demand		51
Total Demand (New Plus Existing Households)		214

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	46.4%	99
Two Persons	30.5%	65
Three Persons	12.2%	26
Four Persons	3.7%	8
Five Persons	7.1%	15
Total	100.0%	214

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	50%	50
Of two-person households in 1BR units	20%	13
Of one-person households in 2BR units	50%	50
Of two-person households in 2BR units	80%	52
Of three-person households in 2BR units	60%	16
Of three-person households in 3BR units	40%	10
Of four-person households in 3BR units	80%	6
Of five-person households in 3BR units	70%	11
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	5
Total Demand		214
Check		OK

Total Demand by Bedroom	60%
1 BR	63
2 BR	102
Total Demand	165

Additions To Supply 2015 to Prj Mrkt Entry June 2017	60%
1 BR	0
2 BR	0
Total	0

Net Demand	60%
1 BR	63
2 BR	102
Total	165

Developer's Unit Mix	60%
1 BR	16
2 BR	31
Total	47

Capture Rate Analysis	60%
1 BR	25.5%
2 BR	30.4%
Total	28.5%

Overall

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$18,090			
Maximum Income Limit			\$32,760 2 persons			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Proj Mkt Entry June 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	39.48	13.8%		0.0%	0	
\$10,000-19,999	84.61	29.6%	1,909	19.1%	16	
\$20,000-29,999	48.01	16.8%	9,999	100.0%	48	
\$30,000-39,999	23.84	8.3%	2,760	27.6%	7	
\$40,000-49,999	19.72	6.9%		0.0%	0	
\$50,000-59,999	19.00	6.6%		0.0%	0	
\$60,000-74,999	16.72	5.8%		0.0%	0	
\$75,000-99,999	13.89	4.9%		0.0%	0	
\$100,000-124,999	9.54	3.3%		0.0%	0	
\$125,000-149,999	3.80	1.3%		0.0%	0	
\$150,000-199,999	5.37	1.9%		0.0%	0	
\$200,000+	2.09	0.7%		0.0%	0	
	286	100.0%			71	
Percent of renter households within limits versus total number of renter households					24.73%	

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

Percent of AMI Level			Overall			
Minimum Income Limit			\$18,090			
Maximum Income Limit			\$32,760 2 persons			
Income Category	Total Renter Households PMA Proj Mkt Entry June 2017		Income Brackets	Percent within Cohort	Households within Bracket	
	Count	Percentage			Count	Percentage
\$0-9,999	351	13.8%		0.0%	0	
\$10,000-19,999	752	29.6%	\$1,909	19.1%	143	
\$20,000-29,999	426	16.8%	\$9,999	100.0%	426	
\$30,000-39,999	212	8.3%	\$2,760	27.6%	58	
\$40,000-49,999	175	6.9%		0.0%	0	
\$50,000-59,999	169	6.6%		0.0%	0	
\$60,000-74,999	149	5.8%		0.0%	0	
\$75,000-99,999	123	4.9%		0.0%	0	
\$100,000-124,999	85	3.3%		0.0%	0	
\$125,000-149,999	34	1.3%		0.0%	0	
\$150,000-199,999	48	1.9%		0.0%	0	
\$200,000+	19	0.7%		0.0%	0	
	2,541	100.0%			628	
Percent of renter households within limits versus total number of renter households					24.73%	

Does the Project Benefit from Rent Subsidy? (Y/N)
 Type of Housing (Family vs Senior)
 Location of Subject (Rural versus Urban)
 Percent of Income for Housing
 2000 Median Income
 2015 Median Income
 Change from 2015 to Proj Mkt Entry June 2017
 Total Percent Change
 Average Annual Change
 Inflation Rate
 Maximum Allowable Income
 Maximum Allowable Income Inflation Adjusted
 Maximum Number of Occupants
 Rent Income Categories
 Initial Gross Rent for Smallest Unit
 Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Urban
\$0
\$53,897
\$53,889
(\$8)
0.0%
0.0%
0.0%
0.0%
Two year adjustment
1.0000
\$32,760
\$32,760
2 persons
Overall
\$603
\$603.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	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 June 2017

Income Target Population		Overall
New Renter Households PMA		286
Percent Income Qualified		24.7%
New Renter Income Qualified Households		71

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		2,541
Income Qualified		24.7%
Income Qualified Renter Households		628
Percent Rent Overburdened Prj Mrkt Entry June 2017		35.0%
Rent Overburdened Households		220

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		0.3%
Households Living in Substandard Housing		2

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		2541
Rural Versus Urban	0.2%	
Senior Demand Converting from Homeownership		6

Total Demand

Total Demand from Existing Households		227
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		227
Total New Demand		71
Total Demand (New Plus Existing Households)		298

Demand from Seniors Who Convert from Homeownership		6
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	46.4%	138
Two Persons	30.5%	91
Three Persons	12.2%	36
Four Persons	3.7%	11
Five Persons	7.1%	21
Total	100.0%	298

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	50%	69
Of two-person households in 1BR units	20%	18
Of one-person households in 2BR units	50%	69
Of two-person households in 2BR units	80%	73
Of three-person households in 2BR units	60%	22
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	80%	9
Of five-person households in 3BR units	70%	15
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	6
Total Demand		298
Check		OK

Total Demand by Bedroom	Overall
1 BR	87
2 BR	142
Total Demand	229

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

Net Demand	Overall
1 BR	87
2 BR	142
Total	229

Developer's Unit Mix	Overall
1 BR	20
2 BR	40
Total	60

Capture Rate Analysis	Overall
1 BR	22.9%
2 BR	28.2%
Total	26.2%

Conclusions

We have conducted such an analysis to determine a base of demand for the 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 4.1 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.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Threshold	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50%	\$18,090-\$27,300	4	63	0	63	6.3%	70.0%	4 months	\$678	\$488-\$890	\$475
2BR at 50%	\$22,050-\$27,300	9	103	0	103	8.7%	70.0%	4 months	\$768	\$465-\$1,105	\$565
Overall 50%	\$18,090-\$27,300	13	166	0	166	7.8%	30.0%	4 months	-	-	-
1BR at 60%	\$20,790-\$32,760	16	63	0	63	25.5%	70.0%	4 months	\$712	\$506-\$890	\$565
2BR at 60%	\$25,800-\$32,760	31	102	0	102	30.4%	70.0%	4 months	\$805	\$465-\$1,105	\$690
Overall at 60%	\$20,790-\$32,760	47	165	0	165	28.5%	30.0%	4 months	-	-	-
Overall 1BR	\$18,090-\$32,760	20	87	0	87	22.9%	30.0%	4 months	-	-	-
Overall 2BR	\$22,050-\$32,760	40	142	0	142	28.2%	30.0%	4 months	-	-	-
Project Overall	\$18,090-\$32,760	60	229	0	229	26.2%	30.0%	4 months	-	-	-

Demand and Net Demand			
	HH at 50% AMI (\$18,090-\$27,300)	HH at 60% AMI (\$20,790-\$32,760)	All Tax Credit Households
Demand from New Households (age and income appropriate)	51	51	71
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	1	1	2
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	159	158	220
PLUS	+	+	+
Sub Total	212	210	293
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	4	4	6
Equals Total Demand	216	214	298
Less	-	-	-
Equals Net Demand	216	214	298

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 6.3 to 8.7 percent, with an overall capture rate of 7.8 percent. The Subject's 60 percent AMI capture rates range from 25.5 to 30.4 percent, with an overall capture rate of 28.5 percent. The overall capture rate for the project's 50 and 60 percent units is 26.2 percent. All capture rates are below Georgia DCA threshold requirements and we believe there is adequate demand for the Subject's units.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

To evaluate the competitive position of the proposed Subject, 1,278 units in seven rental properties were surveyed in depth. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities; tenant profiles; and market trends in general. The availability of senior LIHTC data in the PMA is limited. There is only one LIHTC property targeting seniors that is located within the PMA boundaries, Heritage at McDonough. This property is approximately 10.6 miles south of the proposed Subject in McDonough. Given the lack of senior LIHTC properties in the PMA, we have expanded our search for comparables beyond the PMA boundaries and have included two properties located in markets just outside the PMA. Grier Senior Manor is located just south of the PMA in McDonough while Hampton Court is located slightly further south of the PMA in Hampton. The availability of market rate data is considered good. We have included four market rate comparables, all of which are located in Stockbridge and are within 2.9 miles of the proposed Subject. All four market rate properties reported senior tenancies of approximately 10 percent. Additionally, the senior LIHTC property Grier Senior Manor also offers conventional units. Overall, we believe the comparables are sufficient upon which to base our conclusions.

Although there are several family LIHTC properties located within the PMA boundaries, we have excluded these properties as comparables as management indicated that they do not have many senior tenants and will not directly compete with the Subject. Although we have excluded them as comparables, we did interview these properties for occupancy and waiting list information. These details can be found in the following table.

