



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**SOUTH ROME APARTMENTS
SEC of South Broad Street and Etowah Terrace;
NWC of East Forest Street and South Broad Street;
SWC of Hardy Street and Cherokee Street
Rome, Floyd County, Georgia 30161**

**Effective Date: May 22, 2015
Report Date: June 10, 2015**

Prepared For

**Mr. Lee Cochran
Laurel Street Residential
511 East Boulevard
Charlotte, NC 28203**

Prepared By

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June 10, 2015

Mr. Lee Cochran
Laurel Street Residential
511 East Boulevard
Charlotte, NC 28203

Re: Market Study for Proposed South Rome Apartments to be located in Rome, Georgia

Dear Mr. Cochran:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the Rome, Floyd County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project (Subject). The purpose of this market study is to assess the viability of the construction of South Rome Apartments, a proposed scattered site multifamily development consisting of 84 units. We previously completed a market study for the proposed South Rome Apartments in May of 2014. Units will be restricted to family households earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

Respectfully submitted,



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LEED Certified Associate
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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

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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:

The Subject is a proposed 84-unit scattered site multifamily development in Rome, Floyd County, Georgia. The Subject will consist of three sites located within a few blocks of one another; Site A will be located at the intersection of South Broad Street and Etowah Terrace. This site will consist of two, three-story buildings with a total of 23 units. Site B will be located at the intersection of East Forest Street and South Broad Street. It will consist of two, three-story buildings with a total of 27 units. Site C will be located at the intersection of Hardy Street and Cherokee Street. This site will consist of 17 duplexes, totaling 34 units. All will be new construction. The following table illustrates the Subject’s proposed unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
1BR/1BA (Garden)	13	\$354	\$85	\$439	\$491	\$498
2BR/2BA (Garden)	2	\$450	\$102	\$552	\$588	\$674
2BR/2BA (Duplex)	2	\$450	\$106	\$556	\$588	\$674
3BR/2BA (Garden)	2	\$505	\$130	\$635	\$680	\$839
3BR/2BA (Duplex)	2	\$505	\$134	\$639	\$680	\$839
<i>60% AMI</i>						
1BR/1BA (Garden)	9	\$466	\$85	\$551	\$589	\$498
2BR/2BA (Garden)	22	\$560	\$102	\$662	\$706	\$674
2BR/2BA (Duplex)	15	\$559	\$106	\$665	\$706	\$674
3BR/2BA (Garden)	2	\$635	\$130	\$765	\$816	\$839
3BR/2BA (Duplex)	15	\$635	\$134	\$769	\$816	\$839
Total	84					

Notes (1) Utility Allowances provided by the Developer.

*Per the Georgia DCA 2015 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The GA DCA utility allowance is effective as of 8/25/2014; therefore, we have utilized the 2014 maximum income and rent limits.

The property will not operate with any additional subsidies.

The Subject will offer the following in-unit amenities: balconies and patios, blinds, carpeting, ceiling fans, garbage disposals, central air conditioning, dishwashers, ovens, refrigerators, washer/dryer hook-ups. The Subject

will include the following community amenities: community room, picnic area, playground, on-site management, and off-street parking.

2. Site Description/Evaluation:

The Subject will consist of three sites located within a few blocks of one another; Site A will be located at the intersection of South Broad Street and Etowah Terrace, Site B will be located at the intersection of East Forest Street and South Broad Street, and Site C will be located at the intersection of Hardy Street and Cherokee Street. The sites are located within the same neighborhood. The sites are located in a mixed-use neighborhood consisting of single-family homes in generally average to good condition, multifamily communities in average to excellent condition, and retail and commercial uses in fair to average condition. Retail and commercial uses appeared to be approximately 90 percent occupied. According to Walkscore.com, the Subject's neighborhood earned a Walk Score of 50, indicating that it is located in a somewhat walkable neighborhood and some errands can be accomplished on foot; this score indicates that the Subject sites are located within reasonable proximity to retail and other locational amenities. The sites are located within 3.4 miles of most commercial and institutional uses. Overall, the Subject will be a positive addition to the neighborhood.

3. Market Area Definition:

The PMA consists of an area of approximately 362 square miles and includes a large portion of southern Floyd County as well as the northern portion of Polk County. The Subject is located approximately 10 miles from the northernmost border of the PMA, 8.5 miles from the eastern border, 17 miles from the southern border, and 16 miles from the western border.

4. Community Demographic Data:

The population in the PMA and MSA increased by 0.1 percent annually from 2000 to 2014, a rate slightly lagging national population increases. The population of both the MSA and PMA are projected to remain the same annually through the projected date of market entry and through 2019. Total household growth in the PMA and MSA is projected to remain the same through 2019, but lag national household growth. Average household size is projected to remain constant in the PMA, MSA and nation through 2019. An estimated 45.5 percent of households in the PMA are projected to earn between \$20,000 and \$59,999 per year at the time of market entry, a number expected to remain relatively stable through 2019.

5. Economic Data:

The Rome, GA MSA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn early in 2006 and suffered greater losses from 2008 to 2010. The most significant loss occurred in 2010 with the loss of 4,552 jobs. Total employment in the MSA increased by 1.1 percent in 2012, indicating the start of economic recovery. Additionally, the year-to-date average for 2015 indicates that the MSA is continuing to experience total employment growth. However, it should be noted that as of February 2015, the unemployment rate in the MSA remains 110 basis points higher than the national average, indicating that the local economy has not yet recovered from the most recent recession. Furthermore, total employment still remains below pre-recessionary levels as of 2015. Six of the top 10 employers in Rome are in the health care and educational services industries. The three health care employers account for 45 percent of the total employees of the top ten employers in Rome. Government also has a high proportion of employees in Rome, as it is home to both the City and County offices.

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

Overall, there will be 4,360 households within the PMA that will qualify to live at the Subject upon the projected market entry date. Using DCA's methodology, we have estimated the total demand for the Subject to be 1,142 households. Additionally, we have calculated the overall project capture rate to be 7.4 percent, indicating adequate demand for the Subject. The following table details total demand, additions to supply since 2013 net demand, the number of units proposed at the Subject, and capture rates for each bedroom type.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR @ 50% AMI	\$15,360-\$19,950	13	303	0	303	4.3%
2BR @ 50% AMI	\$19,406-\$22,450	4	282	0	282	1.4%
3BR @ 50% AMI	\$23,314-\$26,900	4	218	0	218	1.8%
50% AMI Overall	\$15,360-\$26,900	21	803	0	803	2.5%
1BR @ 60% AMI	\$19,954-\$23,940	9	260	0	260	3.5%
2BR @ 60% AMI	\$24,034-\$26,940	37	242	0	242	15.3%
3BR @ 60% AMI	\$27,943-\$32,280	17	187	0	187	9.1%
60% AMI Overall	\$19,954-\$32,280	63	689	0	689	8.6%
1 BR Overall	\$15,360-\$23,940	22	404	0	404	5.4%
2BR Overall	\$19,406-\$26,940	41	376	0	376	10.9%
3BR Overall	\$23,314-\$32,280	21	290	0	290	7.2%
Overall	\$15,360-\$32,280	84	1,142	0	1,142	7.4%

As the previous table demonstrates, the Subject’s capture rates are within GA DCA’s capture rate threshold.

7. Competitive Rental Analysis:

There are currently six LIHTC developments within the PMA targeting family tenancies; four of these have been included as comparables in our analysis. Two have been excluded because they operate with a subsidy. The Subject will offer one, two and three-bedroom units renting at 50 and 60 percent of the Area Median Income. Ashland Park Apartments offers one, two and three-bedroom units renting at 60 percent of the AMI while Riverwood Park offers two and three-bedroom units renting at 50 and 60 percent of the AMI. There are no LIHTC properties located in Rome offering one-bedroom units renting at 50 percent of the AMI; the Subject will therefore fill this void.

Spring Haven Apartments located in Cave Springs, approximately 17.2 miles southwest of the Subject site, offers one and two bedroom units renting at 50 and 60 percent of the AMI. Evergreen Village located in Cedartown, approximately 18.5 miles south of the Subject site offers one, two, and three-bedroom units renting at 50 percent of the AMI. These properties were also included as comparables in our analysis due to the unit similarity, despite the distance from the Subject site.

When comparing the Subject’s rents to the average market rents, 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.

8. Absorption/Stabilization

Estimate:

None of the comparable properties were able to report absorption data. Given the current market, the lack of comparable inventory and new additions, and the Subject's superior age, condition, and location, we anticipate that the Subject will absorb at a rate of 10 units per month. We therefore expect the Subject to stabilize at 93 percent occupancy within eight months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. There are two multifamily LIHTC properties in Rome that do not operate with additional subsidies, Riverwood Park and Ashland Park. These properties have been used as comparables in our analysis. These properties reported vacancy rates ranging from zero percent to 3.8 percent. Ashland Park Apartments reported the highest vacancy rate of 3.8 percent. The property manager indicated that this vacancy rate is typical for the property. The contact also indicated that the property provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program, which has slightly increased the property's turnover. Management indicated that a large number of tenants who relocate after being a part of this program purchase single-family homes. Additionally, this property is located in a significantly more isolated neighborhood when compared to that of the Subject. The remaining LIHTC comparables reported healthy vacancy rates between zero percent and 2.2 percent. Both also indicated that they maintain a waiting list, suggesting that there is demand for additional affordable housing within the local market.

Upon completion of construction, the Subject will be superior to all of the surveyed properties in terms of age and condition. Additionally, the Subject will offer a superior location when compared to these properties, with the exception of Riverwood Park, which offers a generally similar location. The Subject will offer some of the largest unit sizes in the market and will include a competitive in-unit and community amenity package, including sought-after amenities such as dishwashers, washer/dryer hookups, and balconies and patios. Given the Subject's generally

superior condition and location, its competitive unit sizes and amenity packages, and taking into account rents being achieved at the comparable properties, we believe that the proposed rents at 50 percent of the AMI are achievable. Additionally, we believe that the Subject's proposed rents at 60 percent of the AMI are reasonable and achievable.

South Rome Apartments, Rome, GA; Market Study

Summary Table:

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

Development Name:	South Rome Apartments	Total # Units: 84
Location:	South Broad Street and Etowah Terrace, East Forest Street and South Broad Street,	# LIHTC Units: 84
	Hardy Street and Cherokee Street Rome, Floyd County, Georgia 30161	
PMA Boundary:	North: Floyd-Chattooga County Line; West: Georgia-Alabama State Line; South: Route 278/Route 140; East: Floyd-Bartow County Line	
	Farthest Boundary Distance to Subject:	25.0 miles

Rental Housing Stock (found on page 44)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	687	12	98.3%
Market-Rate Housing	4	332	3	99.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	4	355	9	97.5%
Stabilized Comps	8	687	12	98.3%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

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
13	1BR at 50% AMI	1	750	\$354	\$540	\$0.72	34%	\$909	\$1.21
2	2BR at 50% AMI	2	1,050	\$450	\$584	\$0.56	23%	\$899	\$0.86
2	2BR at 50% AMI	2	1,050	\$450	\$584	\$0.56	23%	\$899	\$0.86
2	3BR at 50% AMI	2	1,250	\$505	\$735	\$0.59	31%	\$1,075	\$0.86
2	3BR at 50% AMI	2	1,250	\$505	\$735	\$0.59	31%	\$1,075	\$0.86
9	1BR at 60% AMI	1	750	\$466	\$540	\$0.72	14%	\$909	\$1.21
22	2BR at 60% AMI	2	1,050	\$560	\$584	\$0.56	4%	\$899	\$0.86
15	2BR at 60% AMI	2	1,050	\$559	\$584	\$0.56	4%	\$899	\$0.86
2	3BR at 60% AMI	2	1,250	\$635	\$735	\$0.59	14%	\$1,075	\$0.86
15	3BR at 60% AMI	2	1,250	\$635	\$735	\$0.59	14%	\$1,075	\$0.86

Demographic Data (found on page 28 & 50)

	2010		2015		2017	
Renter Households	12,637	38.04%	13,472	40.55%	13,491	40.60%
Income-Qualified Renter HHs (LIHTC)	4,084	32.32%	4,354	32.32%	4,360	32.32%

Targeted Income-Qualified Renter Household Demand (found on pages 42-54)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	5	4	N/Ap	N/Ap	6
Existing Households (Overburdened + Substandard)	N/Ap	852	730	N/Ap	N/Ap	1,136
Homeowner conversion (Seniors)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap
Total Primary Market Demand	-	857	734	-	-	1,142
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	857	734	N/Ap	N/Ap	1,142

Capture Rates (found on page 53)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	2.60%	9.10%	N/Ap	N/Ap	7.40%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

The Subject is a proposed 84-unit scattered site multifamily development in Rome, Floyd County, Georgia. The Subject will consist of three sites located within a few blocks of one another; Site A will be located at the intersection of South Broad Street and Etowah Terrace. This site will consist of two, three-story buildings with a total of 23 units. Site B will be located at the intersection of East Forest Street and South Broad Street. It will consist of two, three-story buildings with a total of 27 units. Site C will be located at the intersection of Hardy Street and Cherokee Street. This site will consist of 17 duplexes, totaling 34 units. All will be new construction. The property is currently vacant and addresses have not yet been assigned by the city.

Construction Type:

The Subject will be a newly constructed development. Upon completion, the Subject will consist of 21 residential buildings, four of which will be three-story, garden-style, walk-up buildings and 17 of which will be duplex-style constructions. Site C will also consist of a free standing community building. Buildings will include wood frames with brick and cement-fiber exterior siding.

Occupancy Type:

The Subject will target general households.

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:

The units will not operate with Project-Based Rental Assistance.

Proposed Development Amenities: See following property profile.

PROPERTY PROFILE REPORT

South Rome Apartments

Effective Rent Date 5/19/2015
Location S Broad St And Etowah Terr
 Rome, GA 30161
 Floyd County
Distance N/A
Units 84
Vacant Units N/A
Vacancy Rate N/A
Type Various (3 stories)
Year Built/Renovated Proposed 2017 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Lee Cochran
Phone 704-561-5230



Market Information

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

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water 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)	13	750	\$354	\$0	@50%	N/A	N/A	N/A	no	None
1	1	Garden (3 stories)	9	750	\$466	\$0	@60%	N/A	N/A	N/A	no	None
2	2	Duplex (2 stories)	2	1,050	\$450	\$0	@50%	N/A	N/A	N/A	no	None
2	2	Duplex (2 stories)	15	1,050	\$559	\$0	@60%	N/A	N/A	N/A	no	None
2	2	Garden (3 stories)	2	1,050	\$450	\$0	@50%	N/A	N/A	N/A	no	None
2	2	Garden (3 stories)	22	1,050	\$560	\$0	@60%	N/A	N/A	N/A	no	None
3	2	Duplex (2 stories)	2	1,250	\$505	\$0	@50%	N/A	N/A	N/A	no	None
3	2	Duplex (2 stories)	15	1,250	\$635	\$0	@60%	N/A	N/A	N/A	no	None
3	2	Garden (3 stories)	2	1,250	\$505	\$0	@50%	N/A	N/A	N/A	no	None
3	2	Garden (3 stories)	2	1,250	\$635	\$0	@60%	N/A	N/A	N/A	no	None

Scope of Renovations:	The Subject will be a newly constructed development.
Current Rents:	N/Ap
Current Occupancy:	N/Ap
Current Tenant Income:	N/Ap
Placed in Service Date:	The expected placed in service date is July 2017.
Conclusion:	The Subject will be excellent-quality brick and cement fiber siding construction, consisting of four, three-story, garden-style buildings and 17 duplexes. As a new construction, the Subject will be superior in condition to the majority of local inventory and will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

Sterling Battle visited the site on May 22, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

Subject Site A will have frontage along South Broad Street and Etowah Terrace. Subject Site B will have frontage along South Broad Street and West Forest Street. Subject Site C will have frontage along Cherokee Street and Hardy Avenue.

Visibility/Views:

The Subject sites are located in a mixed-use neighborhood. Subject Site A has a view of the Etowah River; however an industrial use facility sits directly across the river. The view from Subject Site A is therefore considered fair. View from Subject Sites B and C are considered average. Visibility is considered average.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



Positive/Negative Attributes of Site: The Subject sites are located in a mixed-use neighborhood consisting of single-family homes in generally average to good condition, multifamily communities in average to excellent condition, and retail, industrial and commercial uses in fair to average condition. Retail and commercial uses appeared to be approximately 90 percent occupied.

According to Walkscore.com, the Subject sites exhibit Walk Scores ranging from 35 to 50. These scores indicate that the Subject is located in both car-dependent and somewhat walkable neighborhoods and some errands can be accomplished on foot. This proximity to retail and locational amenities will positively impact leasing. Subject Site A is located within close proximity to the Etowah River, which would generally offer excellent views. However, an industrial use is located directly across the river, resulting in fair views from this Subject site. We recommend that management maintain foliage along the eastern border of the site in order to obstruct views of the facility. The scattered site aspect of the subject could also be construed as a negative, as some residents will have less convenient access to common area amenities.

3. Physical Proximity to Locational Amenities:

The Subject consists of three scattered sites within close proximity to one another. The Subject is located in a mixed-use neighborhood consisting of older uses; however, there is evidence of new infill construction. Existing uses include Floyd Medical Center, Rome Middle and High School, Rome-Floyd County Library, several houses of worship and many small commercial uses. The local police station and fire station are one mile away. All locational amenities are located within four miles of the Subject site.

4. Pictures of Site and Adjacent Uses:



View of Subject Site A facing southeast from South Broad Street



View of Subject Site A facing east



View southeast along Etowah Terrace



View northwest along Etowah Terrace



View south along South Broad Street



View north along South Broad Street



View of Subject Site B facing west from South Broad Street



View of Subject Site B facing north from East Forest Street



View of Subject site C facing south



Subject Site C facing north



View along Hardy Street facing south



View along Hardy Street facing north



House of Worship near Subject site



Commercial uses east of Subject site



Commercial uses east of Subject site



Government uses near Subject site



Commercial uses near Subject site



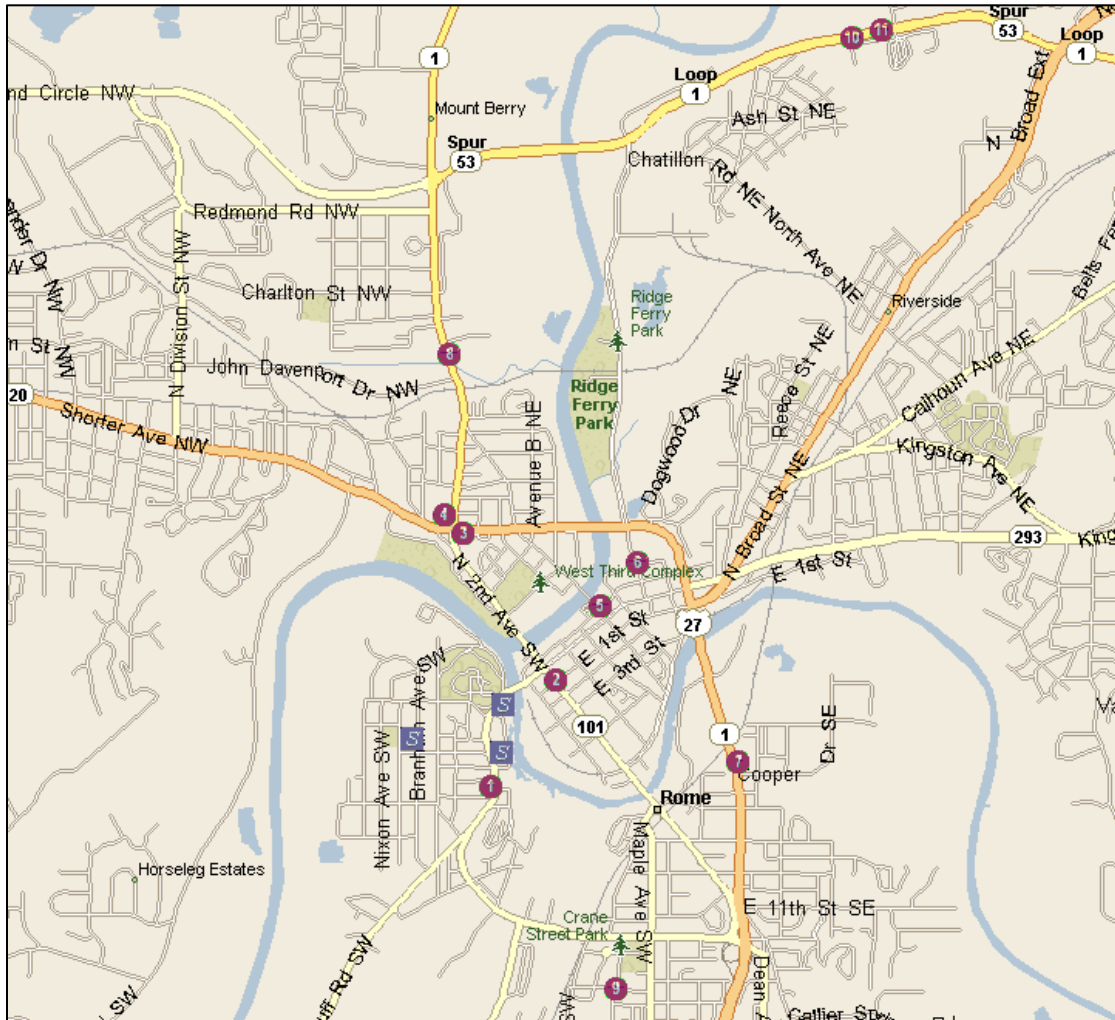
Bank near Subject site

5. Proximity to Locational Amenities:

The following table details the distance of Subject Site A from key locational amenities.

Locational Amenities

Map #	Amenity	Service	Distance from Subject
1	BP	Gas Station	0.4 miles
2	Suntrust	Bank	0.7 miles
3	Floyd Medical Center	Hospital	0.7 miles
4	Walgreens	Pharmacy	0.9 miles
5	Floyd County Police Department	Police Station	1.0 miles
6	Rome-Floyd County Library	Library	1.2 miles
7	Kroger	Grocery	1.3 miles
8	Post Office-Rome	Post Office	1.6 miles
9	Southeast Elementary School	School	1.8 miles
10	Rome High School	School	3.3 miles
11	Rome Middle School	School	3.4 miles



6. Description of Land Uses:

Immediately north of Subject Site A is Etowah Senior Residences, a 77-unit midrise property catering to seniors. This development was constructed in 2011, is in excellent condition, and was not used as a comparable in our analysis due to its dissimilar tenancy. Further north is the Myrtle Hill Cemetery. South of the Subject site are single-family homes in generally average condition and low-density commercial uses in fair to average condition. Immediately east of the Subject site is the Etowah River. West of the Subject site are single-family homes in average to good condition as well as low-density commercial uses in fair to average condition.

Directly north of Subject Site B are low-density commercial uses in average to fair condition. Subject Site A and Etowah Senior Residences are also located north of Subject Site B. South of the Subject site are low-density commercial uses in average condition. East of the Subject site are single-family homes in average condition. Beyond these homes is the Etowah River. West of the Subject site are single-family homes in average to good condition.

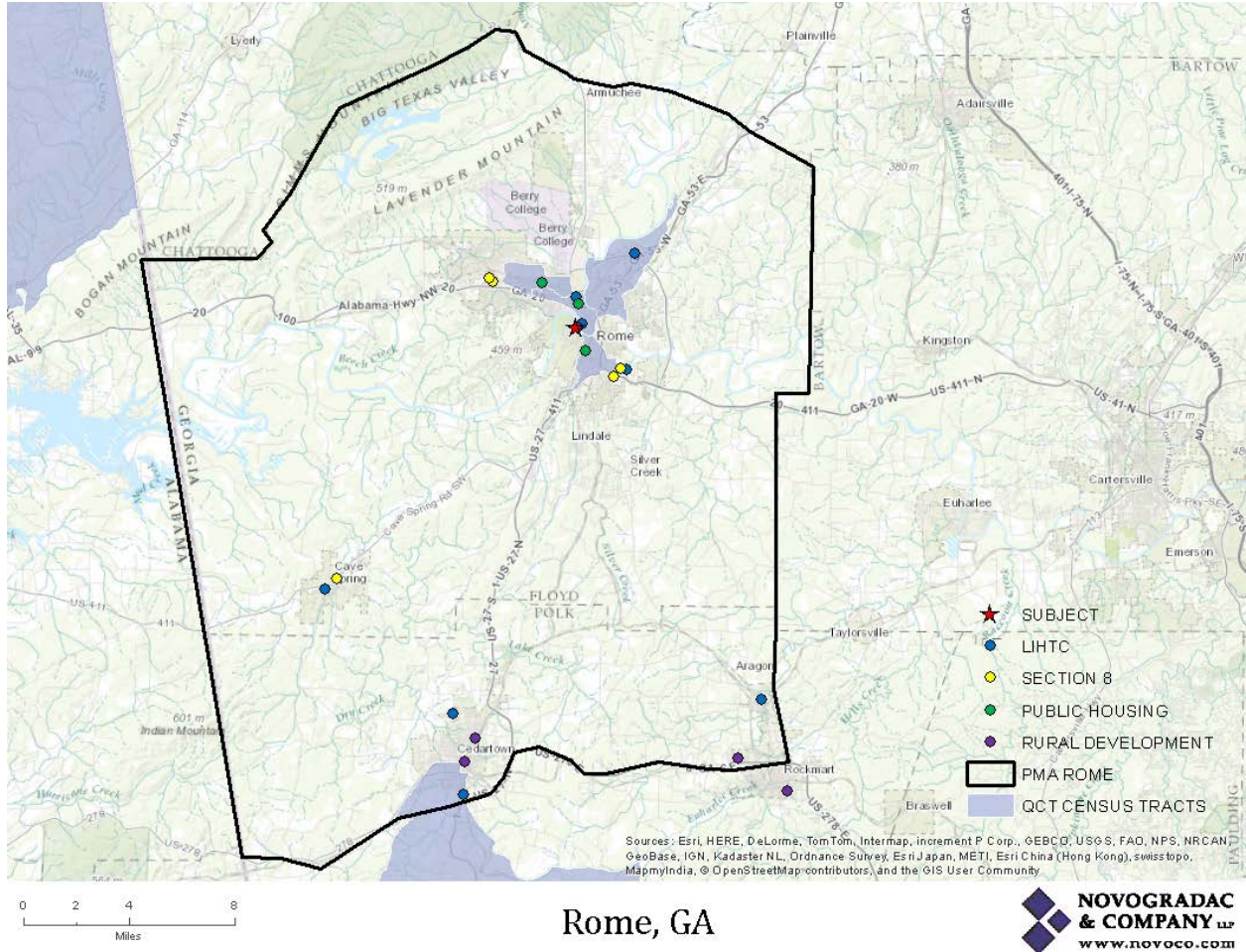
North and east of Subject Site C are single-family homes in generally average to good condition. South of the Subject site are two houses of worship as well as a vacant commercial space. Additionally, Pennington Place, a public housing community, is located south of Subject Site C. This property was not used as a comparable in our analysis as it operates with subsidies. West of the Subject site is the Coosa Country Club golf course.