Property	Type	Tenancy	Location	Occupancy	Waiting List
Ashley Woods	LIHTC	Family	Stockbridge	95.3%	No
Hyde Park Apartments	LIHTC	Family	Stockbridge	97.9%	No
Sable Chase I and II	LIHTC	Family	McDonough	96.5%	No
Baywood Park	LIHTC	Family	Morrow	N/Av	N/Av
Average Family LIHTC Occupancy	-	-	-	96.6%	-

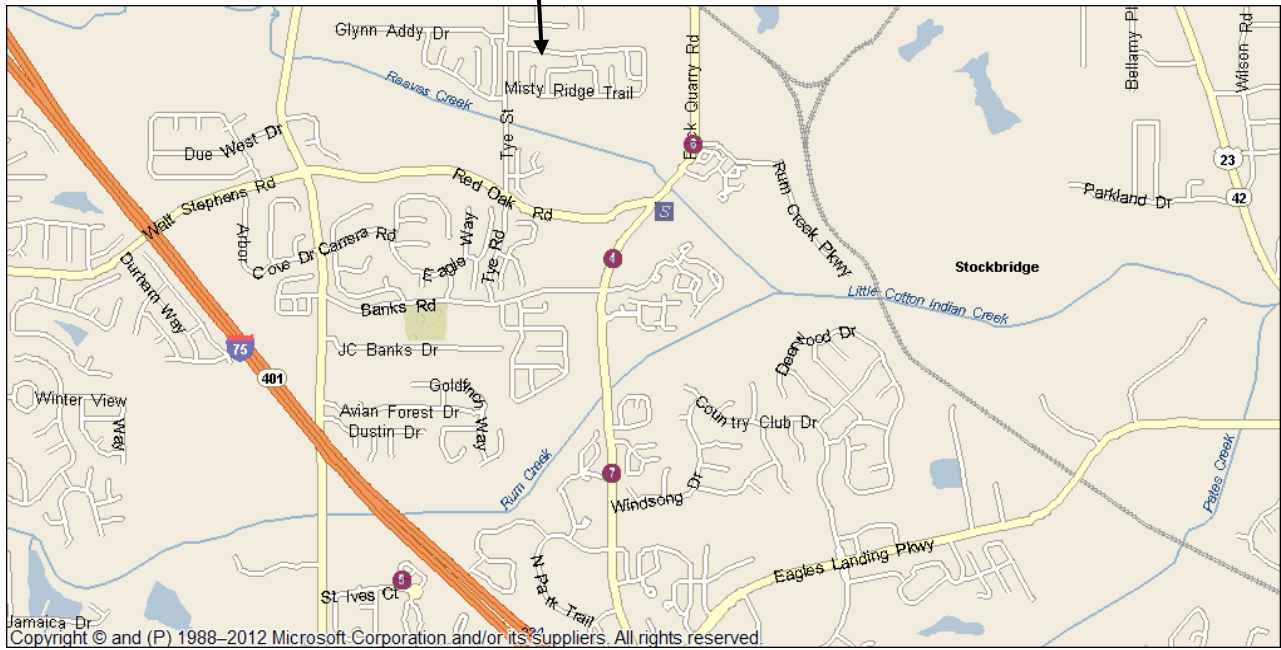
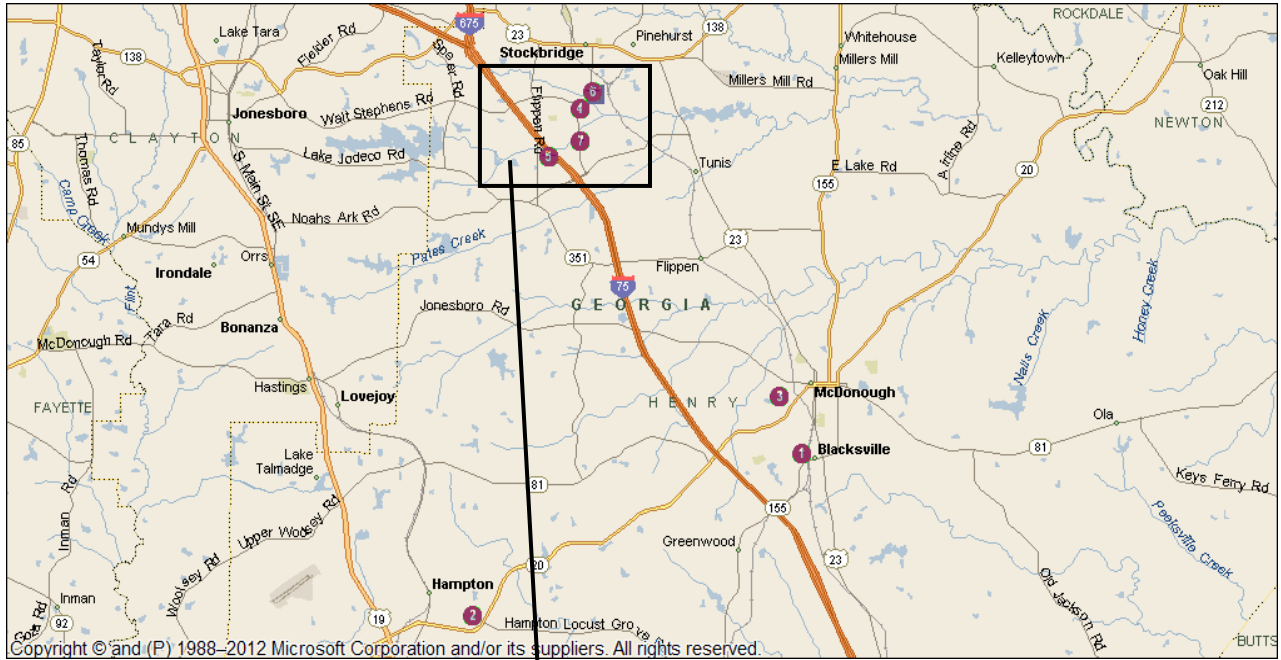
Excluded Properties

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

Excluded Properties

Property Name	Location	Type	Tenancy	Reason for Exclusion
Ashley Woods	Stockbridge	LIHTC	Family	Does not have a significant senior tenancy; more comparable properties
Hyde Park Apartments	Stockbridge	LIHTC	Family	Does not have a significant senior tenancy; more comparable properties
Sable Chase I and II	McDonough	LIHTC	Family	Does not have a significant senior tenancy; more comparable properties
Baywood Park Apartments	Morrow	LIHTC	Family	Does not have a significant senior tenancy; more comparable properties
Brookshire Apartments	McDonough	Rural Development	Family	Subsidized
North Park Apartments	Stockbridge	FHA/Market	Family	Unable to contact
Mandalay Villas	McDonough	FHA/Market	Family	Unable to contact
Southwood Apartments	Morrow	Section 8	Family	Subsidized

Comparable Rental Property Map



Red Oak Village, Stockbridge, GA; Market Study

COMPARABLE PROPERTIES

#	Property Name	City	Type	Tenancy	Distance
1	Grier Senior Manor	McDonough	LIHTC/Mkt	Senior	11.1 miles
2	Hampton Court	Hampton	LIHTC	Senior	14.4 miles
3	Heritage At McDonough	McDonough	LIHTC	Senior	10.6 miles
4	Carrington Ridge	Stockbridge	Market	Family	0.3 miles
5	St. Ives Crossing	Stockbridge	Market	Family	2.9 miles
6	Stonegate At Eagles Landing	Stockbridge	Market	Family	0.3 miles
7	Villas At Eagles Landing	Stockbridge	Market	Family	0.8 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate	
Subject	Red Oak Village Rock Quarry Rd & Red Oak Rd Stockbridge, GA Henry County County	n/a	Lowrise (age-restricted) 2017	50%, 60%	1BR / 1BA	4	6.70%	@50%	\$475	750	no		N/A	N/A	
					1BR / 1BA	16	26.70%	@60%	\$565	750	no		N/A	N/A	
					2BR / 1BA	9	15.00%	@50%	\$565	950	no		N/A	N/A	
					2BR / 1BA	31	51.70%	@60%	\$690	950	no		N/A	N/A	
						60	100%							N/A	N/A
1	Grier Senior Manor 391 Old Griffin Rd Mcdonough, GA 30253 Henry County	11.1 miles	Lowrise (age-restricted) (2 stories) 2005	30%, 50%, 60%, Market	1BR / 1BA	3	4.70%	@30%	\$284	657	no	Yes	N/A	N/A	
					1BR / 1BA	16	25.00%	@50%	\$488	657	no	Yes	N/A	N/A	
					1BR / 1BA	5	7.80%	@60%	\$506	657	no	Yes	N/A	N/A	
					1BR / 1BA	8	12.50%	Market	\$675	657	n/a	No	N/A	N/A	
					2BR / 2BA	3	4.70%	@30%	\$333	900	no	Yes	N/A	N/A	
					2BR / 2BA	16	25.00%	@50%	\$633	900	no	Yes	N/A	N/A	
					2BR / 2BA	5	7.80%	@60%	\$695	900	no	Yes	N/A	N/A	
					2BR / 2BA	8	12.50%	Market	\$745	900	n/a	No	N/A	N/A	
						64	100%							3	4.70%
2	Hampton Court 100 South Hampton Hampton, GA 30228 Henry County	14.4 miles	Garden (age-restricted) (2 stories) 2014	50%, 60%	2BR / 2BA	9	15.00%	@50%	\$465	1,200	no	Yes	0	0.00%	
					2BR / 2BA	51	85.00%	@60%	\$465	1,200	no	Yes	0	0.00%	
											60	100%			
3	Heritage At Mcdonough 180 Bridges Rd Mcdonough, GA Henry County County	10.6 miles	n/a (age-restricted) 2011	50%, 60%	1BR / 1BA	N/A	N/A	@50%	\$491	722	yes	Yes	0	N/A	
					1BR / 1BA	N/A	N/A	@60%	\$621	722	yes	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	@50%	\$576	1,103	yes	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$732	1,103	yes	Yes	0	N/A	
						105	100%							0	0.00%
4	Carrington Ridge 860 Rock Quarry Rd Stockbridge, GA 30281 Henry County	0.3 miles	Garden (3 stories) 2000	Market	1BR / 1BA	N/A	N/A	Market	\$643	652	n/a	Yes	N/A	N/A	
					1BR / 1BA	N/A	N/A	Market	\$788	829	n/a	Yes	N/A	N/A	
					1BR / 1BA	N/A	N/A	Market	\$793	971	n/a	Yes	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$808	1,258	n/a	Yes	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$908	1,332	n/a	Yes	N/A	N/A	
					3BR / 2BA	N/A	N/A	Market	\$883	1,564	n/a	Yes	N/A	N/A	
					3BR / 2BA	N/A	N/A	Market	\$1,058	1,570	n/a	Yes	N/A	N/A	
						290	100%							8	2.80%
5	St. Ives Crossing 305 St Ives Crossing Stockbridge, GA Henry County	2.9 miles	Garden (2 stories) 2002 / 2009	Market	1BR / 1BA	99	28.40%	Market	\$699	803	n/a	None	3	3.00%	
					2BR / 2BA	150	43.10%	Market	\$750	1,204	n/a	None	2	1.30%	
					3BR / 2BA	99	28.40%	Market	\$1,049	1,445	n/a	None	3	3.00%	
						348	100%							8	2.30%
6	Stonagate At Eagles Landing 700 Rock Quarry Rd Stockbridge, GA 30281 Henry County	0.3 miles	Garden (3 stories) 2007	Market	1BR / 1BA	28	16.80%	Market	\$751	905	n/a	Yes	0	0.00%	
					1BR / 1BA	8	4.80%	Market	\$751	920	n/a	Yes	1	12.50%	
					2BR / 2BA	89	53.30%	Market	\$918	1,186	n/a	Yes	2	2.20%	
					2BR / 2BA	14	8.40%	Market	\$1,005	1,303	n/a	Yes	0	0.00%	
						28	16.80%	Market	\$1,052	1,479	n/a	Yes	1	3.60%	
						167	100%							4	2.40%
7	Villas At Eagles 1107 Rock Quarry Rd Stockbridge, GA 30281 Henry County	0.8 miles	Garden (3 stories) 2004	Market	1BR / 1BA	N/A	N/A	Market	\$720	941	n/a	No	1	N/A	
					1BR / 1BA	N/A	N/A	Market	\$890	1,237	n/a	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$865	1,238	n/a	No	9	N/A	
					2BR / 2BA	N/A	N/A	Market	\$965	1,554	n/a	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	Market	\$990	1,645	n/a	No	N/A	N/A	
						N/A	N/A	Market	\$940	1,546	n/a	No	1	N/A	
						244	100%							11	4.50%