7. Existing Assisted Rental Housing

Property Map:

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

Property Name	City	Map Color	Program	Tenancy	Included/ Excluded	Distance from Subject	
Evergreen Village	Cedartown	Blue	LIHTC	Family	Included	17.2 miles	
Kirkwood Trail Apartments	Cedartown		LIHTC	Senior	Excluded	20.5 miles	
Oakview Apartments	Aragon		LIHTC/RD	Family	Excluded	17.8 miles	
Greystone Apartments	Rome		LIHTC/Section 8	Senior/Disabled	Excluded	0.4 miles	
Riverwood Park Apartments	Rome		LIHTC	Family	Included	1.5 miles	
Spring Haven Apartments	Cave Spring		LIHTC/HOME	Family	Included	18.5 miles	
Ashland Park Apartments	Rome		LIHTC/FHA	Family	Included	4.0 miles	
Callier Forest Apartments	Rome		LIHTC/PBRA/FHA	Family	Excluded	3.5 miles	
Cedartown Commons	Cedartown		Purple	RD	Family	Excluded	19.4 miles
Cedarwood Village	Cedartown			RD	Elderly	Excluded	18.7 miles
Calloway Apts	Rockmart	RD		Family	Excluded	20.0 miles	
Fairview Apts	Rockmart	RD		Family	Excluded	21.0 miles	
Etowah Terrace	Rome	LIHTC, PBRA		Senior	Included	<0.1 miles	
Steve Pettis Court Apts	Cave Springs	Yellow	Section 8/RD	N/Av	Excluded	16.5 miles	
Heatherwood Apts	Rome		Section 8/FHA	Elderly	Excluded	3.0 miles	
Meadow Lane Apts	Rome		Section 8	Family	Excluded	4.3 miles	
Tamassee Apartments	Rome		Section 8/FHA	Family	Excluded	4.5 miles	
The Villas	Rome	Light Green	Section 8	Elderly	Excluded	3.3 miles	
The Highrise	Rome		Public Housing	Family	Excluded	1.1 miles	
High Homes at Avenue B	Rome		Public Housing	Family	Excluded	1.1 miles	
John Graham Homes	Rome		Public Housing	Family	Excluded	1.3 miles	
Pennington Place	Rome		Public Housing	Family	Excluded	1.3 miles	
Willingham Village	Rome		Public Housing/ Bond	Family	Excluded	2.8 miles	
Willingham at Division	Rome		Public Housing/ Bond	Family	Excluded	2.8 miles	
Village Green	Rome		Public Housing	Family	Excluded	2.8 miles	
South Rome Apartments	Rome		Red	LIHTC	Family	Subject	Subject



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

Based on our fieldwork and research, there are no proposed improvements on the roadways surrounding the Subject sites.

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

Access to Subject Sites A and B are provided by South Broad Street. Access to Subject Site C is provided by Hardy Avenue. Both streets are moderately trafficked. Visibility is considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

The Subject will consist of three scattered sites located at the corners of South Broad Street and Etowah Terrace, East Forest Street and South Broad Street, and Hardy Street and Cherokee Street. The sites are located in a mixed-use neighborhood containing a mixture of retail, commercial, residential and industrial uses. They are in somewhat

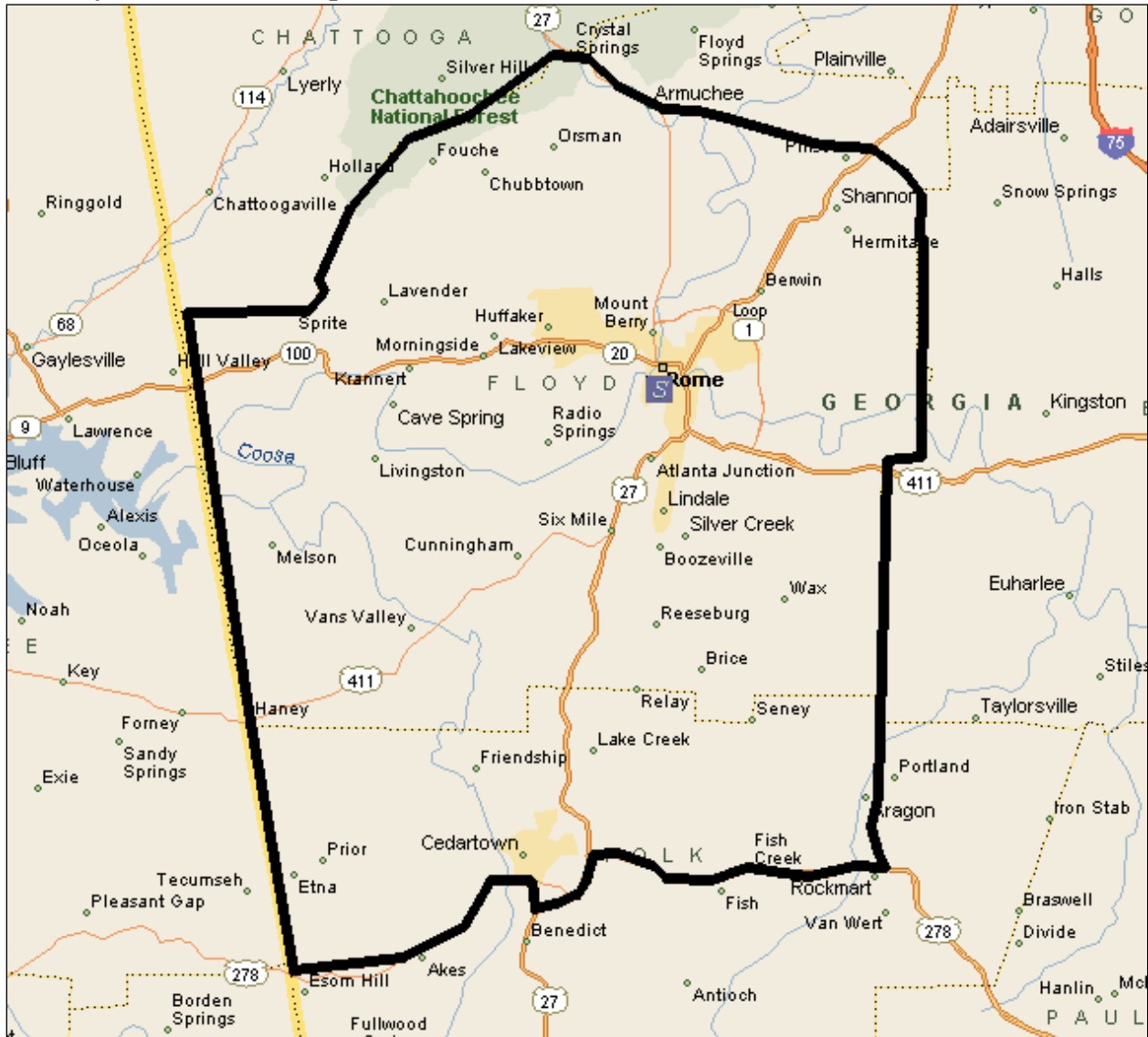
walkable areas, within reasonable proximity to retail and other location amenities. Retail in the area appears to be older and is in fair to average condition. Commercial uses are approximately 90 percent occupied. Single-family homes are in generally average to good condition and multifamily residences are average to excellent condition. Additionally, the Subject offers average visibility and good curb appeal. 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 Rome MSA are areas of growth or contraction.

The PMA is defined by the Route 27 and Route 140 to the north, the Georgia-Alabama State Line to the west, Route 278 and Route 6 to the south and the approximate Floyd-Bartow County Line to the east. This area includes a large southern portion of Floyd County as well as the northern portion of Polk County. This area encompasses an approximate 20-minute drive time zone from the Subject. The area was defined based on interviews with the local housing authority and property managers at comparable properties. Most property managers indicated that a majority of tenants originate from Rome and surrounding towns in Floyd County. We do believe, however, that given the opportunity to live in high-quality affordable housing, a number of families and individuals from other parts of Georgia would relocate. While we believe some tenants will originate from outside of the PMA, we have not adjusted for leakage per the Georgia Department of Community Affairs guidelines.

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 Rome, 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, within population in MSA, the PMA and nationally from 2000 through 2019.

TOTAL POPULATION

Year	PMA		Rome, 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	83,688	-	90,563	-	281,421,906	-
2010	89,287	0.7%	96,317	0.6%	308,745,538	1.0%
2015	89,563	0.1%	96,576	0.1%	314,467,933	0.4%
Projected Mkt Entry July 2017	89,645	0.0%	96,658	0.0%	320,155,854	0.9%
2019	89,727	0.0%	96,739	0.0%	325,843,774	0.7%

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

POPULATION BY AGE IN 2015

Age Cohort	PMA		Rome, GA MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	5,980	6.7%	6,283	6.5%	19,987,250	6.4%
5-9	6,044	6.7%	6,399	6.6%	20,264,567	6.4%
10-14	5,864	6.5%	6,300	6.5%	20,621,313	6.6%
15-19	6,332	7.1%	6,829	7.1%	21,171,596	6.7%
20-24	6,084	6.8%	6,490	6.7%	22,787,955	7.2%
25-29	6,075	6.8%	6,411	6.6%	21,439,374	6.8%
30-34	5,708	6.4%	6,043	6.3%	20,988,843	6.7%
35-39	5,355	6.0%	5,695	5.9%	19,373,719	6.2%
40-44	5,777	6.5%	6,215	6.4%	20,731,962	6.6%
45-49	5,555	6.2%	6,071	6.3%	21,208,891	6.7%
50-54	6,049	6.8%	6,691	6.9%	22,540,388	7.2%
55-59	5,745	6.4%	6,351	6.6%	21,076,535	6.7%
60-64	5,312	5.9%	5,844	6.1%	18,494,651	5.9%
65-69	4,420	4.9%	4,892	5.1%	14,213,405	4.5%
70-74	3,204	3.6%	3,540	3.7%	10,364,917	3.3%
75-79	2,410	2.7%	2,636	2.7%	7,569,578	2.4%
80-84	1,869	2.1%	2,003	2.1%	5,722,550	1.8%
85+	1,781	2.0%	1,883	1.9%	5,910,439	1.9%
Total	89,564	100.0%	96,576	100.0%	314,467,933	100.0%

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

As illustrated in the tables above, the populations of both the PMA and MSA increased by 0.1 percent annually between 2000 and 2015 lagging the rate of national population growth. The populations of both the MSA and PMA are projected to remain the same through the market entry date and through 2019. In 2015, 45.5 percent of the population in the PMA was between the ages of 20 and 54, which bodes well for the Subject’s units as it will target family tenancies.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Rome, 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	31,626	-	34,245	-	105,991,193	-
2010	33,217	0.5%	35,930	0.5%	116,716,292	1.0%
2015	33,227	0.0%	35,935	0.0%	118,979,182	0.4%
Projected Mkt Entry July 2017	33,233	0.0%	35,940	0.0%	121,222,039	0.9%
2019	33,239	0.0%	35,944	0.0%	123,464,895	0.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Rome, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.53	-	2.53	-	2.58	-
2010	2.58	0.2%	2.58	0.2%	2.58	0.0%
2015	2.58	0.0%	2.58	0.0%	2.58	0.0%
Projected Mkt Entry July 2017	2.59	0.0%	2.58	0.0%	2.57	0.0%
2019	2.59	0.0%	2.59	0.0%	2.57	0.0%

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

Similar to population trends, total household growth in both the PMA and MSA are projected to increase remain the same annually through the market entry date and 2019, lagging national household growth. The average household size is projected to remain generally constant in the PMA, MSA and the nation through 2019.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	20,552	65.0%	11,074	35.0%
2010	20,580	62.0%	12,637	38.0%
2015	19,755	59.5%	13,472	40.5%
Projected Mkt Entry July 2017	19,742	59.40%	13,491	40.60%
2019	19,729	59.4%	13,510	40.6%

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

Currently, 40.5 percent of housing units within the PMA are renter-occupied while 59.5 percent are owner-occupied. The percentage of renter-occupied units is expected to increase slightly through the date of market entry and 2019. While the local housing market consists of a larger share of owner-occupied units, the percentage of renter-occupied units within the PMA is greater than the national average of 31.5 percent.

2c. Households by Income

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

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry July 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,097	9.3%	3,755	11.3%	3,962	11.9%	4,169	12.5%
\$10,000-19,999	4,842	14.6%	5,836	17.6%	6,016	18.1%	6,196	18.6%
\$20,000-29,999	4,244	12.8%	5,194	15.6%	5,252	15.8%	5,311	16.0%
\$30,000-39,999	3,867	11.6%	3,849	11.6%	3,917	11.8%	3,986	12.0%
\$40,000-49,999	3,461	10.4%	3,435	10.3%	3,387	10.2%	3,339	10.0%
\$50,000-59,999	3,006	9.1%	2,654	8.0%	2,589	7.8%	2,525	7.6%
\$60,000-74,999	2,900	8.7%	2,858	8.6%	2,754	8.3%	2,651	8.0%
\$75,000-99,999	3,528	10.6%	2,806	8.4%	2,672	8.0%	2,538	7.6%
\$100,000-124,999	1,753	5.3%	1,132	3.4%	1,065	3.2%	998	3.0%
\$125,000-149,999	986	3.0%	520	1.6%	484	1.5%	448	1.3%
\$150,000-199,999	714	2.1%	522	1.6%	500	1.5%	478	1.4%
\$200,000+	818	2.5%	667	2.0%	634	1.9%	601	1.8%
Total	33,217	100.0%	33,227	100.0%	33,233	100.0%	33,239	100.0%

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

An estimated 45.6 percent of households in the PMA are projected to earn between \$20,000 and \$59,999 per year at the time of market entry, a number expected to remain relatively stable through 2019. The Subject's units will be restricted to households earning between \$15,360 and \$32,280 annually. As the Demand Analysis will later demonstrate, there is adequate income-qualified demand for the Subject in the PMA.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2010		2015		Projected Mkt Entry July 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	3,440	31.1%	4,293	34.0%	4,557	33.8%	4,570	33.9%	4,583	33.9%
With 2 Persons	2,930	26.5%	3,126	24.7%	3,324	24.7%	3,315	24.6%	3,306	24.5%
With 3 Persons	2,033	18.4%	2,065	16.3%	2,221	16.5%	2,228	16.5%	2,236	16.5%
With 4 Persons	1,464	13.2%	1,635	12.9%	1,738	12.9%	1,736	12.9%	1,735	12.8%
With 5+ Persons	1,207	10.9%	1,518	12.0%	1,632	12.1%	1,641	12.2%	1,650	12.2%
Total Renter	11,074	100.0%	12,637	100.0%	13,472	100.0%	13,491	100.0%	13,510	100.0%

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

At the time of market entry, 75 percent of renter households in the PMA are projected to consist of one, two or three persons. The large percentage of households consisting of one to three persons bodes well for the Subject, which will offer one, two, and three-bedroom units and serve households consisting of one to five persons.