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

Effective Rent Date		Apr-15	Units Surveyed:	1278	Weighted Occupancy:	97.30%
			Market Rate	1049	Market Rate	97.00%
			Tax Credit	229	Tax Credit	98.70%
One Bedroom One Bath			Two Bedrooms One Bath			
RENT	Property	Average	Property	Average	Property	Average
	Villas At Eagles Landing	\$890	Stonegate At Eagles Landing (2BA)	\$1,005		
	Carrington Ridge	\$793	Villas At Eagles Landing (2BA)	\$990		
	Carrington Ridge	\$788	Villas At Eagles Landing (2BA)	\$965		
	Stonegate At Eagles Landing	\$751	Stonegate At Eagles Landing (2BA)	\$918		
	Stonegate At Eagles Landing	\$751	Carrington Ridge (2BA)	\$908		
	Villas At Eagles Landing	\$720	Villas At Eagles Landing (2BA)	\$865		
	St. Ives Crossing	\$699	Carrington Ridge (2BA)	\$808		
	Grier Senior Manor * (M)	\$675	St. Ives Crossing (2BA)	\$750		
	Carrington Ridge	\$643	Grier Senior Manor * (2BA M)	\$745		
	Heritage At Mcdonough * (60%)	\$621	Heritage At Mcdonough * (2BA 60%)	\$732		
	Red Oak Village * (60%)	\$565	Grier Senior Manor * (2BA 60%)	\$695		
	Grier Senior Manor * (60%)	\$506	Red Oak Village * (60%)	\$690		
	Heritage At Mcdonough * (50%)	\$491	Grier Senior Manor * (2BA 50%)	\$633		
	Grier Senior Manor * (50%)	\$488	Heritage At Mcdonough * (2BA 50%)	\$576		
	Red Oak Village * (50%)	\$475	Red Oak Village * (50%)	\$565		
	Grier Senior Manor * (30%)	\$284	Hampton Court * (2BA 50%)	\$465		
			Hampton Court * (2BA 60%)	\$465		
			Grier Senior Manor * (2BA 30%)	\$333		
SQUARE FOOTAGE						
	Villas At Eagles Landing	1,237	Villas At Eagles Landing (2BA)	1,645		
	Carrington Ridge	971	Villas At Eagles Landing (2BA)	1,554		
	Villas At Eagles Landing	941	Carrington Ridge (2BA)	1,332		
	Stonegate At Eagles Landing	920	Stonegate At Eagles Landing (2BA)	1,303		
	Stonegate At Eagles Landing	905	Carrington Ridge (2BA)	1,258		
	Carrington Ridge	829	Villas At Eagles Landing (2BA)	1,238		
	St. Ives Crossing	803	St. Ives Crossing (2BA)	1,204		
	Red Oak Village * (50%)	750	Hampton Court * (2BA 50%)	1,200		
	Red Oak Village * (60%)	750	Hampton Court * (2BA 60%)	1,200		
	Heritage At Mcdonough * (50%)	722	Stonegate At Eagles Landing (2BA)	1,186		
	Heritage At Mcdonough * (60%)	722	Heritage At Mcdonough * (2BA 50%)	1,103		
	Grier Senior Manor * (30%)	657	Heritage At Mcdonough * (2BA 60%)	1,103		
	Grier Senior Manor * (50%)	657	Red Oak Village * (50%)	950		
	Grier Senior Manor * (60%)	657	Red Oak Village * (60%)	950		
	Grier Senior Manor * (M)	657	Grier Senior Manor * (2BA 30%)	900		
	Carrington Ridge	652	Grier Senior Manor * (2BA 50%)	900		
			Grier Senior Manor * (2BA 60%)	900		
			Grier Senior Manor * (2BA M)	900		
RENT PER SQUARE FOOT						
	Grier Senior Manor * (M)	\$1.03	Grier Senior Manor * (2BA M)	\$0.83		
	Carrington Ridge	\$0.99	Stonegate At Eagles Landing (2BA)	\$0.77		
	Carrington Ridge	\$0.95	Grier Senior Manor * (2BA 60%)	\$0.77		
	St. Ives Crossing	\$0.87	Stonegate At Eagles Landing (2BA)	\$0.77		
	Heritage At Mcdonough * (60%)	\$0.86	Red Oak Village * (60%)	\$0.73		
	Stonegate At Eagles Landing	\$0.83	Grier Senior Manor * (2BA 50%)	\$0.70		
	Carrington Ridge	\$0.82	Villas At Eagles Landing (2BA)	\$0.70		
	Stonegate At Eagles Landing	\$0.82	Carrington Ridge (2BA)	\$0.68		
	Grier Senior Manor * (60%)	\$0.77	Heritage At Mcdonough * (2BA 60%)	\$0.66		
	Villas At Eagles Landing	\$0.77	Carrington Ridge (2BA)	\$0.64		
	Red Oak Village * (60%)	\$0.75	St. Ives Crossing (2BA)	\$0.62		
	Grier Senior Manor * (50%)	\$0.74	Villas At Eagles Landing (2BA)	\$0.62		
	Villas At Eagles Landing	\$0.72	Villas At Eagles Landing (2BA)	\$0.60		
	Heritage At Mcdonough * (50%)	\$0.68	Red Oak Village * (50%)	\$0.59		
	Red Oak Village * (50%)	\$0.63	Heritage At Mcdonough * (2BA 50%)	\$0.52		
	Grier Senior Manor * (30%)	\$0.43	Hampton Court * (2BA 50%)	\$0.39		
			Hampton Court * (2BA 60%)	\$0.39		
			Grier Senior Manor * (2BA 30%)	\$0.37		

PROPERTY PROFILE REPORT

Grier Senior Manor

Effective Rent Date	2/23/2015
Location	391 Old Griffin Rd Mcdonough, GA 30253 Henry County
Distance	11.1 miles
Units	64
Vacant Units	3
Vacancy Rate	4.7%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Seniors 55+; 20 percent previous homeowners; average age is 68; almost all are retired
Contact Name	Dianne
Phone	770.288.2311



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	N/A
Annual Chg. in Rent	See comments
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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	Lowrise (2 stories)	3	657	\$284	\$0	@30%	Yes	N/A	N/A	no	None
1	1	Lowrise (2 stories)	16	657	\$488	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Lowrise (2 stories)	5	657	\$506	\$0	@60%	Yes	N/A	N/A	no	None
1	1	Lowrise (2 stories)	8	657	\$675	\$0	Market	No	N/A	N/A	N/A	None
2	2	Lowrise (2 stories)	3	900	\$333	\$0	@30%	Yes	N/A	N/A	no	None
2	2	Lowrise (2 stories)	16	900	\$633	\$0	@50%	Yes	N/A	N/A	no	None
2	2	Lowrise (2 stories)	5	900	\$695	\$0	@60%	Yes	N/A	N/A	no	None
2	2	Lowrise (2 stories)	8	900	\$745	\$0	Market	No	N/A	N/A	N/A	None

Grier Senior Manor, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$284	\$0	\$284	\$0	\$284	1BR / 1BA	\$488	\$0	\$488	\$0	\$488
2BR / 2BA	\$333	\$0	\$333	\$0	\$333	2BR / 2BA	\$633	\$0	\$633	\$0	\$633
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$506	\$0	\$506	\$0	\$506	1BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 2BA	\$695	\$0	\$695	\$0	\$695	2BR / 2BA	\$745	\$0	\$745	\$0	\$745

Amenities

In-Unit

Balcony/Patio
Carpeting
Hand Rails
Pull Cords
Washer/Dryer hookup

Blinds
Central A/C
Oven
Refrigerator

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Off-Street Parking
Recreation Areas

Clubhouse/Meeting
Elevators
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

Over the past year, rents for the affordable units decreased one to five percent while rents for market rate units increased one to three percent. Management would not comment on the decrease in rents for the affordable units. All three vacant units at the property are in the process of being filled from the waiting list.

Grier Senior Manor, continued

Trend Report

Vacancy Rates

2Q10	2Q11	2Q12	1Q15
1.6%	4.7%	4.7%	4.7%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$269	\$0	\$269	\$269
2011	2	0.0%	\$280	\$0	\$280	\$280
2012	2	0.0%	\$299	\$0	\$299	\$299
2015	1	N/A	\$284	\$0	\$284	\$284

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$312	\$0	\$312	\$312
2011	2	0.0%	\$324	\$0	\$324	\$324
2012	2	0.0%	\$345	\$0	\$345	\$345
2015	1	N/A	\$333	\$0	\$333	\$333

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$536	\$0	\$536	\$536
2011	2	0.0%	\$552	\$0	\$552	\$552
2012	2	6.2%	\$540	\$0	\$540	\$540
2015	1	N/A	\$488	\$0	\$488	\$488

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$633	\$0	\$633	\$633
2011	2	6.2%	\$652	\$0	\$652	\$652
2012	2	0.0%	\$633	\$0	\$633	\$633
2015	1	N/A	\$633	\$0	\$633	\$633

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$589	\$0	\$589	\$589
2011	2	20.0%	\$607	\$0	\$607	\$607
2012	2	20.0%	\$591	\$0	\$591	\$591
2015	1	N/A	\$506	\$0	\$506	\$506

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	20.0%	\$656	\$0	\$656	\$656
2011	2	20.0%	\$677	\$0	\$677	\$677
2012	2	20.0%	\$695	\$0	\$695	\$695
2015	1	N/A	\$695	\$0	\$695	\$695

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$629	\$0	\$629	\$629
2011	2	0.0%	\$650	\$0	\$650	\$650
2012	2	0.0%	\$625	\$0	\$625	\$625
2015	1	N/A	\$675	\$0	\$675	\$675

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$729	\$0	\$729	\$729
2011	2	0.0%	\$754	\$0	\$754	\$754
2012	2	0.0%	\$725	\$0	\$725	\$725
2015	1	N/A	\$745	\$0	\$745	\$745

Trend: Comments

- 2Q10** Management indicated that the property remains 98 to 100 percent occupied and vacancies are filled from the waiting list. Management indicated that while there is less demand for the market rate units than the LIHTC units the market rate units typically remain full and there is a short waiting list for these units. Management also reported that several tenants have been over income qualified for the 60 percent AMI units and have either rented a market rate unit or have been put on the market rate waiting list. Management believes there is sufficient demand in the Stockbridge and McDonough areas to support a market rate community that is restricted to seniors 55 and older.
- 2Q11** Management indicated that the property is 97 percent leased. The property is usually 98 to 100 occupied, but recently had seniors go into nursing homes. Management believes there is sufficient demand in the McDonough areas to support a senior community and felt there was as much need for one and two bedroom units. Most tenants are from eastern Henry County such as Stockbridge and McDonough.
- 2Q12** Management indicated that the property is 100 percent leased. Management believes there is sufficient demand in the McDonough areas to support a senior community and felt there was as much need for one and two bedroom units. Most tenants are from eastern Henry County such as Stockbridge and McDonough. The waiting list currently has an estimated wait time of six months.
- 1Q15** Over the past year, rents for the affordable units decreased one to five percent while rents for market rate units increased one to three percent. Management would not comment on the decrease in rents for the affordable units. All three vacant units at the property are in the process of being filled from the waiting list.

Photos



PROPERTY PROFILE REPORT

Hampton Court

Effective Rent Date	2/18/2015
Location	100 South Hampton Rd Hampton, GA 30228 Henry County
Distance	14.4 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (age-restricted) (2 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	55+
Contact Name	Logan
Phone	770-707-0720



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	20
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	9	1,200	\$465	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	51	1,200	\$465	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$465	\$0	\$465	\$0	\$465	2BR / 2BA	\$465	\$0	\$465	\$0	\$465

Amenities

In-Unit

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

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab	Clubhouse/Meeting
Elevators	Exercise Facility
Central Laundry	Off-Street Parking
On-Site Management	Recreation Areas

Premium

None

Other

Community gardens

Hampton Court, continued

Comments

The contact works in the front office and was unable to report the number of tenants using Housing Choice Vouchers. The waiting list for the property contains several hundred households.

Hampton Court, continued

Trend Report

Vacancy Rates

2Q11	1Q15
N/A	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$465	\$0	\$465	\$465
2015	1	0.0%	\$465	\$0	\$465	\$465

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$465	\$0	\$465	\$465
2015	1	0.0%	\$465	\$0	\$465	\$465

Trend: Comments

- 2Q11** The Subject's proposed 50 and 60 percent AMI net rents are \$465 and the Subject's utility allowance will be \$192. Therefore, the Subject's gross rents will be \$657 per unit.
- 1Q15** The contact works in the front office and was unable to report the number of tenants using Housing Choice Vouchers. The waiting list for the property contains several hundred households.

Photos



PROPERTY PROFILE REPORT

Heritage At McDonough

Effective Rent Date	3/02/2015
Location	180 Bridges Rd McDonough, GA 30253 Henry County County
Distance	10.6 miles
Units	105
Vacant Units	0
Vacancy Rate	0.0%
Type	(age-restricted)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	55 and over in age. Locals as well as people who move from out of state.
Contact Name	Vicki
Phone	678-604-8322



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	18
HCV Tenants	N/A
Leasing Pace	Immediately
Annual Chg. in Rent	None
Concession	N/A

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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		N/A	722	\$545	\$0	@50%	Yes	0	N/A	yes	None
1	1		N/A	722	\$675	\$0	@60%	Yes	0	N/A	yes	None
2	2		N/A	1,103	\$646	\$0	@50%	Yes	0	N/A	yes	None
2	2		N/A	1,103	\$802	\$0	@60%	Yes	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$545	\$0	\$545	-\$54	\$491	1BR / 1BA	\$675	\$0	\$675	-\$54	\$621
2BR / 2BA	\$646	\$0	\$646	-\$70	\$576	2BR / 2BA	\$802	\$0	\$802	-\$70	\$732

Amenities

In-Unit

Balcony/Patio
Exterior Storage
Oven
Walk-In Closet

Blinds
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Basketball Court
Clubhouse/Meeting
Exercise Facility
On-Site Management
Swimming Pool

Business Center/Computer Lab
Elevators
Off-Street Parking
Recreation Areas
Wi-Fi

Premium

Hairdresser / Barber

Other

ballroom, gardens

Heritage At McDonough, continued

Comments

Management was not certain of how many of each unit type existed or how many tenants currently use Housing Choice Vouchers, but stated that the total number of units were: 51 one-bedroom units in total, and 54 two-bedroom units in total. The waiting list consists of about five people for one-bedroom units, and five people for two bedroom units.

Photos



PROPERTY PROFILE REPORT

Carrington Ridge

Effective Rent Date	2/19/2015
Location	860 Rock Quarry Rd Stockbridge, GA 30281 Henry County
Distance	0.3 miles
Units	290
Vacant Units	8
Vacancy Rate	2.8%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Stonegate, Villas at Eagles Landing
Tenant Characteristics	10% seniors, families, some military
Contact Name	Alicia
Phone	678.289.6644



Market Information

Program	Market
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	See comments
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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	652	\$643	\$0	Market	Yes	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	829	\$788	\$0	Market	Yes	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	971	\$793	\$0	Market	Yes	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,258	\$808	\$0	Market	Yes	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,332	\$908	\$0	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,564	\$883	\$0	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,570	\$1,058	\$0	Market	Yes	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$643 - \$793	\$0	\$643 - \$793	\$0	\$643 - \$793
2BR / 2BA	\$808 - \$908	\$0	\$808 - \$908	\$0	\$808 - \$908
3BR / 2BA	\$883 - \$1,058	\$0	\$883 - \$1,058	\$0	\$883 - \$1,058

Carrington Ridge, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Garbage Disposal
Refrigerator

Blinds
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Car Wash
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Comments

The contact stated that there are eight vacancies at the property, three of which have been pre-leased. The contact added that property has replaced the roofing of the apartments as they were previously damaged in a hail storm. The property does not accept Housing Choice Vouchers. The contact noted that the above average turnover rate is due to military tenants, traveling nurses, tenants purchasing homes, and tenants relocating for jobs. The property operates on daily rent software, which cause some three-bedroom units to have rents below two-bedroom units. The contact reported that the property does maintain a waiting list but could not report its length. Rents for the two-smallest one-bedroom floor plans and the three-bedrooms increased 0.2 to 8.1 percent. Rents for the largest one-bedrooms and two-bedrooms decreased 4.1 to 4.6 percent.

Carrington Ridge, continued

Trend Report

Vacancy Rates

1Q08	2Q10	4Q13	1Q15
8.0%	2.6%	1.8%	2.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$699 - \$799	\$0	\$699 - \$799	\$699 - \$799
2010	2	2.3%	\$572 - \$675	\$0	\$572 - \$675	\$572 - \$675
2013	4	N/A	\$640 - \$865	\$0	\$640 - \$865	\$640 - \$865
2015	1	N/A	\$643 - \$793	\$0	\$643 - \$793	\$643 - \$793

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$865 - \$899	\$0	\$865 - \$899	\$865 - \$899
2010	2	1.0%	\$798 - \$833	\$0	\$798 - \$833	\$798 - \$833
2013	4	N/A	\$880 - \$1,000	\$0	\$880 - \$1,000	\$880 - \$1,000
2015	1	N/A	\$808 - \$908	\$0	\$808 - \$908	\$808 - \$908

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$995 - \$1,050	\$0	\$995 - \$1,050	\$995 - \$1,050
2010	2	7.1%	\$929 - \$1,000	\$0	\$929 - \$1,000	\$929 - \$1,000
2013	4	N/A	\$855 - \$910	\$0	\$855 - \$910	\$855 - \$910
2015	1	N/A	\$883 - \$1,058	\$0	\$883 - \$1,058	\$883 - \$1,058

Trend: Comments

- 1Q08** The contact reported that rents change frequently. The change in rent listed reflects a comparison between current rents and reported rents in April 2007. Select one-, two-, and three-bedroom units include a garage and those units are renting for \$899, \$1,050, and \$1,170. The contact also reported that the concession has been offered since February 2008.
- 2Q10** Management stated that there is a large demand for senior market rate units in the area. All senior developments are either low income housing or luxury developments that include meals and housekeeping. Management believes that a market rate senior property targeting tenants 55 and older would be very successful in the immediate area. Management indicated that the property typically offers concessions and maintains occupancy rates above 90 percent.
- Management reported that approximately 10 percent of the residents at the property are seniors and management believes that the property's current rents are affordable to senior tenants.
- 4Q13** The contact stated that there are five vacancies at the property, but was unable to provide vacancy by unit type. The contact added that property has replaced the roofing of the apartments as they were previously damaged in a hail storm. The property does not accept Housing Choice Vouchers. The contact noted that the above average turnover rate is due to military tenants, traveling nurses, tenants purchasing homes, and tenants relocating for jobs. The contact added that demand is strong for being in the winter months. Since the property operates on daily rent software, the contact was only able to provide rents for the available units. The rent provided for the 971 square foot one-bedroom unit was for a unit that includes an attached garage, but an attached garage is not an amenity on all of the one-bedroom units of this size.
- 1Q15** The contact stated that there are eight vacancies at the property, three of which have been pre-leased. The contact added that property has replaced the roofing of the apartments as they were previously damaged in a hail storm. The property does not accept Housing Choice Vouchers. The contact noted that the above average turnover rate is due to military tenants, traveling nurses, tenants purchasing homes, and tenants relocating for jobs. The property operates on daily rent software, which cause some three-bedroom units to have rents below two-bedroom units. The contact reported that the property does maintain a waiting list but could not report its length. Rents for the two-smallest one-bedroom floor plans and the three-bedrooms increased 0.2 to 8.1 percent. Rents for the largest one-bedrooms and two-bedrooms decreased 4.1 to 4.6 percent.