CONCLUSION

The population in the PMA and MSA increased by 0.1 percent annually from 2000 through 2015 lagging the national increase in population. The populations of both the MSA and PMA are projected to remain the same through the market entry date and through 2019. Total household growth in the PMA and MSA is projected to remain the same, but will lag national increases in total number of households. The average household size is projected to remain generally constant in the PMA, MSA and nation through 2019. An estimated 45.6 percent of households in the PMA are projected to earn between \$20,000 and \$59,999 per year at the time of market entry, a percentage expected to remain stable through 2019. As such, a significant portion of renter households will income qualify to reside at one of the Subject's unit types, and the Subject should be well-positioned to service this market.

F. EMPLOYMENT TRENDS

Employment Trends

The Subject is located in Rome, Floyd County, Georgia. The Subject, as proposed, will be a family property with income limits. Therefore, we expect the majority of the tenants at the Subject will work full or part-time jobs. The following illustrates recent job growth and employment trends in the region.

Total employment in the MSA has experienced a downward trend since 2008 and currently sits at 40,074 as of February 2015. Total employment in the MSA is currently lower than it was a decade ago. Similar to national changes in unemployment, the unemployment rate in the MSA increased significantly in 2008 and 2009 and reached a peak rate of 10.3 percent in 2010. As of February 2015, the unemployment rate was 100 basis points higher than the national unemployment rate; this relatively high unemployment rate, coupled with the lagging growth in total employment, indicates a degree of employment stagnation in the MSA. The largest employers in the PMA are the health care/social assistance, educational services, retail trade and manufacturing sectors. It should be noted that the manufacturing sector has been experiencing declines in total employment since 2000.

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

1. Total Jobs

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

Total Jobs in Floyd County, GA		
Year	Total Employment	% Change
2005	47,541	-
2006	47,104	-0.92%
2007	47,450	0.73%
2008	47,077	-0.79%
2009	44,302	-5.89%
2010	39,750	-10.27%
2011	39,431	-0.80%
2012	39,882	1.14%
2013	39,629	-0.63%
2014	39,963	0.84%
2015 YTD Average	39,961	-0.01%
Mar-14	40,382	-
Mar-15	39,858	-1.30%

Source: U.S. Bureau of Labor Statistics

YTD as of March 2015

Overall, total employment has decreased since 2005 in Floyd County, GA. A small number of jobs were lost in 2006. From 2008 to 2010, the county lost a total of 7,327 jobs due to the negative effects of the national recession. These job losses were followed by some recovery in 2012 and 2014. Total employment decreased in 2013 and 2015 year-to-date figures indicate that total employment has decreased 0.01 percent. Between March 2014 and March 2015, total employment has decreased 1.3 percent.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Floyd County as of third quarter 2014.

September 2014 Covered Employment

	Number	Percent
Total All Industries	32,353	-
Goods Producing	6,601	-
Natural Resources and Mining	100	0.31%
Construction	816	2.52%
Manufacturing	5,685	17.57%
Service Providing	25,752	-
Trade, Transportation, and Utilities	7,540	23.31%
Information	833	2.57%
Financial Activities	1,169	3.61%
Professional and Business Services	2,452	7.58%
Educational and Health Services	9,307	28.77%
Other Services	658	2.03%
Unclassified	95	0.29%

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

As of the third quarter 2014 (most recent data available), the largest employment sectors in Floyd County, according to the Bureau of Labor Statistics, are the educational and health services industries, followed by the trade/transportation/utilities and manufacturing industries. These sectors made up 69.65 percent of all industries in Floyd County. Educational and health services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The trade/transportation/utilities and manufacturing industries are historically unstable sectors. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	7,161	17.4%	20,080,547	14.0%
Educational Services	5,863	14.3%	12,979,314	9.1%
Manufacturing	5,768	14.0%	15,162,651	10.6%
Retail Trade	4,454	10.8%	16,592,605	11.6%
Accommodation/Food Services	2,926	7.1%	10,849,114	7.6%
Construction	2,757	6.7%	8,291,595	5.8%
Other Services (excl Publ Adm)	1,840	4.5%	7,850,739	5.5%
Admin/Support/Waste Mgmt Srves	1,663	4.0%	6,316,579	4.4%
Public Administration	1,526	3.7%	6,713,073	4.7%
Prof/Scientific/Tech Services	1,244	3.0%	9,808,289	6.8%
Wholesale Trade	1,220	3.0%	3,628,118	2.5%
Finance/Insurance	1,062	2.6%	6,884,133	4.8%
Transportation/Warehousing	935	2.3%	5,898,791	4.1%
Real Estate/Rental/Leasing	716	1.7%	2,627,562	1.8%
Utilities	657	1.6%	1,107,105	0.8%
Information	611	1.5%	2,577,845	1.8%
Arts/Entertainment/Recreation	355	0.9%	3,151,821	2.2%
Agric/Forestry/Fishing/Hunting	262	0.6%	1,800,354	1.3%
Mining	49	0.1%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
Total Employment	41,069	100.0%	143,286,279	100.0%

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

The largest industries in the PMA are health care, educational services, manufacturing and retail trade. Together these three industries comprise 56.5 percent of employment in the PMA. Manufacturing, educational services, healthcare and construction are overrepresented in the PMA when compared to the nation, while Finance/Insurance, Transportation/Warehousing and Prof/Scientific/Tech Services are underrepresented in the PMA when compared to the nation.

3. Major Employers

The diversification of the Rome economic base is indicated by the following list of the Rome's ten largest employers.

MAJOR EMPLOYERS: FLOYD COUNTY, GA

Employer	Industry	Number Employed
Floyd Medical Center	Healthcare	2,718
Floyd County Schools	Educational Services	1,626
Harbin Clinic	Healthcare	1,250
Redmond Regional Medical Center	Healthcare	1,200
Floyd County Government	Government	1,162
Lowe's RDC	Distribution	900
Rome City Schools	Educational Services	819
City of Rome	Government	614
Berry College	Educational Services	588
Kellogg's	Manufacturing	552

Source: Greater Rome Chamber of Commerce, Novogradac & Company LLP, 4/2015

Six of the top 10 employers in Rome are in the healthcare and educational service sectors. The three health care employers account for 45 percent of the total employees of the top ten employers in Rome. Government also has a high proportion of employees in Rome, as it is home to both the City and County offices. While manufacturing and retail trade are typically considered to be volatile industries susceptible to the negative effects of recession, health care and educational services are generally considered to be stable industries, less affected by economic downturn.

Expansions/Contractions

According to the Georgia Department of Labor, Rome has experienced two notifiable contractions in the past 12 months. The contractions are summarized in the table below:

2014 WARN LISTINGS: Rome, GA

Company	Date of Announcement	Industry	Number Affected
Source Medical Solutions	8-Jan-14	Healthcare	58
Reliable	30-Jun-14	Healthcare	5

Source: Georgia Department of Labor, Novogradac & Company LLP, May 2015

2013- 2014 Primary Job Announcements

Effective Date	Company	Capital Investment	New Jobs	Additional Jobs	Retained Jobs	Total Jobs
13-Jul	STEMCO	\$6,000,000	-	50	-	50
13-Jul	Syntec Industries	\$7,700,000	-	20	-	20
13-Aug	DermaTran Health Solutions	\$7,000,000	116	-	-	116
13-Sep	International Paper	\$150,000,000	-	-	460	460
13-Dec	Mohawk Industries	\$31,000,000	-	-	230	230
14-Jan	Bekaert Corporation	\$25,000,000	-	-	120	120
14-Jun	Wright Metal Products	\$1,000,000	50	-	-	50
14-Sep	Neaton	\$8,000,000	50	-	-	50
Total		\$235,700,000	216	70	690	1,096

Source: Greater Rome Chamber of Commerce, Novogradac & Company LLP, May 2015

In September of 2014, Neaton Rome Inc., a leading automotive product manufacturer, invested \$8 million in their Rome facility. Neaton currently employs 470 people in Rome and the expansion is expected to employ more technically skilled workers to operate four new injection molding presses that will be added to the existing manufacturing facility.

Additionally in 2014, Wright Metal Products, a manufacturer of steel packaging solutions for the lawn, garden, and power sports industries, announced that the company will invest \$1 million for a plant modernization. The investment is expected to create 50 new jobs in Rome.

Bekaert, a manufacturer of steel wire transformation and coatings, announced that the company will invest \$25 million to expand and modernize its operations in Rome. The investment is expected to retain 120 jobs in the local area.

In May of 2015, General Electric Power Generation Services announced that the company will locate a warehouse and distribution operation in Rome. The move is expected to repurpose the 33,000 square feet of vacant space currently owned by GE. The economic impact on the local area has not been determined, but is expected to be positive.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Floyd County from 2001 to 2015 (through February).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Rome, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	43,155	-	4.5%	-	136,933,000	-	4.7%	-
2002	44,377	2.8%	5.0%	0.5%	136,485,000	-0.3%	5.8%	1.1%
2003	46,768	5.4%	4.7%	-0.4%	137,736,000	0.9%	6.0%	0.2%
2004	46,862	0.2%	4.7%	0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	47,541	1.4%	5.2%	0.4%	141,730,000	1.8%	5.1%	-0.4%
2006	47,104	-0.9%	4.5%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	47,450	0.7%	4.7%	0.2%	146,047,000	1.1%	4.6%	0.0%
2008	47,077	-0.8%	6.5%	1.8%	145,362,000	-0.5%	5.8%	1.2%
2009	44,302	-5.9%	10.5%	4.1%	139,877,000	-3.8%	9.3%	3.5%
2010	39,750	-10.3%	11.8%	1.3%	139,064,000	-0.6%	9.6%	0.3%
2011	39,431	-0.8%	12.1%	0.2%	139,869,000	0.6%	8.9%	-0.7%
2012	39,882	1.1%	10.9%	-1.2%	142,469,000	1.9%	8.1%	-0.8%
2013	39,629	-0.6%	9.5%	-1.4%	143,929,000	1.0%	7.4%	-0.7%
2014	39,963	0.8%	7.9%	-1.6%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	40,027	0.2%	7.0%	-0.9%	146,835,000	0.4%	6.0%	-0.3%
Feb-2014	40,108	-	8.4%	-	144,134,000	-	7.0%	-
Feb-2015	40,074	-0.1%	6.9%	-1.5%	147,118,000	2.1%	5.8%	-1.2%

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

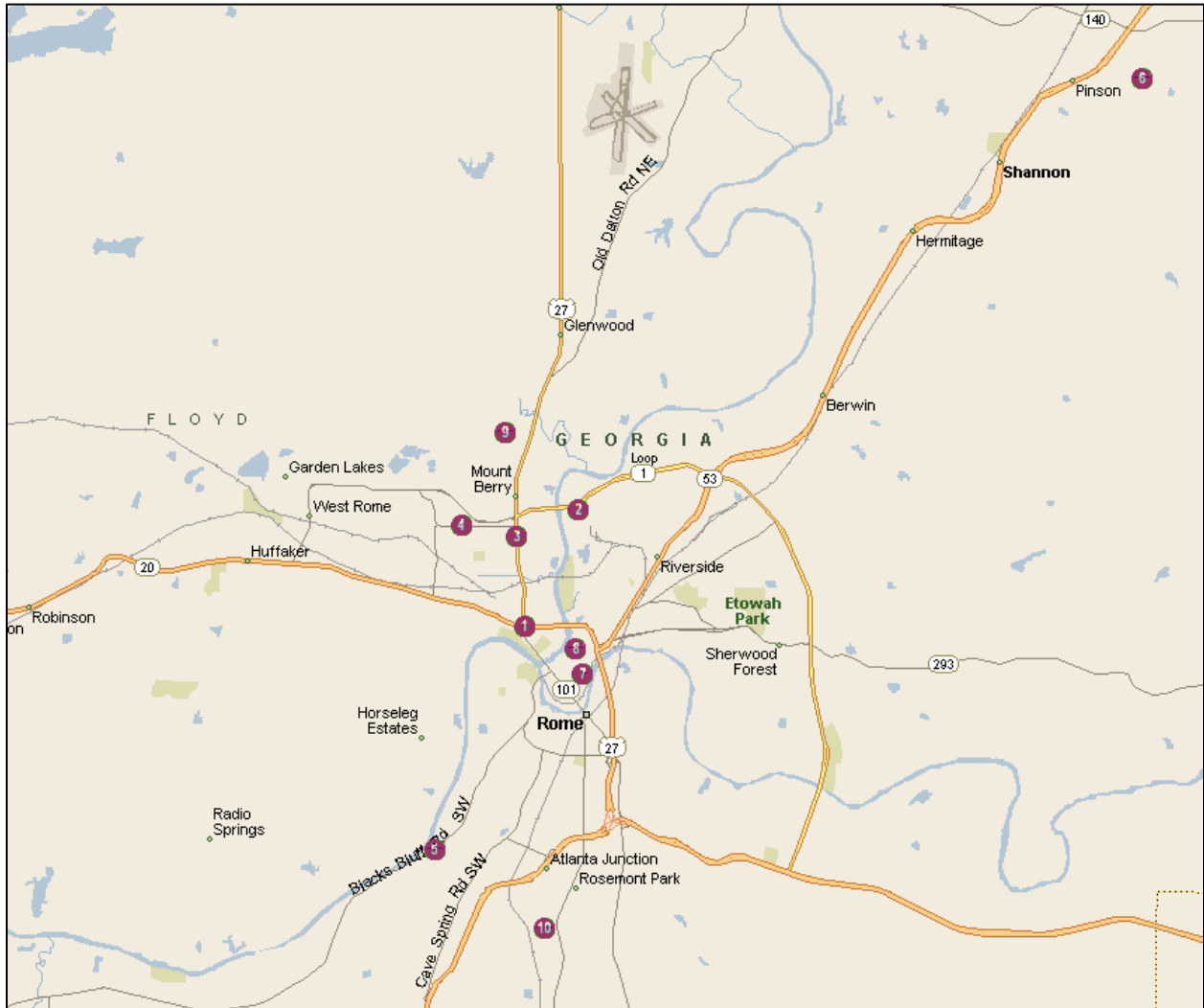
*2015 data is through Dec

The Rome, GA MSA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn early in 2006 and suffered additional losses from 2008 to 2010. The most significant loss occurred in 2010 when 4,552 jobs were lost. Although total employment decreased in 2013, the MSA experienced significant growth in total employment in 2012, and moderate growth in 2014 and 2015 year-to-date. However, it should be noted that total employment remains below pre-recessionary levels, suggesting that the MSA has not yet recovered from the recent period of economic downturn. This is primarily due to the area’s reliance on the manufacturing sector.