Photos



PROPERTY PROFILE REPORT

St. Ives Crossing

Effective Rent Date 2/27/2015
Location 305 St Ives Crossing
 Stockbridge, GA 30281
 Henry County
Distance 2.9 miles
Units 348
Vacant Units 8
Vacancy Rate 2.3%
Type Garden (2 stories)
Year Built/Renovated 2002 / 2009
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Most from in state; approximately 10% seniors
Contact Name Tiffany
Phone 770.389.5790



Market Information

Program Market
Annual Turnover Rate 11%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace One week
Annual Chg. in Rent NA
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	99	803	\$699	\$0	Market	None	3	3.0%	N/A	None
2	2	Garden (2 stories)	150	1,204	\$750	\$0	Market	None	2	1.3%	N/A	None
3	2	Garden (2 stories)	99	1,445	\$1,049	\$0	Market	None	3	3.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$699	\$0	\$699	\$0	\$699
2BR / 2BA	\$750	\$0	\$750	\$0	\$750
3BR / 2BA	\$1,049	\$0	\$1,049	\$0	\$1,049

St. Ives Crossing, continued

Amenities

In-Unit

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

Blinds
Central A/C
Fireplace
Microwave
Refrigerator

Security

In-Unit Alarm

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Clubhouse/Meeting
Garage
Off-Street Parking
Playground
Tennis Court

Premium

None

Other

None

Comments

Management reported that demand has been steady and that the current vacancy rate is typical.

St. Ives Crossing, continued

Trend Report

Vacancy Rates

2Q07	1Q08	2Q10	1Q15
2.3%	2.9%	2.9%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	4.0%	\$729	\$0	\$729	\$729
2008	1	0.0%	\$729	\$0	\$729	\$729
2010	2	0.0%	\$699	\$0	\$699	\$699
2015	1	3.0%	\$699	\$0	\$699	\$699

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	1.3%	\$849	\$0	\$849	\$849
2008	1	6.7%	\$849	\$0	\$849	\$849
2010	2	6.7%	\$799	\$0	\$799	\$799
2015	1	1.3%	\$750	\$0	\$750	\$750

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	2.0%	\$995	\$0	\$995	\$995
2008	1	0.0%	\$999	\$0	\$999	\$999
2010	2	0.0%	\$929	\$0	\$929	\$929
2015	1	3.0%	\$1,049	\$0	\$1,049	\$1,049

Trend: Comments

2Q07	Management noted that the property is currently offering a \$149 application and administration fee through April 30th. The fee is normally \$299. Management noted that the property is typically 97 to 100 percent occupied. Management noted that one-bedroom units come with a washer and dryer while all other units come with connections. Management was unable to provide the number of garages or number that are currently rented.
1Q08	The contact estimated the number of vacancies and stated that all are two-bedroom units. The contact stated that the property is typically 95 percent occupied.
2Q10	Contact reported the units all received new appliances and flooring in the units within the last year. The property does not accept Housing Choice Vouchers.
1Q15	Management reported that demand has been steady and that the current vacancy rate is typical.

Photos



PROPERTY PROFILE REPORT

Stonegate At Eagles Landing

Effective Rent Date	2/19/2015
Location	700 Rock Quarry Rd Stockbridge, GA 30281 Henry County
Distance	0.3 miles
Units	167
Vacant Units	4
Vacancy Rate	2.4%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Villas at Eagles Landing, Mandalay
Tenant Characteristics	Mixture of local and out-of-state tenants; 20% seniors, some military and students
Contact Name	Ashley
Phone	678.289.5217



Market Information

Program	Market
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See comments
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	28	905	\$778	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	8	920	\$778	\$0	Market	Yes	1	12.5%	N/A	None
2	2	Garden (3 stories)	89	1,186	\$953	\$0	Market	Yes	2	2.2%	N/A	None
2	2	Garden (3 stories)	14	1,303	\$1,040	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	28	1,479	\$1,095	\$0	Market	Yes	1	3.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$778	\$0	\$778	-\$27	\$751
2BR / 2BA	\$953 - \$1,040	\$0	\$953 - \$1,040	-\$35	\$918 - \$1,005
3BR / 2BA	\$1,095	\$0	\$1,095	-\$43	\$1,052

Stonegate At Eagles Landing, continued

Amenities

In-Unit

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

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

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Swimming Pool

Exercise Facility
On-Site Management
Tennis Court

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. Basic cable is included with the rent. There have been no major renovations to the property since the last update in May 2010, but the property has recently upgraded the light fixtures. The contact reported that the property uses software to set rents, and that the rents change daily. Rents for one-bedrooms decreased 2.3 percent. Rents for two and three-bedrooms increased 1.8 and 3.2 percent, respectively. The contact stated that the above average turnover rate is due to job transfers or tenants purchasing homes. The contact added that there is healthy demand for units, and the market is performing well.

Stonegate At Eagles Landing, continued

Trend Report

Vacancy Rates

2Q10	4Q13	1Q15
0.0%	0.0%	2.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$800 - \$835	\$0	\$800 - \$835	\$773 - \$808
2013	4	0.0%	\$810 - \$835	\$0	\$810 - \$835	\$783 - \$808
2015	1	2.8%	\$778	\$0	\$778	\$751

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$885 - \$1,060	\$0	\$885 - \$1,060	\$850 - \$1,025
2013	4	0.0%	\$870 - \$1,060	\$0	\$870 - \$1,060	\$835 - \$1,025
2015	1	1.9%	\$953 - \$1,040	\$0	\$953 - \$1,040	\$918 - \$1,005

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$1,220	\$0	\$1,220	\$1,177
2013	4	0.0%	\$1,000	\$0	\$1,000	\$957
2015	1	3.6%	\$1,095	\$0	\$1,095	\$1,052

Trend: Comments

- 2Q10** Contact reported the property uses LRO which changes rents daily based on occupancy, unit type, and competition prices. Contact reported the waiting list to be approximately 60 days.
- 4Q13** The property does not accept Housing Choice Vouchers. Basic cable is included with the rent. There have been no major renovations to the property since the last update in May 2010, but the property has recently upgraded the light fixtures. The contact reported that the property uses software to set rents, and that the rents change daily. The contact stated that the above average turnover rate is due to job transfers or tenants purchasing homes. The contact added that there is healthy demand for units, and the market is performing well.
- 1Q15** The property does not accept Housing Choice Vouchers. Basic cable is included with the rent. There have been no major renovations to the property since the last update in May 2010, but the property has recently upgraded the light fixtures. The contact reported that the property uses software to set rents, and that the rents change daily. Rents for one-bedrooms decreased 2.3 percent. Rents for two and three-bedrooms increased 1.8 and 3.2 percent, respectively. The contact stated that the above average turnover rate is due to job transfers or tenants purchasing homes. The contact added that there is healthy demand for units, and the market is performing well.

Photos



PROPERTY PROFILE REPORT

Villas At Eagles Landing

Effective Rent Date	2/19/2015
Location	1107 Rock Quarry Rd Stockbridge, GA 30281 Henry County
Distance	0.8 miles
Units	244
Vacant Units	11
Vacancy Rate	4.5%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Stonegate, Villas at Hanover
Tenant Characteristics	30% from out of state; many work at Henry County Hospital; 10% are 55+
Contact Name	Rhonda
Phone	770.389.7368



Market Information

Program	Market
Annual Turnover Rate	47%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 1.9% on three-bedroom units
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	941	\$720	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (3 stories)	N/A	1,237	\$890	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,238	\$865	\$0	Market	No	9	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,554	\$965	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,645	\$990	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,546	\$940	\$0	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$720 - \$890	\$0	\$720 - \$890	\$0	\$720 - \$890
2BR / 2BA	\$865 - \$990	\$0	\$865 - \$990	\$0	\$865 - \$990
3BR / 2BA	\$940	\$0	\$940	\$0	\$940

Villas At Eagles Landing, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Ceiling Fan
Oven
Washer/Dryer hookup

Blinds
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

None

Property

Basketball Court
Clubhouse/Meeting
Garage
Off-Street Parking
Playground
Tennis Court

Business Center/Computer Lab
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The contact stated that the difference in rents is due to various factors such as; time vacant, demand for the unit type, etc. The property currently uses software to set rents, and rents change daily. Rents for larger units may be less than rents for the smaller unit types due to these factors. The property does not currently accept Housing Choice Vouchers. When asked about the current market performance, the contact noted that the market is performing just above average due to the property's good location.