Historically, the unemployment rate in the MSA has been lower than or similar to the national unemployment rate. During the recession, the MSA’s unemployment rate increased at a faster pace than national unemployment rate. The MSA’s unemployment rate peaked in 2011 at 12.1 percent, which was 320 basis points higher than the national unemployment rate during this same year. While the unemployment rate has decreased since 2011, the unemployment rate in the MSA remains 100 basis points higher than the national average as of February 2015.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Floyd County:



MAJOR EMPLOYERS: FLOYD COUNTY, GA

Map Number	Employer	Industry
1	Floyd County Medical Center	Healthcare
2	Floyd County Schools	Educational Services
3	Harbin Clinic	Healthcare
4	Redmond Regional Medical Center	Healthcare
5	Floyd County Government	Government
6	Lowe's RDC	Distribution
7	Rome City Schools	Educational Services
8	City of Rome	Government
9	Berry College	Educational Services
10	Kellogg's	Manufacturing

Source: Greater Rome Chamber of Commerce, Novogradac & Company May 2015

Conclusion

The Rome, GA MSA experienced moderate employment growth prior to the onset of the most recent national recession. The area experienced the negative effects early in 2006 and suffered additional losses from 2008 to 2011, as well as in 2013. The most significant loss occurred in 2010 when 4,552 jobs were lost. This is primarily due to the local area's reliance on manufacturing. According to the Bureau of Labor Statistics September 2014 Covered Employment data, Rome's percentage of workers in manufacturing is more than double the national average. The MSA experienced growth in total employment in 2012, and year-to-date figures indicate that total employment increased in 2015. Although total employment remains below pre-recessionary levels, there was an over-the-year gain of 700 jobs, up from 39,300 in January 2014. Most of the job gains came in the goods-producing sector, which includes manufacturing and construction, along with the private, service-related industries. This suggests that the MSA is slowly recovering from the recent period of economic downturn, though at a pace lagging that of the nation.

Historically, the unemployment rate in the MSA has been lower than or similar to the national unemployment rate. According to an article by CVN News dated March 12, 2015 Metro Rome's unemployment rate has risen. Additionally, the Georgia Department of Labor announced in April 2015 that Metro Rome's unemployment rate for January was 7.1 percent, up two-tenths of a percentage point from 6.9 percent in December. The rate increased as the metro area lost 500 temporary and part-time jobs related to the holiday season, mostly in the retail trade, transportation and warehousing industries. During the recession, the MSA's unemployment rate increased at a faster rate than national unemployment. The MSA's unemployment rate peaked in 2011 at 12.1 percent, which was 320 basis points higher than the national unemployment rate during this same year. While the unemployment rate has generally decreased since 2011, the unemployment rate in the MSA was 110 basis points higher than the national average as of February 2015.

Six of the top 10 employers in Floyd County are in the educational services and health care industries. The three health care employers account for 45 percent of the total employees of the top ten employers in Floyd County. Government also has a high proportion of employees in Rome, as it is home to both the City and County offices. While manufacturing is typically considered to be a volatile industry, susceptible to the effects of economic recession, the health care, educational services, and government sectors are generally considered to be more stable, less affected by economic downturn.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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 data 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 so it was not considered in our analysis.

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) and 3(b)) less the supply of competitive developments awarded and/or constructed or placed in service from 2013 to the present.

ADDITIONS TO SUPPLY

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

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

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

According to the Georgia Department of Community Affairs allocation lists, two properties have been awarded tax credits within the PMA since 2013. Greystone Apartments, which is located in Rome, was allocated tax credits in 2013. The property will be restricted to physically and mentally disabled persons and seniors aged 62 and older. The property will operate on the Shelter Plus Care Program and units will be subsidized. Additionally, Highland Estates in Rome was allocated tax credits in 2014. The property will be restricted to seniors aged 55 and older and earning 50 and 60 percent of the AMI or less. The Subject will be located 0.3 miles southwest of of the Greystone Apartments and 3.3 miles south of Highland Estates. Due to the dissimilar tenancy, the Subject will not be directly competitive with Greystone Apartments or Highland Estates. Therefore, the Subject will face limited competition during its initial lease up. We have not deducted any units from the following demand analysis.

PMA OCCUPANCY

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

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	184	7	3.80%
Evergreen Village	LIHTC	56	0	0.00%
Riverwood Park	LIHTC	91	2	2.20%
Spring Haven Apartments	LIHTC/HOME	24	0	0.00%
Arbor Terrace Apartments	Market	96	0	0.00%
Ashton Ridge (fka Windridge)	Market	88	2	2.30%
Claridge Gate	Market	32	1	3.10%
Eastland Court	Market	116	0	0.00%
Average		687	12	1.43%
Average LIHTC		355	9	1.50%

As illustrated in the table above, current vacancy rates among the surveyed competitive properties range from zero percent to 3.8 percent, with an average vacancy rate of 1.43 percent. Overall, occupancy is considered high. Therefore, we believe a PMA occupancy of 95 percent or higher is reasonable.

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.

South Rome Apartments, Rome, GA; Market Study

Renter Household Income Distribution 2015 to Projected Market Entry July 2017					
PMA					
	2015		Projected Mkt Entry July 2017		Percent Growth
	#	%	#	%	
\$0-9,999	2,415	17.9%	2,517	18.7%	4.1%
\$10,000-19,999	3,331	24.7%	3,396	25.2%	1.9%
\$20,000-29,999	2,450	18.2%	2,454	18.2%	0.2%
\$30,000-39,999	1,453	10.8%	1,449	10.7%	-0.3%
\$40,000-49,999	1,181	8.8%	1,150	8.5%	-2.7%
\$50,000-59,999	881	6.5%	858	6.4%	-2.7%
\$60,000-74,999	731	5.4%	682	5.1%	-7.3%
\$75,000-99,999	587	4.4%	557	4.1%	-5.4%
\$100,000-124,999	128	1.0%	128	0.9%	-0.5%
\$125,000-149,999	111	0.8%	108	0.8%	-2.6%
\$150,000-199,999	106	0.8%	102	0.8%	-3.3%
\$200,000+	98	0.7%	91	0.7%	-7.8%
Total	13,472	100.0%	13,491	100.0%	0.1%

Renter Household Income Distribution Projected Market Entry July 2017			
	PMA		
	Projected Mkt Entry July 2017		Change 2015 to Prj Mrkt Entry July 2017
	#	%	#
\$0-9,999	2,517	18.7%	4
\$10,000-19,999	3,396	25.2%	5
\$20,000-29,999	2,454	18.2%	3
\$30,000-39,999	1,449	10.7%	2
\$40,000-49,999	1,150	8.5%	2
\$50,000-59,999	858	6.4%	1
\$60,000-74,999	682	5.1%	1
\$75,000-99,999	557	4.1%	1
\$100,000-124,999	128	0.9%	0
\$125,000-149,999	108	0.8%	0
\$150,000-199,999	102	0.8%	0
\$200,000+	91	0.7%	0
Total	13,491	100.0%	19

Tenure Prj Mrkt Entry July 2017	
Renter	40.6%
Owner	59.4%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2017		
Size	Number	Percentage
1 Person	4,570	33.9%
2 Person	3,315	24.6%
3 Person	2,228	16.5%
4 Person	1,736	12.9%
5+ Person	1,641	12.2%
Total	13,491	100.0%

Renter Household Size for 2000	
Size	Number
1 Person	3,440
2 Person	2,930
3 Person	2,033
4 Person	1,464
5+ Person	1,207
Total	11,074

South Rome Apartments, Rome, GA; Market Study

50% AMI

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

Percent of AMI Level		50%			
Minimum Income Limit		\$15,360			
Maximum Income Limit		\$26,900		5	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry July 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	3.55	18.7%		0.0%	0
\$10,000-19,999	4.78	25.2%	4,639	46.4%	2
\$20,000-29,999	3.46	18.2%	6,900	69.0%	2
\$30,000-39,999	2.04	10.7%		0.0%	0
\$40,000-49,999	1.62	8.5%		0.0%	0
\$50,000-59,999	1.21	6.4%		0.0%	0
\$60,000-74,999	0.96	5.1%		0.0%	0
\$75,000-99,999	0.78	4.1%		0.0%	0
\$100,000-124,999	0.18	0.9%		0.0%	0
\$125,000-149,999	0.15	0.8%		0.0%	0
\$150,000-199,999	0.14	0.8%		0.0%	0
\$200,000+	0.13	0.7%		0.0%	0
	19	100.0%			5
Percent of renter households within limits versus total number of renter households					24.23%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$15,360			
Maximum Income Limit		\$26,900		5	
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2017		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	2,517	18.7%		0.0%	0
\$10,000-19,999	3,396	25.2%	\$4,639	46.4%	1,576
\$20,000-29,999	2,454	18.2%	\$6,900	69.0%	1,693
\$30,000-39,999	1,449	10.7%		0.0%	0
\$40,000-49,999	1,150	8.5%		0.0%	0
\$50,000-59,999	858	6.4%		0.0%	0
\$60,000-74,999	682	5.1%		0.0%	0
\$75,000-99,999	557	4.1%		0.0%	0
\$100,000-124,999	128	0.9%		0.0%	0
\$125,000-149,999	108	0.8%		0.0%	0
\$150,000-199,999	102	0.8%		0.0%	0
\$200,000+	91	0.7%		0.0%	0
	13,491	100.0%			3,269
Percent of renter households within limits versus total number of renter households					24.23%

Does the Project Benefit from Rent Subsidy? (Yes/No)	No	
Type of Housing (Family vs Senior)	Family	
Location of Subject (Rural versus Urban)	Urban	
Percent of Income for Housing	35%	
2000 Median Income	\$35,066	
2015 Median Income	\$41,211	
Change from 2015 to Prj Mrkt Entry July 2017	\$6,145	
Total Percent Change	14.9%	
Average Annual Change	0.1%	
Inflation Rate	0.1%	
Maximum Allowable Income	\$26,900	
Maximum Allowable Income Inflation Adjusted	\$26,900	
Maximum Number of Occupants	5	
Rent Income Categories	50%	
Initial Gross Rent for Smallest Unit	\$439	
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$439.00	
	Two year adjustment	1.0000

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		50%
New Renter Households PMA		19
Percent Income Qualified		24.2%
New Renter Income Qualified Households		5

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households		
Income Target Population		50%
Total Existing Demand		13,491
Income Qualified		24.2%
Income Qualified Renter Households		3,269
Percent Rent Overburdened Prj Mrkt Entry July 2017		25.5%
Rent Overburdened Households		835

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		3,269
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		17

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		852
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		852
Total New Demand		5
Total Demand (New Plus Existing Households)		857

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

By Bedroom Demand

One Person	33.9%	290
Two Persons	24.6%	211
Three Persons	16.5%	142
Four Persons	12.9%	110
Five Persons	12.2%	104
Total	100.0%	857

<u>To place Person Demand into Bedroom Type Units</u>		
Of one-person households in 1BR units	90%	261
Of two-person households in 1BR units	20%	42
Of one-person households in 2BR units	10%	29
Of two-person households in 2BR units	80%	168
Of three-person households in 2BR units	60%	85
Of three-person households in 3BR units	40%	57
Of four-person households in 3BR units	80%	88
Of five-person households in 3BR units	70%	73
Of four-person households in 4BR units	20%	22
Of five-person households in 4BR units	30%	31
Total Demand		857
Check		OK
<u>Total Demand by Bedroom</u>		<u>50%</u>
1 BR		303
2 BR		282
3 BR		218
4 BR		53
Total Demand		857
<u>Additions To Supply 2015 to Prj Mrkt Entry July 2017</u>		<u>50%</u>
1 BR		0
2 BR		0
3 BR		0
Total		0
<u>Net Demand</u>		<u>50%</u>
1 BR		303
2 BR		282
3 BR		218
4 BR		53
Total		857
<u>Developer's Unit Mix</u>		<u>50%</u>
1 BR		13
2 BR		4
3 BR		4
Total		21
<u>Capture Rate Analysis</u>		<u>50%</u>
1 BR		4.3%
2 BR		1.4%
3 BR		1.8%
Total		2.5%

South Rome Apartments, Rome, GA; Market Study

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$19,954			
Maximum Income Limit		\$32,280 5			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry July 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	3.55			
\$10,000-19,999	4.78	25.2%	45	0.5%	0
\$20,000-29,999	3.46	18.2%	9,999	100.0%	3
\$30,000-39,999	2.04	10.7%	2,280	22.8%	0
\$40,000-49,999	1.62	8.5%		0.0%	0
\$50,000-59,999	1.21	6.4%		0.0%	0
\$60,000-74,999	0.96	5.1%		0.0%	0
\$75,000-99,999	0.78	4.1%		0.0%	0
\$100,000-124,999	0.18	0.9%		0.0%	0
\$125,000-149,999	0.15	0.8%		0.0%	0
\$150,000-199,999	0.14	0.8%		0.0%	0
\$200,000+	0.13	0.7%		0.0%	0
	19	100.0%			4
Percent of renter households within limits versus total number of renter households					20.75%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$19,954			
Maximum Income Limit		\$32,280 5			
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2017		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,517			
\$10,000-19,999	3,396	25.2%	\$45	0.5%	15
\$20,000-29,999	2,454	18.2%	\$9,999	100.0%	2,454
\$30,000-39,999	1,449	10.7%	\$2,280	22.8%	330
\$40,000-49,999	1,150	8.5%		0.0%	0
\$50,000-59,999	858	6.4%		0.0%	0
\$60,000-74,999	682	5.1%		0.0%	0
\$75,000-99,999	557	4.1%		0.0%	0
\$100,000-124,999	128	0.9%		0.0%	0
\$125,000-149,999	108	0.8%		0.0%	0
\$150,000-199,999	102	0.8%		0.0%	0
\$200,000+	91	0.7%		0.0%	0
	13,491	100.0%			2,800
Percent of renter households within limits versus total number of renter households					20.75%

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 July 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Urban		
35%		
\$35,066		
\$41,211		
\$6,145		
14.9%		
0.1%		
0.1%	Two year adjustment	1.0000
\$32,280		
\$32,280		
5		
60%		
\$551		
\$551.00		

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		60%
New Renter Households PMA		19
Percent Income Qualified		20.8%
New Renter Income Qualified Households		4

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		13,491
Income Qualified		20.8%
Income Qualified Renter Households		2,800
Percent Rent Overburdened Prj Mrkt Entry July 2017		25.5%
Rent Overburdened Households		715

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,800
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		14

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		730
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		730
Total New Demand		4
Total Demand (New Plus Existing Households)		734

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

By Bedroom Demand

One Person	33.9%	249
Two Persons	24.6%	180
Three Persons	16.5%	121
Four Persons	12.9%	94
Five Persons	12.2%	89
Total	100.0%	734

<u>To place Person Demand into Bedroom Type Units</u>		
Of one-person households in 1BR units	90%	224
Of two-person households in 1BR units	20%	36
Of one-person households in 2BR units	10%	25
Of two-person households in 2BR units	80%	144
Of three-person households in 2BR units	60%	73
Of three-person households in 3BR units	40%	48
Of four-person households in 3BR units	80%	76
Of five-person households in 3BR units	70%	62
Of four-person households in 4BR units	20%	19
Of five-person households in 4BR units	30%	27
Total Demand		734
Check		OK
<u>Total Demand by Bedroom</u>		<u>60%</u>
1 BR		260
2 BR		242
3 BR		187
4 BR		46
Total Demand		734
<u>Additions To Supply 2015 to Prj Mrkt Entry July 2017</u>		<u>60%</u>
1 BR		0
2 BR		0
3 BR		0
Total		0
<u>Net Demand</u>		<u>60%</u>
1 BR		260
2 BR		242
3 BR		187
4 BR		46
Total		734
<u>Developer's Unit Mix</u>		<u>60%</u>
1 BR		9
2 BR		37
3 BR		17
Total		63
<u>Capture Rate Analysis</u>		<u>60%</u>
1 BR		3.5%
2 BR		15.3%
3 BR		9.1%
Total		8.6%

South Rome Apartments, Rome, GA; Market Study

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,360		5	
Maximum Income Limit		\$32,280		5	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry July 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Households	%			
\$0-9,999	3.55	18.7%		0.0%	0
\$10,000-19,999	4.78	25.2%	4,639	46.4%	2
\$20,000-29,999	3.46	18.2%	9,999	100.0%	3
\$30,000-39,999	2.04	10.7%	2,280	22.8%	0
\$40,000-49,999	1.62	8.5%		0.0%	0
\$50,000-59,999	1.21	6.4%		0.0%	0
\$60,000-74,999	0.96	5.1%		0.0%	0
\$75,000-99,999	0.78	4.1%		0.0%	0
\$100,000-124,999	0.18	0.9%		0.0%	0
\$125,000-149,999	0.15	0.8%		0.0%	0
\$150,000-199,999	0.14	0.8%		0.0%	0
\$200,000+	0.13	0.7%		0.0%	0
	19	100.0%			6
Percent of renter households within limits versus total number of renter households					32.32%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,360		5	
Maximum Income Limit		\$32,280		5	
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2017		Income Brackets	Percent within Cohort	Households within Bracket
	Households	%			
\$0-9,999	2,517	18.7%		0.0%	0
\$10,000-19,999	3,396	25.2%	\$4,639	46.4%	1,576
\$20,000-29,999	2,454	18.2%	\$9,999	100.0%	2,454
\$30,000-39,999	1,449	10.7%	\$2,280	22.8%	330
\$40,000-49,999	1,150	8.5%		0.0%	0
\$50,000-59,999	858	6.4%		0.0%	0
\$60,000-74,999	682	5.1%		0.0%	0
\$75,000-99,999	557	4.1%		0.0%	0
\$100,000-124,999	128	0.9%		0.0%	0
\$125,000-149,999	108	0.8%		0.0%	0
\$150,000-199,999	102	0.8%		0.0%	0
\$200,000+	91	0.7%		0.0%	0
	13,491	100.0%			4,360
Percent of renter households within limits versus total number of renter households					32.32%

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 July 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Family
Urban
35%
\$35,066
\$41,211
\$6,145
14.9%
0.1%
0.1%
\$32,280
\$32,280
5
Overall
\$0
\$0.00
Two year adjustment
1.0000

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		19
Percent Income Qualified		32.3%
New Renter Income Qualified Households		6

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		13,491
Income Qualified		32.3%
Income Qualified Renter Households		4,360
Percent Rent Overburdened Prj Mrkt Entry July 2017		25.5%
Rent Overburdened Households		1114

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		4,360
Percent Living in Substandard Housing		0.5%
Households Living in Substandard Housing		22

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,136
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1136
Total New Demand		6
Total Demand (New Plus Existing Households)		1,142

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

By Bedroom Demand

One Person	33.9%	387
Two Persons	24.6%	281
Three Persons	16.5%	189
Four Persons	12.9%	147
Five Persons	12.2%	139
Total	100.0%	1,142

South Rome Apartments, Rome, GA; Market Study

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	348
Of two-person households in 1BR units	20%	56
Of one-person households in 2BR units	10%	39
Of two-person households in 2BR units	80%	225
Of three-person households in 2BR units	60%	113
Of three-person households in 3BR units	40%	75
Of four-person households in 3BR units	80%	118
Of five-person households in 3BR units	70%	97
Of four-person households in 4BR units	20%	29
Of five-person households in 4BR units	30%	42
Total Demand		1,142
Check		OK

Total Demand by Bedroom

1 BR	404
2 BR	376
3 BR	290
4 BR	71
Total Demand	1,142

Additions To Supply 2015 to Prj Mrkt Entry July 2017

1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand

1 BR	404
2 BR	376
3 BR	290
4 BR	71
Total	1,142

Net Demand

1 BR	404
2 BR	376
3 BR	290
4 BR	71
Total	1,142

Developer's Unit Mix

1 BR	22
2 BR	41
3 BR	21
Total	84

Capture Rate Analysis

1 BR	5.4%
2 BR	10.9%
3 BR	7.2%
Total	7.4%

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 households in the PMA is expected to remain stable between 2015 and the projected date of market entry July 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	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Market Rents	Proposed Rents
1BR @ 50% AMI	303	0	303	4.3%	8 months	\$540	\$354-\$941	\$354
2BR @ 50% AMI	282	0	282	1.4%	8 months	\$584	\$441-\$940	\$450
3BR @ 50% AMI	218	0	218	1.8%	8 months	\$735	\$488-\$1,140	\$505
50% AMI Overall	803	0	803	2.5%	8 months	-	-	-
1BR @ 60% AMI	260	0	260	3.5%	8 months	\$540	\$354-\$941	\$466
2BR @ 60% AMI	242	0	242	15.3%	8 months	\$584	\$441-\$940	\$559-\$560
3BR @ 60% AMI	187	0	187	9.1%	8 months	\$735	\$488-\$1,140	\$635
60% AMI Overall	689	0	689	8.6%	8 months	-	-	-
1 BR Overall	404	0	404	5.4%	8 months	-	-	-
2BR Overall	376	0	376	10.9%	8 months	-	-	-
3BR Overall	290	0	290	7.2%	8 months	-	-	-
Overall	1,142	0	1,142	7.4%	8 months	-	-	-

Demand and Net Demand

	HH at 50% AMI (\$15,360 to \$26,900)	HH at 60% AMI (\$19,954 to \$32,280)	All Tax Credit Households
Demand from New Households (age and income appropriate)	5	4	6
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	17	14	22
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	835	715	1114
=	+	+	+
Sub Total	857	734	1142
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	857	734	1142
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	857	734	1142

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 1.4 to 4.3 percent, with an overall capture rate of 2.5 percent. The Subject’s 60 percent AMI capture rates range from 3.5 to 15.3 percent, with an overall capture rate of 9.1 percent. The overall capture rate for the project’s 50 and 60 percent units is 7.4 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 687 units. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC is considered average. There are four multifamily LIHTC properties that do not operate with additional subsidies located within the PMA. We have also included four market rate properties as comparables, all located within five miles of the Subject. The remaining market rate multifamily properties within Rome and the PMA are not considered comparable to the Subject due to dissimilar unit mixes or inferior condition.

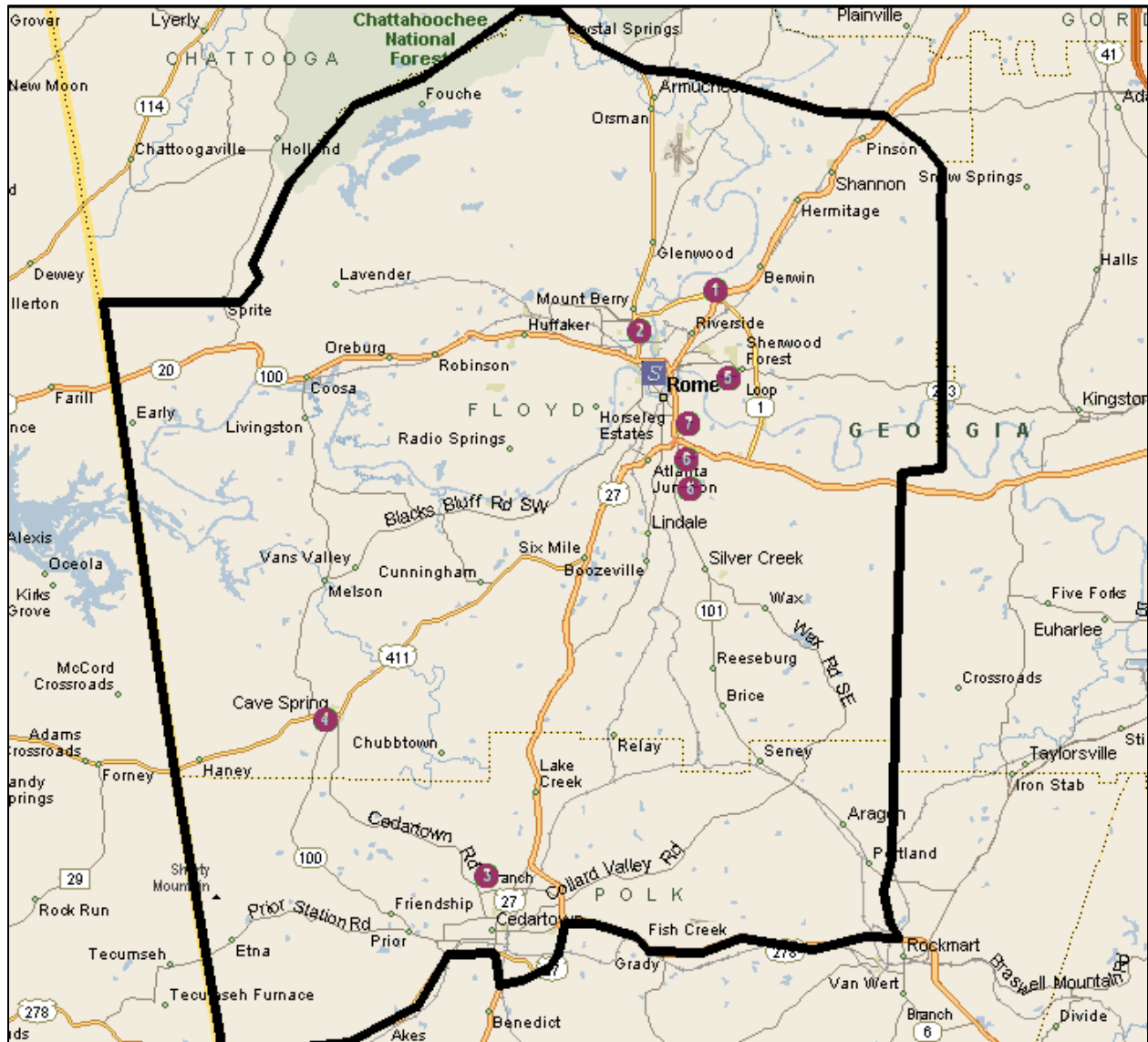
Excluded Properties

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

Property Name	City	Program	Tenancy	Included/ Excluded	Occupancy*	Reason for Exclusion
Kirkwood Trail Apartments	Cedartown	LIHTC	Senior	Excluded	98%	Dissimilar tenancy
Oakview Apartments	Aragon	LIHTC/RD	Family	Excluded	N/A	Subsidized
Greystone Apartments	Rome	LIHTC/Section 8	Senior/Disabled	Excluded	N/A	Dissimilar tenancy
Callier Forest Apartments	Rome	LIHTC/PBRA/FHA	Family	Excluded	N/A	Subsidized
Cedartown Commons	Cedartown	RD	Family	Excluded	N/A	Subsidized
Cedarwood Village	Cedartown	RD	Elderly	Excluded	N/A	Subsidized
Calloway Apts	Rockmart	RD	Family	Excluded	N/A	Subsidized
Fairview Apts	Rockmart	RD	Family	Excluded	N/A	Subsidized
Etowah Terrace	Rome	LIHTC, PBRA	Senior	Included	N/A	Subsidized
Steve Pettis Court Apts	Cave Springs	Section 8/RD	N/Av	Excluded	N/A	Subsidized
Heatherwood Apts	Rome	Section 8/FHA	Elderly	Excluded	N/A	Subsidized
Meadow Lane Apts	Rome	Section 8	Family	Excluded	N/A	Subsidized
Tamassee Apartments	Rome	Section 8/FHA	Family	Excluded	N/A	Subsidized
The Villas	Rome	Section 8	Elderly	Excluded	N/A	Subsidized
The Highrise	Rome	Public Housing	Family	Excluded	N/A	Subsidized
High Homes at Avenue B	Rome	Public Housing	Family	Excluded	N/A	Subsidized
John Graham Homes	Rome	Public Housing	Family	Excluded	N/A	Subsidized
Pennington Place	Rome	Public Housing	Family	Excluded	N/A	Subsidized
Willingham Village	Rome	Public Housing/ Bond	Family	Excluded	N/A	Subsidized
Willingham at Division	Rome	Public Housing/ Bond	Family	Excluded	N/A	Subsidized
Village Green	Rome	Public Housing	Family	Excluded	N/A	Subsidized
Heritage Pointe	Rome	Market	Family	Excluded	97%	Inferior age/condition
Guest House Apartments	Rome	Market	Family	Excluded	97%	Management unavailable
Summerstone Apartments	Rome	Market	Family	Excluded	100%	Inferior age/condition