Villas At Eagles Landing, continued

Trend Report

Vacancy Rates

1Q08	2Q10	4Q13	1Q15
1.6%	5.7%	2.5%	4.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$760 - \$920	\$0	\$760 - \$920	\$760 - \$920
2010	2	N/A	\$755 - \$890	\$0	\$755 - \$890	\$755 - \$890
2013	4	N/A	\$720 - \$890	\$0	\$720 - \$890	\$720 - \$890
2015	1	N/A	\$720 - \$890	\$0	\$720 - \$890	\$720 - \$890

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$890 - \$1,100	\$0	\$890 - \$1,100	\$890 - \$1,100
2010	2	N/A	\$840 - \$990	\$0	\$840 - \$990	\$840 - \$990
2013	4	N/A	\$865 - \$990	\$0	\$865 - \$990	\$865 - \$990
2015	1	N/A	\$865 - \$990	\$0	\$865 - \$990	\$865 - \$990

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$990 - \$1,120	\$0	\$990 - \$1,120	\$990 - \$1,120
2010	2	N/A	\$1,125	\$0	\$1,125	\$1,125
2013	4	N/A	\$940	\$0	\$940	\$940
2015	1	N/A	\$940	\$0	\$940	\$940

Trend: Comments

- 1Q08** The contact reported that rents change daily based on demand. When compared to reported rents in April 2007, rents decreased one to six percent overall. The contact stated that the property is typically 94 percent occupied and that demand has remained stable since last year. The units with the highest rents include garages.
- 2Q10** Contact reported the rents change daily based on vacancy and competition. Contact was not able to provide the annual turnover rate and reported the property does not accept Housing Choice Vouchers.
- 4Q13** There have been no renovations to the property since the last update in May 2010. The contact reported six vacancies at the property, but could not provide vacancy by unit type. The contact stated that the difference in rents is due to various factors such as; time vacant, demand for the unit type, etc. The property currently uses software to set rents, and rents change daily. Therefore, rents for larger units may be less than rents for the smaller unit types due to these factors. The property does not currently accept Housing Choice Vouchers. The contact could not provide the information required to calculate an annual turnover rate. When asked about the current market performance, the contact noted that the market is performing below average.
- 1Q15** The contact stated that the difference in rents is due to various factors such as; time vacant, demand for the unit type, etc. The property currently uses software to set rents, and rents change daily. Rents for larger units may be less than rents for the smaller unit types due to these factors. The property does not currently accept Housing Choice Vouchers. When asked about the current market performance, the contact noted that the market is performing just above average due to the property's good location.

Photos



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

Housing Choice Vouchers

TENANTS WITH VOUCHERS			
Comparable Property	Type	Tenancy	Housing Choice Voucher Tenants
Grier Senior Manor	LIHTC/Market	Senior	20%
Hampton Court	LIHTC	Senior	N/Av
Heritage At McDonough	LIHTC	Senior	N/Av
Carrington Ridge	Market	Family	0%
St. Ives Crossing	Market	Family	0%
Stonegate At Eagles Landing	Market	Family	0%
Villas At Eagles Landing	Market	Family	0%
Average			4%

As illustrated, average housing choice voucher tenancy in the market is low at four percent. While two of the three senior LIHTC properties could not report the exact number of tenants using housing choice vouchers, management at both properties indicated that it is less than 10 percent. Therefore, it does not appear that the local rental market is dependent on housing choice vouchers.

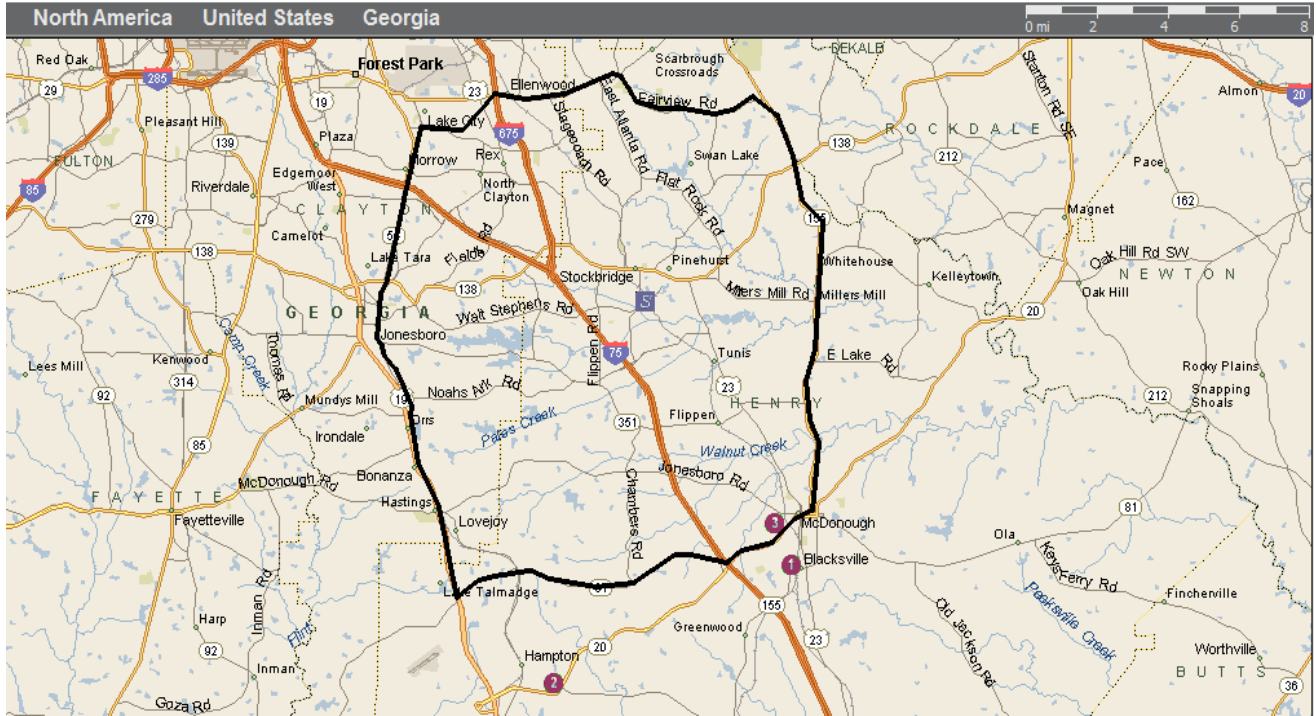
Lease Up History

Two of the LIHTC comparables were able to report absorption information. The senior property Heritage at McDonough, which is the only senior LIHTC property in the PMA, was built in 2011 and management reported that the 105 unit property was fully occupied within six months, for an absorption pace of 18 units per month. The newest senior LIHTC property, Hampton Court, opened in 2014 and was fully occupied within three months of opening. This equates to an absorption pace of 20 units per month for the 60 unit property. This comparable is located approximately 14 miles from the Subject site in Hampton and is south of the PMA. Given the low vacancy rates and presence of waiting lists at the senior comparables, we believe the Subject can expect an absorption pace of approximately 18 units per month. Per DCA guidelines, absorption is to be calculated as the time it will take for the project to reach a stabilized occupancy of 93 percent. At a pace of 18 units per month, the Subject will reach stabilized occupancy within four months.

Phased Developments

The Subject will not be part of a phased development.

3. COMPETITIVE PROJECT MAP



Map #	Property Name	Type	Tenancy	Distance from Subject
1	Grier Senior Manor	LIHTC	Senior	11.1 miles
2	Hampton Court	LIHTC	Senior	14.4 miles
3	Heritage at McDonough	LIHTC	Senior	10.6 miles

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in grey, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the grey.

Red Oak Village, Stockbridge, GA; Market Study

UNIT MATRIX REPORT

	Red Oak Village	Grier Senior Manor	Hampton Court	Heritage At Mcdonough	Carrington Ridge	St. Ives Crossing	Stonegate At Eagles Landing	Villas At Eagles Landing
Comp #	Subject	1	2	3	4	5	6	7
Property Information								
Property Type	Lowrise (age-restricted)	Lowrise (age-restricted) (2 stories)	Garden (age-restricted) (2 stories)	(age-restricted)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated	2017	2005	2014	2011	2000	2002 / 2009	2007	2004
Market (Conv./Subsidy Type)	LIHTC	LIHTC/Market	LIHTC	LIHTC	Market	Market	Market	Market
Utility Adjusments								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no
Water	no	no	no	yes	no	no	no	no
Sewer	no	no	no	yes	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	no	yes	no
In-Unit Amenities								
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	yes	no	no	yes
Carpeting	yes	yes	yes	no	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	no	no	no	no	yes	no
Dishwasher	yes	no	yes	no	yes	yes	yes	yes
Exterior Storage	no	no	no	yes	no	no	no	no
Ceiling Fan	no	no	no	yes	no	no	yes	yes
Fireplace	no	no	no	no	no	yes	no	no
Garbage Disposal	yes	no	yes	no	yes	yes	yes	yes
Hand Rails	yes	yes	yes	no	no	no	no	no
Microwave	yes	no	yes	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	no	no	yes	no	no	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities								
Basketball Court	no	no	no	yes	no	no	no	yes
Business Center/Computer Lab	yes	yes	yes	yes	yes	yes	yes	yes
Car Wash	no	no	no	no	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	no	yes
Courtyard	no	yes	no	no	no	no	no	no
Elevators	yes	yes	yes	yes	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	yes	no	yes
Central Laundry	yes	yes	yes	no	yes	yes	no	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	no	no	no	no	no
Playground	no	no	no	no	yes	yes	no	yes
Recreation Areas	yes	yes	yes	yes	no	no	no	no
Swimming Pool	yes	no	no	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	yes
Wi-Fi	no	no	no	yes	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	\$60.00	\$95.00	N/A
Services								
Security								
In-Unit Alarm	no	no	no	no	yes	yes	no	yes
Limited Access	no	yes	no	yes	yes	no	no	yes
Perimeter Fencing	yes	yes	yes	no	yes	no	no	yes
Premium Amenities								
Hairdresser / Barber	no	no	no	yes	no	no	no	no
Other Amenities								
Other	walking path, community gardens	n/a	Community gardens	ballroom, gardens	n/a	n/a	n/a	n/a

The Subject will offer an extensive amenities package. The Subject will not offer balconies/patios, an amenity offered at all of the comparable properties. Property managers at the three senior comparables did not believe that the lack of this amenity would negatively impact the Subject’s performance. Additionally, the Subject will offer other recreation areas such as picnic areas, an amenity not offered by any of the comparables. Overall, we believe that the Subject’s proposed amenities will allow it to effectively compete with the existing rental housing stock.

5. Senior Tenancy

The Subject will target senior households 62 and older. We have included three senior properties as comparables in our analysis. Heritage at McDonough is located within the PMA boundaries while Grier Senior Manor is located just outside the PMA’s southern boundary in McDonough. The senior property Hampton Court is located 2.5 miles south of the Subject’s southern border. These three properties represent the closest senior LIHTC properties to the Subject and therefore we have included all three properties in our analysis.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grier Senior Manor	LIHTC/Market	Senior	64	3	4.70%
Hampton Court	LIHTC	Senior	60	0	0.00%
Heritage At McDonough	LIHTC	Senior	105	0	0.00%
Carrington Ridge	Market	Family	290	8	2.80%
St. Ives Crossing	Market	Family	348	8	2.30%
Stonegate At Eagles Landing	Market	Family	167	4	2.40%
Villas At Eagles Landing	Market	Family	244	11	4.50%
Total			1,278	34	2.70%

As illustrated, overall vacancy in the market is low at 2.7 percent. Additionally, two of the three senior properties reported no vacancies and both have waiting lists. Management at Grier Senior Manor indicated that all three vacancies are being filled from the property’s waiting list and the units are expected to be rented by the end of the month. Management at Hampton Court, which was completed in 2014 and is the newest LIHTC comparable, has a waiting list of over 100 households. The lengthy waiting list at this property suggests latent demand in the market for senior LIHTC housing. If allocated, the Subject will help to fill this void. Based on the performance of the comparables, we expect the Subject to maintain a stabilized vacancy rate of five percent or less.

7. Properties Under Construction and Proposed

There are no new LIHTC or market rate properties that have been proposed or under construction in the PMA.

8. Rental Advantage

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

Similarity Matrix								
#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Grier Senior Manor	LIHTC/Market	similar	slightly inferior	inferior	inferior	slightly inferior	-15
2	Hampton Court	LIHTC	similar	similar	inferior	similar	superior	25
3	Heritage At McDonough	LIHTC	slightly superior	slightly inferior	slightly inferior	similar	slightly superior	25
4	Carrington Ridge	Market	similar	similar	similar	inferior	superior	25
5	St. Ives Crossing	Market	slightly superior	similar	slightly inferior	slightly inferior	slightly superior	25
6	Stonegate At Eagles Landing	Market	slightly inferior	slightly superior	similar	slightly inferior	superior	35
7	Villas At Eagles Landing	Market	superior	slightly superior	slightly inferior	slightly inferior	superior	50

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

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

LIHTC Rent Comparison - @50%

Property Name	Tenancy	1BR	2BR
Proposed Senior Development (Subject)	Senior	\$475	\$565
LIHTC Maximum (Net)	-	\$512	\$597
Grier Senior Manor	Senior	\$488	\$633
Hampton Court	Senior	N/Ap	\$465
Heritage At McDonough	Senior	\$491	\$576
Average (excluding Subject)	-	\$490	\$558

LIHTC Rent Comparison - @60%

Property Name	Tenancy	1BR	2BR
Proposed Senior Development (Subject)	Senior	\$565	\$690
LIHTC Maximum (Net)	-	\$640	\$746
Grier Senior Manor	Senior	\$506	\$695
Hampton Court	Senior	N/Ap	\$465
Heritage At McDonough	Senior	\$621	\$732
Average (excluding Subject)	-	\$564	\$631

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents are set below the maximum allowable rent levels. As previously mentioned, two of the three LIHTC properties reported having no vacant units and both have waiting lists. The waiting list at Hampton Court, the newest LIHTC property, contains over 100 households. Grier Senior Manor is the only LIHTC property that reported having any vacancies. According to management, all three vacancies at the property are in the process of being filled from the waiting list. Given the strong performances and waiting lists at the existing senior comparables, it is likely that these properties could achieve higher rents. As a newly constructed LIHTC property, the Subject will be similar

to superior to the existing properties in terms of age/condition and will offer a competitive amenities package. Therefore, we believe that the Subject’s proposed rents are feasible and that the Subject will be successful if allocated.

Analysis of “Market Rents”

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

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

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

Subject Comparison To "Market Rents"

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage Over Average
1 BR at 50% AMI	\$475	\$488	\$890	\$678	43%
2 BR at 50% AMI	\$565	\$465	\$1,005	\$768	36%
1BR at 60% AMI	\$565	\$506	\$890	\$712	26%
2BR at 60% AMI	\$690	\$465	\$1,005	\$805	17%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. With the exception of the one-bedroom rents at 50 percent AMI, the Subject’s proposed LIHTC rents are higher than the surveyed minimum. The senior LIHTC property Hampton Court is achieving the minimum rents in the market. The rents at this property are significantly below the rents at the other comparables and management at Hampton Court reported that the property is 100 percent occupied with a lengthy waiting list. Therefore, this property does not appear to be testing maximum achievable rents and could likely increase its rents. As a newly constructed property, the Subject will be similar to superior to the existing supply. The other two LITHC comparables are achieving rents similar to above the Subject’s proposed rents and are performing well. Additionally, all of the market rate properties reported strong occupancies and have average rents well above the Subject’s proposed rents. Overall, when compared to the rents in the market, we believe that the Subject’s rents offer value and are achievable. As previously stated, we believe the Subject will maintain a stabilized occupancy rate of 95 percent as proposed.

9. LIHTC Competition – DCA Funded Properties within the PMA

There is only one senior LIHTC property located within the PMA boundaries. Heritage at McDonough was built in 2011 and is currently 100 percent occupied and has a waiting list. According to management, the property was fully leased within six months. The senior LIHTC property Grier Senior Manor is located less than one mile south of the PMA’s southern border. This property has three vacancies but management reported that all three vacancies have applications pending. Additionally, the property maintains a waiting list for all of its LIHTC units. The senior LIHTC property Hampton Court is located south of the PMA in Hampton. This property was built in 2014 and is currently 100 percent occupied and has a waiting list. According to management, all units were leased within three months. Given the strong performance of the three closest senior LIHTC properties and the quick absorption of the two newest properties, there appears to be latent demand for senior rental housing in the Subject’s market. We believe there is sufficient demand for the Subject’s units and the addition of the Subject to the local market will not negatively impact the performance of the existing properties.

There are several family LIHTC properties located within the Subject’s PMA; however, management at these properties indicated that they have very few senior tenants and would not directly compete with a property targeting seniors. Therefore, we have not utilized these properties as comparables and we do not believe that the addition of the Subject to the local market will have an impact on these properties given the differing targeted tenancies.

10. Rental Trends in the PMA

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

PMA TENURE PATTERNS OF SENIORS 62+

Year	Renter-Occupied	Percentage	Owner-Occupied	Percentage
	Units	Renter-Occupied	Units	Owner-Occupied
2000	844	12.7%	5,820	87.3%
2010	1,978	25.4%	5,820	74.6%
2015	2,255	18.6%	9,864	81.4%
Projected Mkt Entry				
March 2017	2,504	18.9%	10,737	81.1%
2019	2,852	19.3%	11,959	80.7%

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

As illustrated, the majority of senior households in the PMA are owner households. However, the percentage of senior renter households in the PMA is expected to increase slightly from 2015 to market entry and is expected to continue increasing through 2019. Nationally, approximately 13 percent of senior households are renters. The percentage of senior renters in the PMA is above the national average, a positive indicator for the Subject’s units.

Historical Vacancy

Management at the comparable properties indicated that the market is strong and that vacancy is typically five percent or less. Management at the senior LIHTC properties reported that their vacancies are filled from waiting lists and that there is a strong need for additional rental housing targeting low income seniors within the local market. Based on the performance of the comparable properties, we have estimated a stabilized vacancy rate of five percent or less for the Subject.

Change in Rental Rates

The following table illustrates rental rate changes over the past year at the comparable properties.

RENT GROWTH			
Comparable Property	Rent Structure	Tenancy	Rent Growth
Grier Senior Manor	LIHTC/Market	Senior	Decrease of 1-5% on LIHTC units; increase of 1- 3% on market units
Hampton Court	LIHTC	Senior	None
Heritage At McDonough	LIHTC	Senior	None
Carrington Ridge	Market	Family	Increase
St. Ives Crossing	Market	Family	None
Stonegate At Eagles Landing	Market	Family	1BR decrease of 2%; Increase of 2-3% for 2 and 3BR units
Villas At Eagles Landing	Market	Family	Increase of 2% on 3BR units

Several of the comparables reported rental increases and decreases. The decrease at Grier Senior Manor was due to changes in the utility allowance. The LIHTC property Hampton Court has been open less than a year and has not yet incurred any rental increases. Rents at Heritage at McDonough are set at the maximum allowable levels and therefore rental increases at this property will be dependent on a growing AMI. The Subject’s proposed rents are set below the maximum allowable levels and given the strong rental market and need for additional senior housing, it is likely that the Subject will incur regular rental increases following stabilization.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com statistics, one in every 1,085 housing units in the state of Georgia is in some stage of foreclosure as of March 2015. This is similar to the national rate of one in every 1,082 housing units. Henry County is experiencing a foreclosure rate of one in every 426 housing units, the second highest in the state. Despite the high foreclosure rate in Henry County, we did not witness any foreclosed, abandoned, or vacant housing units in the Subject’s immediate neighborhood.

12. Primary Housing Void

Two of the three senior LIHTC properties in the market are 100 percent occupied and have waiting lists. Additionally, the waiting list at the newest senior property has over 100 households. The senior LIHTC property Grier Senior Manor has three vacancies, all of which are in the process of being filled from the property’s waiting list. Overall vacancy among the seven LIHTC and market rate comparables is healthy at less than three percent. Given the strong performance of the comparables and the lack of vacancies among the senior LIHTC properties in particular, we believe there is a housing void in the local market. As a newly constructed senior LIHTC development, the Subject will work to fill this void.

13. Affect of Subject on Other Affordable Units in Market

As previously noted, overall vacancy among the comparables is low at less than three percent and all three of the senior LIHTC properties have low vacancy rates and waiting lists. Further, two of the three senior properties reported having no vacant units. The two newest senior LIHTC properties entered the market between 2011 and 2014 and both were fully leased within three to six months. Given the low vacancy rates and waiting lists at the senior comparables and the quick absorption of the two newest properties, we do not believe that the addition of the Subject to the market will have a negative impact on the existing affordable properties in the market.