*Reported within the last 12 months

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance from Subject
S	South Rome Apartment	Rome	LIHTC	N/AP
1	Ashland Park Apartments	Rome	LIHTC	4.0 miles
2	Riverwood Park	Rome	LIHTC	1.5 miles
3	Evergreen Village	Cedartown	LIHTC	18.5 miles
4	Spring Haven Apartments	Cave Spring	LIHTC	16.6 miles
5	Claridge Gate	Rome	Market	3.1 miles
6	Eastland Court	Rome	Market	3.0 miles
7	Ashton Ridge	Rome	Market	2.2 miles
8	Arbor Terrace	Rome	Market	3.9 miles

South Rome Apartments, Rome, GA; Market Study

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	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	South Rome Apartments	n/a	Various	@50%, @60%	1BR / 1BA (Garden)	13	15.50%	@50%	\$354	750	no		N/A	N/A
	S Broad St And Etowah Terrace		(3 stories)		1BR / 1BA (Garden)	9	10.70%	@60%	\$466	750	no		N/A	N/A
	Rome, GA 30161		Proposed 2017 / n/a		2BR / 2BA (Duplex)	2	2.40%	@50%	\$450	1,050	no		N/A	N/A
	Floyd County				2BR / 2BA (Duplex)	15	17.90%	@60%	\$559	1,050	no		N/A	N/A
					2BR / 2BA (Garden)	2	2.40%	@50%	\$450	1,050	no		N/A	N/A
					2BR / 2BA (Garden)	22	26.20%	@60%	\$560	1,050	no		N/A	N/A
					3BR / 2BA (Duplex)	2	2.40%	@50%	\$505	1,250	no		N/A	N/A
					3BR / 2BA (Duplex)	15	17.90%	@60%	\$635	1,250	no		N/A	N/A
					3BR / 2BA (Garden)	2	2.40%	@50%	\$505	1,250	no		N/A	N/A
					3BR / 2BA (Garden)	2	2.40%	@60%	\$635	1,250	no		N/A	N/A
					84	100%						N/A	N/A	
1	Ashland Park Apartments	5 miles	Garden	@60%	1BR / 1BA	24	13.00%	@60%	\$489	874	no	Yes	0	0.00%
	10 Ashley Park Blvd, NE		(3 stories)		2BR / 2BA	88	47.80%	@60%	\$550	1,149	no	Yes	0	0.00%
	Rome, GA 30165		2005 / n/a		3BR / 2BA	72	39.10%	@60%	\$589	1,388	no	Yes	7	9.70%
	Floyd County					184	100%						7	3.80%
2	Evergreen Village	18.5 miles	Garden	@50%	1BR / 1BA	16	28.60%	@50%	\$354	756	yes	Yes	0	0.00%
	110 Evergreen Lane		(2 stories)		2BR / 1BA	20	35.70%	@50%	\$441	915	yes	Yes	0	0.00%
	Cedartown, GA 30125		1997 / n/a		3BR / 2BA	20	35.70%	@50%	\$488	1,136	yes	Yes	0	0.00%
	Polk County					56	100%						0	0.00%
3	Riverwood Park	2.6 miles	Lowrise	@50%, @60%	2BR / 2BA	28	30.80%	@50%	\$441	912	no	Yes	0	0.00%
	525 West 13th Street		(3 stories)		2BR / 2BA	2	2.20%	@50%	\$441	1,040	no	Yes	0	0.00%
	Rome, GA 30165		1997 / n/a		2BR / 2BA	26	28.60%	@60%	\$491	1,040	no	Yes	1	3.80%
	Floyd County				3BR / 2BA	15	16.50%	@50%	\$491	1,102	no	Yes	0	0.00%
					3BR / 2BA	1	1.10%	@50%	\$491	1,207	no	Yes	1	100.00%
					3BR / 2BA	19	20.90%	@60%	\$550	1,207	no	Yes	0	0.00%
					91	100%						2	2.20%	
4	Spring Haven Apartments	16.6 miles	One-story	@50% (HOME), @60% (HOME)	1BR / 1BA	10	41.70%	@50%	\$395	649	no	Yes	0	0.00%
	7 Perry Farm Rd.		2001 / n/a		1BR / 1BA	2	8.30%	@60%	\$402	649	no	Yes	0	0.00%
	Cave Springs, GA 30124				2BR / 1BA	3	12.50%	@50%	\$469	819	no	Yes	0	0.00%
	Floyd County				2BR / 1BA	N/A	N/A	@60%	\$491	819	no	Yes	0	N/A
					24	100%						0	0.00%	
5	Arbor Terrace Apartments	3.9 miles	Various	Market	1BR / 1BA (Garden)	16	16.70%	Market	\$457	680	n/a	No	0	0.00%
	50 Chateau Drive SE		(2 stories)		2BR / 1.5BA (Townhouse)	64	66.70%	Market	\$636	1,190	n/a	No	0	0.00%
	Rome, GA 30161		1971 / n/a		3BR / 2BA (Garden)	16	16.70%	Market	\$745	1,320	n/a	No	0	0.00%
	Floyd County					96	100%						0	0.00%
6	Ashton Ridge (fka Windridge)	2.4 miles	Lowrise	Market	1BR / 1BA	14	15.90%	Market	\$457	708	n/a	No	1	7.10%
	2522 Callier Springs Road		(3 stories)		2BR / 2BA	37	42.00%	Market	\$540	933	n/a	No	1	2.70%
	Rome, GA 30161		1999 / n/a		3BR / 2BA	37	42.00%	Market	\$614	1,134	n/a	No	0	0.00%
	Floyd County					88	100%						2	2.30%
7	Claridge Gate	4.5 miles	Garden	Market	2BR / 2BA	N/A	N/A	Market	\$836	1,221	n/a	No	1	N/A
	3 Keown Road SE		2006 / n/a		3BR / 2BA	N/A	N/A	Market	\$1,015	1,377	n/a	No	0	N/A
	Rome, GA 30161					32	100%						1	3.10%
8	Eastland Court	3.6 miles	Garden	Market	1BR / 1BA	21	18.10%	Market	\$827	804	n/a	Yes	0	0.00%
	40 Chateau Drive		(4 stories)		1BR / 1BA	4	3.40%	Market	\$941	919	n/a	Yes	0	0.00%
	Rome, GA 30161		2005/2007 / n/a		2BR / 2BA	68	58.60%	Market	\$940	1,056	n/a	Yes	0	0.00%
	Floyd County				3BR / 2BA	23	19.80%	Market	\$1,140	1,516	n/a	Yes	0	0.00%
						116	100%						0	0.00%

South Rome Apartments, Rome, GA; Market Study

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

Effective Rent Date:		May-15	Units Surveyed:		687	Weighted Occupancy:		98.30%
			Market Rate		332	Market Rate		99.10%
			Tax Credit		355	Tax Credit		97.50%
One Bedroom One Bath			Two Bedrooms Two Bath			Three Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average	Property	Average
	Eastland Court	\$941	Eastland Court	\$940	Eastland Court	\$1,140	Eastland Court	\$1,140
	Eastland Court	\$827	Claridge Gate	\$836	Claridge Gate	\$1,015	Claridge Gate	\$1,015
	Ashland Park Apartments * (60%)	\$489	Arbor Terrace Apartments (1.5BA)	\$636	Arbor Terrace Apartments	\$745	Arbor Terrace Apartments	\$745
	South Rome Apartments * (60%)	\$466	South Rome Apartments * (60%)	\$560	South Rome Apartments * (60%)	\$635	South Rome Apartments * (60%)	\$635
	Arbor Terrace Apartments	\$457	South Rome Apartments * (60%)	\$559	South Rome Apartments * (60%)	\$635	South Rome Apartments * (60%)	\$635
	Ashton Ridge (fka Windridge)	\$457	Ashland Park Apartments * (60%)	\$550	Ashton Ridge (fka Windridge)	\$614	Ashton Ridge (fka Windridge)	\$614
	Spring Haven Apartments * (60%)	\$402	Ashton Ridge (fka Windridge)	\$540	Ashland Park Apartments * (60%)	\$589	Ashland Park Apartments * (60%)	\$589
	Spring Haven Apartments * (50%)	\$395	Riverwood Park * (60%)	\$491	Riverwood Park * (60%)	\$550	Riverwood Park * (60%)	\$550
	Evergreen Village * (50%)	\$354	Spring Haven Apartments * (1BA 60%)	\$491	South Rome Apartments * (50%)	\$505	South Rome Apartments * (50%)	\$505
	South Rome Apartments * (50%)	\$354	Spring Haven Apartments * (1BA 50%)	\$469	South Rome Apartments * (50%)	\$505	South Rome Apartments * (50%)	\$505
			South Rome Apartments * (50%)	\$450	Riverwood Park * (50%)	\$491	Riverwood Park * (50%)	\$491
			South Rome Apartments * (50%)	\$450	Riverwood Park * (50%)	\$491	Riverwood Park * (50%)	\$491
			Evergreen Village * (1BA 50%)	\$441	Evergreen Village * (50%)	\$488	Evergreen Village * (50%)	\$488
			Riverwood Park * (50%)	\$441				
			Riverwood Park * (50%)	\$441				
SQUARE FOOTAGE	Eastland Court	919	Claridge Gate	1,221	Eastland Court	1,516	Eastland Court	1,516
	Ashland Park Apartments * (60%)	874	Arbor Terrace Apartments (1.5BA)	1,190	Ashland Park Apartments * (60%)	1,388	Ashland Park Apartments * (60%)	1,388
	Eastland Court	804	Ashland Park Apartments * (60%)	1,149	Claridge Gate	1,377	Claridge Gate	1,377
	Evergreen Village * (50%)	756	Eastland Court	1,056	Arbor Terrace Apartments	1,320	Arbor Terrace Apartments	1,320
	South Rome Apartments * (50%)	750	South Rome Apartments * (50%)	1,050	South Rome Apartments * (50%)	1,250	South Rome Apartments * (50%)	1,250
	South Rome Apartments * (60%)	750	South Rome Apartments * (60%)	1,050	South Rome Apartments * (60%)	1,250	South Rome Apartments * (60%)	1,250
	Ashton Ridge (fka Windridge)	708	South Rome Apartments * (50%)	1,050	South Rome Apartments * (50%)	1,250	South Rome Apartments * (50%)	1,250
	Arbor Terrace Apartments	680	South Rome Apartments * (60%)	1,050	South Rome Apartments * (60%)	1,250	South Rome Apartments * (60%)	1,250
	Spring Haven Apartments * (50%)	649	Riverwood Park * (50%)	1,040	Riverwood Park * (50%)	1,207	Riverwood Park * (50%)	1,207
	Spring Haven Apartments * (60%)	649	Riverwood Park * (60%)	1,040	Riverwood Park * (60%)	1,207	Riverwood Park * (60%)	1,207
			Ashton Ridge (fka Windridge)	933	Evergreen Village * (50%)	1,136	Evergreen Village * (50%)	1,136
			Evergreen Village * (1BA 50%)	915	Ashton Ridge (fka Windridge)	1,134	Ashton Ridge (fka Windridge)	1,134
			Riverwood Park * (50%)	912	Riverwood Park * (50%)	1,102	Riverwood Park * (50%)	1,102
			Spring Haven Apartments * (1BA 50%)	819				
			Spring Haven Apartments * (1BA 60%)	819				
RENT PER SQUARE FOOT	Eastland Court	\$1.03	Eastland Court	\$0.89	Eastland Court	\$0.75	Eastland Court	\$0.75
	Eastland Court	\$1.02	Claridge Gate	\$0.68	Claridge Gate	\$0.74	Claridge Gate	\$0.74
	Arbor Terrace Apartments	\$0.67	Spring Haven Apartments * (1BA 60%)	\$0.60	Arbor Terrace Apartments	\$0.56	Arbor Terrace Apartments	\$0.56
	Ashton Ridge (fka Windridge)	\$0.65	Ashton Ridge (fka Windridge)	\$0.58	Ashton Ridge (fka Windridge)	\$0.54	Ashton Ridge (fka Windridge)	\$0.54
	South Rome Apartments * (60%)	\$0.62	Spring Haven Apartments * (1BA 50%)	\$0.57	South Rome Apartments * (60%)	\$0.51	South Rome Apartments * (60%)	\$0.51
	Spring Haven Apartments * (60%)	\$0.62	Arbor Terrace Apartments (1.5BA)	\$0.53	South Rome Apartments * (60%)	\$0.51	South Rome Apartments * (60%)	\$0.51
	Spring Haven Apartments * (50%)	\$0.61	South Rome Apartments * (60%)	\$0.53	Riverwood Park * (60%)	\$0.46	Riverwood Park * (60%)	\$0.46
	Ashland Park Apartments * (60%)	\$0.56	South Rome Apartments * (60%)	\$0.53	Riverwood Park * (50%)	\$0.45	Riverwood Park * (50%)	\$0.45
	South Rome Apartments * (50%)	\$0.47	Riverwood Park * (50%)	\$0.48	Evergreen Village * (50%)	\$0.43	Evergreen Village * (50%)	\$0.43
	Evergreen Village * (50%)	\$0.47	Evergreen Village * (1BA 50%)	\$0.48	Ashland Park Apartments * (60%)	\$0.42	Ashland Park Apartments * (60%)	\$0.42
			Ashland Park Apartments * (60%)	\$0.48	Riverwood Park * (50%)	\$0.41	Riverwood Park * (50%)	\$0.41
			Riverwood Park * (60%)	\$0.47	South Rome Apartments * (50%)	\$0.40	South Rome Apartments * (50%)	\$0.40
			South Rome Apartments * (50%)	\$0.43	South Rome Apartments * (50%)	\$0.40	South Rome Apartments * (50%)	\$0.40
			South Rome Apartments * (50%)	\$0.43				
			Riverwood Park * (50%)	\$0.42				