Conclusions

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for a senior property in Stockbridge. There is currently only one senior LIHTC property in the Subject's PMA. This property is 100 percent occupied and has a waiting list. Therefore, there appears to be latent demand in the market. The two senior LIHTC properties located just outside the PMA boundaries are also performing well and both have waiting lists. Our analysis indicates that maximum allowable rents are achievable in the market. The Subject's proposed 50 and 60 percent AMI rents are set below the maximum allowable levels and are feasible. The Subject's proposed rents also yield a significant advantage over average market rents. Overall, the average vacancy rate of less than three percent in the market and the waiting lists at the comparables suggest a need for additional affordable rental housing, and for senior rental housing in particular. We believe that the Subject will be successful as proposed and will maintain a stabilized vacancy rate of five percent or less. We have estimated an absorption period of four months for the proposed Subject.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

Two of the LIHTC comparables were able to report absorption information. The senior property Heritage at McDonough, which is the only senior LIHTC property in the PMA, was built in 2011 and management reported that the 105 unit property was fully occupied within six months, for an absorption pace of 18 units per month. The newest senior LIHTC property, Hampton Court, opened in 2014 and was fully occupied within three months of opening. This equates to an absorption pace of 20 units per month for the 60 unit property. This comparable is located approximately 14 miles from the Subject site in Hampton and is south of the PMA. Given the low vacancy rates and presence of waiting lists at the senior comparables, we believe the Subject can expect an absorption pace of approximately 18 units per month. Per DCA guidelines, absorption is to be calculated as the time it will take for the project to reach a stabilized occupancy of 93 percent. At a pace of 18 units per month, the Subject will reach stabilized occupancy within four months.

J. INTERVIEWS

Georgia Department of Community Affairs, Eastman Office

We spoke with Mr. Bradley Mazza, field operations manager with the Georgia Department of Community Affairs. According to Mr. Mazza, Georgia DCA administers 800 vouchers through its Housing Choice Voucher program for use in Henry County. Mr. Mazza also stated that tenants/voucher holders are free to locate housing in any on the counties in DCA’s jurisdiction. Although Mr. Mazza could not confirm the number of people on the waiting list, he stated that it is currently closed.

The following table illustrates payment standards for Henry County.

Payment Standards
Henry County, GA

One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Five-Bedroom
\$810	\$916	\$1,213	\$1,474	\$1,695

The Subject’s proposed gross rents are below the payment standards.

Planning

We attempted to contact the Henry County Planning and Development Department in order to obtain detailed information on development planned or currently under construction in Henry County and the City of Stockbridge. However, as of the date of this market study our calls had not been returned. Building permit activity on the department’s website is not available past 2011 and online searches did not yield any results for large scale commercial or residential development. During our fieldwork, we did not see any ongoing construction near the Subject site; however, there are several plats of vacant, undeveloped land along Rock Quarry Road that could potentially be developed at a later date.

Senior Center:

The Hidden Valley Senior Center is located approximately 8.6 miles from the Subject site. All seniors 55 and older who live in Henry County are eligible to join without a membership fee. The center is open Monday through Friday from 8:00 am to 5:00 pm and offers varying activities. A hot cafeteria style breakfast and lunch is provided each day for a fee of \$2.50 and \$3.50, respectively. Transportation to and from the center is provided by Henry County Transit for a fee of \$2.00 per day. Currently, the center has approximately 150 members with an average age of 70.

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Senior population growth was strong through 2015, significantly outpacing senior growth in the MSA and nation. Although senior population growth is expected to slow through 2019, it will be on pace with senior growth in the MSA and will significantly outpace senior growth nationally. Like senior population, senior households in the PMA increased through 2015 and the number of senior households is expected to continue increasing through 2019, albeit at a slower pace. This growth is a positive indicator for the Subject. Approximately 15 percent of the total population in the PMA is 60 and older, and this age group will represent 17 percent of the total population by 2019. The Subject's units will target tenants within this age demographic. Our analysis also indicates that approximately 58 percent of senior renter households in the PMA are earning less than \$29,999 annually and the number will increase to 60 percent by the Subject's market entry date. The large percentage of seniors in the lowest income cohorts further illustrates a need for additional low income senior housing within the PMA. Although the majority of senior households in the PMA are owner occupied, the percentage of senior renter households in the PMA is well above the national average and the number of senior renters will increase slightly from 2015 to 2019. Overall, the demographic trends bode well for the Subject's units.
- The local economy is relatively healthy; however, it has not fully recovered from the recent national recession. Henry County has a diversified employment base, with eight different industries represented among the top 10 major employers. According to WARN notices published by the Georgia Department of Labor, only three businesses have experienced layoffs or closures over the past three years in Henry County. All three of these businesses were in the manufacturing industry, which is considered volatile in times of economic downturn. However, it should be noted that while manufacturing plays an important role in the county, there is not a significant percentage of individuals employed within the manufacturing industry within the Subject's PMA. Although total employment in the MSA decreased during the national recession, it has increased every year since 2011. Additionally the unemployment rate has decreased from a high of 10.1 percent in 2010 to its current level of 7.1 percent. While the current unemployment rate in the MSA is above the national average of 6.2 percent, the steady unemployment rate decreases in the MSA are a positive sign for the local economy. Additionally, year over year comparisons in the MSA indicate an unemployment rate decrease of 0.4 percentage points from December 2013 to December 2014. While the MSA has not fully recovered from the recent national recession, total employment and unemployment trends are encouraging and indicate that the local economy is improving. Additionally, total jobs numbers within Henry County are positive and have passed their pre-recession peak.
- The Subject's capture rates at the 50 percent AMI level will range from 6.3 to 8.7 percent, with an overall capture rate of 7.8 percent. The Subject's 60 percent AMI capture rates range from 25.5 to 30.4 percent, with an overall capture rate of 28.5 percent. The overall capture rate for the project's 50 and 60 percent units is 26.2 percent. All capture rates are below Georgia DCA threshold requirements and we believe there is adequate demand for the Subject's units.

- Two of the LIHTC comparables were able to report absorption information. The senior property Heritage at McDonough, which is the only senior LIHTC property in the PMA, was built in 2011 and management reported that the 105 unit property was fully occupied within six months, for an absorption pace of 18 units per month. The newest senior LIHTC property, Hampton Court, opened in 2014 and was fully occupied within three months of opening. This equates to an absorption pace of 20 units per month for the 60 unit property. This comparable is located approximately 14 miles from the Subject site in Hampton and is south of the PMA. Given the low vacancy rates and presence of waiting lists at the senior comparables, we believe the Subject can expect an absorption pace of approximately 18 units per month. Per DCA guidelines, absorption is to be calculated as the time it will take for the project to reach a stabilized occupancy of 93 percent. At a pace of 18 units per month, the Subject will reach stabilized occupancy within four months.
- Overall vacancy in the market is low at 2.7 percent. Additionally, two of the three senior properties reported no vacancies and both have waiting lists. Management at Grier Senior Manor indicated that all three vacancies are being filled from the property's waiting list and the units are expected to be rented by the end of the month. Management at Hampton Court, which was completed in 2014 and is the newest LIHTC comparable, has a waiting list of over 100 households. The lengthy waiting list at this property suggests latent demand in the market for senior LIHTC housing. If allocated, the Subject will help to fill this void. Based on the performance of the comparables, we expect the Subject to maintain a stabilized vacancy rate of five percent or less.
- Based upon our market research, demand calculations and analysis, we believe there is adequate demand for a senior property in Stockbridge. There is currently only one senior LIHTC property in the Subject's PMA. This property is 100 percent occupied and has a waiting list. Therefore, there appears to be latent demand in the market. The two senior LIHTC properties located just outside the PMA boundaries are also performing well and both have waiting lists. Our analysis indicates that maximum allowable rents are achievable in the market. The Subject's proposed 50 and 60 percent AMI rents are set below the maximum allowable levels and are feasible. The Subject's proposed rents also yield a significant advantage over average market rents. Overall, the average vacancy rate of less than three percent in the market and the waiting lists at the comparables suggest a need for additional affordable rental housing, and for senior rental housing in particular. We believe that the Subject will be successful as proposed and will maintain a stabilized vacancy rate of five percent or less. We have estimated an absorption period of four months for the proposed Subject.

Recommendations

- We recommend the Subject property as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

5-15-2015

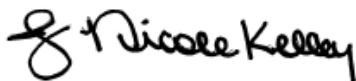
Date



Edward R. Mitchell
Manager
Novogradac & Company LLP

5-15-2015

Date



J. Nicole Kelley
Real Estate Analyst

5-15-2015

Date

M. MARKET STUDY REPRESENTATION

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



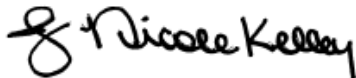
H. Blair Kincer, MAI
Partner
Novogradac & Company LLP

5-15-2015
Date



Manager
Novogradac & Company LLP

5-15-2015
Date



J. Nicole Kelley
Real Estate Analyst

5-15-2015
Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado
Certified General Real Estate Appraiser, No. 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

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

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

V. Real Estate Assignments – Examples

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

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

H. Blair Kincer

Qualifications

Page 3

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

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

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

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

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

II. Work History

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

III. Relevant Experience

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

IV. Licensure

- Georgia State Certified General Real Property Appraiser #4649
- Alabama State Certified General Real Property Appraiser #G01192
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS

J. Nicole Kelley

I. Education

Auburn University, Auburn, Alabama
Bachelor of Science in Business Administration: International Business
Auburn University, Auburn, Alabama
Master of Business Administration (MBA)

II. Professional Experience

Independent Consultant, Cooper Dex Consulting, LLC (July 2014-Present)
Manager, Novogradac & Company LLP (July 2012-July 2014)
Real Estate Analyst, Novogradac & Company LLP (October 2009-June 2012)
Real Estate Researcher, Novogradac & Company LLP (May 2006-September 2009)

III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)
Member, Women in Affordable Housing Network (WAHN)
Successfully completed "Introduction to Commercial Real Estate Analysis" and
"Financial Analysis for Commercial Real Estate Investment"

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.