PROPERTY PROFILE REPORT

Ashland Park Apartments

Effective Rent Date	5/07/2015
Location	10 Ashley Park Blvd, NE Rome, GA 30165 Floyd County
Distance	5 miles
Units	184
Vacant Units	7
Vacancy Rate	3.8%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Ridge, Riverwood Park
Tenant Characteristics	Predominantly single parents from the area.
Contact Name	Marilyn
Phone	706-290-1040



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1.5 to 3.0 percent
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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)	24	874	\$489	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	88	1,149	\$550	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	72	1,388	\$589	\$0	@60%	Yes	7	9.7%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$489	\$0	\$489	\$0	\$489
2BR / 2BA	\$550	\$0	\$550	\$0	\$550
3BR / 2BA	\$589	\$0	\$589	\$0	\$589

Ashland Park Apartments, continued

Amenities

In-Unit

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

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

Perimeter Fencing

Services

None

Property

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

Car Wash
Exercise Facility
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported that the property maintains a waiting list that is approximately nine months long. The property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program, which has increased the property's turnover ratio. Management stated that the demand for affordable housing in the area is strong.

Ashland Park Apartments, continued

Trend Report

Vacancy Rates

2Q13	2Q14	1Q15	2Q15
3.8%	25.5%	3.8%	3.8%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$480	\$0	\$480	\$480
2014	2	N/A	\$480	\$0	\$480	\$480
2015	1	0.0%	\$489	\$0	\$489	\$489
2015	2	0.0%	\$489	\$0	\$489	\$489

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	4.5%	\$530	\$0	\$530	\$530
2014	2	N/A	\$530	\$0	\$530	\$530
2015	1	0.0%	\$550	\$0	\$550	\$550
2015	2	0.0%	\$550	\$0	\$550	\$550

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	4.2%	\$580	\$0	\$580	\$580
2014	2	N/A	\$580	\$0	\$580	\$580
2015	1	9.7%	\$589	\$0	\$589	\$589
2015	2	9.7%	\$589	\$0	\$589	\$589

Trend: Comments

- 2Q13** Contact stated that rents vary slightly based on the floor that each unit is on; first floor units have higher rents than second and third floor units. Rents shown are for first floor units. Contact stated that approximately 40 percent of tenants utilize Housing Choice Vouchers.
- 2Q14** The contact indicated that the property's vacancy rate is significantly higher than is typical. She reported that recent changes in management resulted in increased turnover. Additionally, she noted that many tenants have recently purchased homes and have therefore moved out.
- 1Q15** The contact reported that the property maintains a waiting list that is approximately 9 months long. Management reported that the reason for the increased turnover ratio is because the property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program. Occupancy is reported as typical for the property. Management reported that the property offers approximately 1.5 parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.
- 2Q15** The contact reported that the property maintains a waiting list that is approximately nine months long. The property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program, which has increased the property's turnover ratio. Management stated that the demand for affordable housing in the area is strong.

Ashland Park Apartments, continued

Photos



PROPERTY PROFILE REPORT

Evergreen Village

Effective Rent Date 5/13/2015
Location 110 Evergreen Lane
 Cedartown, GA 30125
 Polk County
Distance 18.5 miles
Units 56
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1997 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Park Place
Tenant Characteristics Polk County residents
Contact Name Linda
Phone 770-749-9333



Market Information

Program @50%
Annual Turnover Rate 40%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Within two weeks
Annual Chg. in Rent None
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water 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 (2 stories)	16	756	\$354	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	20	915	\$441	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	20	1,136	\$488	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$354	\$0	\$354	\$0	\$354
2BR / 1BA	\$441	\$0	\$441	\$0	\$441
3BR / 2BA	\$488	\$0	\$488	\$0	\$488

Evergreen Village, continued

Amenities

In-Unit

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

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

Management reported that the property maintains a waiting list but was unable to disclose its current length. The contact reported that the demand for affordable housing in the local area remains strong.

Evergreen Village, continued

Trend Report

Vacancy Rates

1Q09	1Q15	2Q15
10.7%	1.8%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$337	\$0	\$337	\$337
2015	1	6.2%	\$354	\$0	\$354	\$354
2015	2	0.0%	\$354	\$0	\$354	\$354

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	10.0%	\$384	\$0	\$384	\$384
2015	1	0.0%	\$441	\$0	\$441	\$441
2015	2	0.0%	\$441	\$0	\$441	\$441

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$488	\$0	\$488	\$488
2015	2	0.0%	\$488	\$0	\$488	\$488

Trend: Comments

- 1Q09** This is a LIHTC property that has received additional HOME funding, according to management. Management stated that they have six applications pending and once they are processed they will be near full occupancy.
- 1Q15** Management reported that the property maintains a waiting list that has five households currently on it. The current vacancy has an application pending on it, according to the contact. Management reported that the rents have not increased in the past 12 months. However, since our last interview in 2009 rents have increased between seven and 15 percent. Management reported that the property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.
- 2Q15** Management reported that the property maintains a waiting list but was unable to disclose its current length. The contact reported that the demand for affordable housing in the local area remains strong.

Photos



PROPERTY PROFILE REPORT

Riverwood Park

Effective Rent Date	5/13/2015
Location	525 West 13th Street Rome, GA 30165 Floyd County
Distance	2.6 miles
Units	91
Vacant Units	2
Vacancy Rate	2.2%
Type	Lowrise (3 stories)
Year Built/Renovated	1997 / N/A
Marketing Began	N/A
Leasing Began	2/15/1998
Last Unit Leased	N/A
Major Competitors	Ashland Park, Ashton Ridge
Tenant Characteristics	Mixed local tenancy; single parents, families, professionals, and seniors.
Contact Name	Valerie
Phone	(706) 235-7666



Market Information

Program	@50%, @60%
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within two week
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Lowrise (3 stories)	28	912	\$441	\$0	@50%	Yes	0	0.0%	no	None
2	2	Lowrise (3 stories)	2	1,040	\$441	\$0	@50%	No	0	0.0%	no	None
2	2	Lowrise (3 stories)	26	1,040	\$491	\$0	@60%	Yes	1	3.8%	no	None
3	2	Lowrise (3 stories)	15	1,102	\$491	\$0	@50%	Yes	0	0.0%	no	None
3	2	Lowrise (3 stories)	1	1,207	\$491	\$0	@50%	No	1	100.0%	no	None
3	2	Lowrise (3 stories)	19	1,207	\$550	\$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	\$441	\$0	\$441	\$0	\$441	2BR / 2BA	\$491	\$0	\$491	\$0	\$491
3BR / 2BA	\$491	\$0	\$491	\$0	\$491	3BR / 2BA	\$550	\$0	\$550	\$0	\$550

Riverwood Park, continued

Amenities

In-Unit

Blinds
Carpeting
Coat Closet
Ceiling Fan
Oven
Washer/Dryer hookup

Cable/Satellite/Internet
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management

Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

None

Comments

Management reported that the property typically experiences low turnover and retains many long-term tenants. Management reported that the property typically remains close to 100 percent occupancy. The property currently maintains a waiting list, however the length of the list was not disclosed. Management stated that there is a strong demand for affordable housing in the local area.

Riverwood Park, continued

Trend Report

Vacancy Rates

1Q13	2Q14	1Q15	2Q15
0.0%	0.0%	1.1%	2.2%

Trend: @50%

2BR / 1BA

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$400	\$0	\$400	\$400
2014	2	0.0%	\$420	\$0	\$420	\$420
2015	1	0.0%	\$441	\$0	\$441	\$441
2015	2	0.0%	\$441	\$0	\$441	\$441

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$470	\$0	\$470	\$470
2014	2	0.0%	\$490	\$0	\$490	\$490
2015	1	N/A	\$491	\$0	\$491	\$491
2015	2	6.2%	\$491	\$0	\$491	\$491

Trend: @60%

2BR / 1BA

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$460	\$0	\$460	\$460
2014	2	0.0%	\$480	\$0	\$480	\$480
2015	1	3.8%	\$491	\$0	\$491	\$491
2015	2	3.8%	\$491	\$0	\$491	\$491

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$495	\$0	\$495	\$495
2014	2	0.0%	\$515	\$0	\$515	\$515
2015	1	0.0%	\$550	\$0	\$550	\$550
2015	2	0.0%	\$550	\$0	\$550	\$550

Trend: Comments

1Q13 The property is 100 percent occupied with 20 or more households on the waiting list. The property manager reported that there is demand for additional LIHTC housing in Rome and that the property can achieve rents that are up to \$20 higher than current rents.

2Q14 The contact could not provide the number of households currently on the waiting list.

1Q15 N/A

2Q15 Management reported that the property typically experiences low turnover and retains many long-term tenants. Management reported that the property typically remains close to 100 percent occupancy. The property currently maintains a waiting list, however the length of the list was not disclosed. Management stated that there is a strong demand for affordable housing in the local area.

Photos



PROPERTY PROFILE REPORT

Spring Haven Apartments

Effective Rent Date	5/19/2015
Location	7 Perry Farm Rd. Cave Springs, GA 30124 Floyd County
Distance	16.6 miles
Units	24
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	At least 50% seniors 62+; Seniors from local area; most retired on fixed income, many are hearing impaired
Contact Name	Erica
Phone	706-777-9600



Market Information

Program	@50% (HOME), @60% (HOME)
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	4%
Leasing Pace	Pre-leased
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	One-story	10	649	\$363	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
1	1	One-story	2	649	\$370	\$0	@60% (HOME)	Yes	0	0.0%	yes	None
2	1	One-story	3	819	\$428	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
2	1	One-story	N/A	819	\$450	\$0	@60% (HOME)	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	\$363	\$0	\$363	\$32	\$395	1BR / 1BA	\$370	\$0	\$370	\$32	\$402
2BR / 1BA	\$428	\$0	\$428	\$41	\$469	2BR / 1BA	\$450	\$0	\$450	\$41	\$491

Spring Haven Apartments, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking

Premium

None

Other

None

Comments

Management reported that the property is currently fully occupied, which is typical throughout the year. The contact noted that the property has many long-term tenants and typically maintains a low turnover ratio. The property currently maintains a waiting list that has two households on it. Since our last interview on 2013, rents have increased between 12 and 23 percent. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization ratio at the property.

Spring Haven Apartments, continued

Trend Report

Vacancy Rates

2Q12	4Q12	1Q13	2Q15
4.2%	4.2%	12.5%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	10.0%	\$290	\$0	\$290	\$322
2012	4	0.0%	\$290	\$0	\$290	\$322
2013	1	10.0%	\$295	\$0	\$295	\$327
2015	2	0.0%	\$363	\$0	\$363	\$395

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$325	\$0	\$325	\$366
2012	4	0.0%	\$325	\$0	\$325	\$366
2013	1	0.0%	\$382	\$0	\$382	\$423
2015	2	0.0%	\$428	\$0	\$428	\$469

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$355	\$0	\$355	\$387
2012	4	0.0%	\$355	\$0	\$355	\$387
2013	1	0.0%	\$325	\$0	\$325	\$357
2015	2	0.0%	\$370	\$0	\$370	\$402

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$385	\$0	\$385	\$426
2012	4	N/A	\$385	\$0	\$385	\$426
2013	1	N/A	\$400	\$0	\$400	\$441
2015	2	N/A	\$450	\$0	\$450	\$491

Trend: Comments

- 2Q12** We spoke with the same contact as previous years for this property, she says she does not know why we have ranges in the system, as they have price points for each level. The units have been revised. She states that they are not project based subsidy.
- Erica also stated that their annual turnover is 1-2 units, averaging about 4%.
- 4Q12** Management reported that rental figures have not changed since we last spoke with them in May of this year and confirmed that they were right around the same level. There is currently only one tenant utilizing housing choice vouchers and one vacancy in the two-bedroom at 60 percent. Management stated that their tenancy tends to stay for extended periods and they have exceptionally low turnover due to this.
- Management reported demand for additional LIHTC units in general in the area, as well as demand for additional market units. Management stated that from their experience, the two and three-bedroom units are in the highest demand. They stated slight demand for one and four-bedroom units, but that they see the most clientele inquiring for two and three-bedroom units.
- We inquired as to if there would be demand for LIHTC single-family rentals over garden-style or lowrise properties, and management reported yes, possibly, but was not sure about how much more rent a single-family LIHTC could charge over a garden-style or lowrise property. Management stated they thought that the single-family homes could certainly achieve higher rents, but they were not sure how much more.
- Management did not know of any specific neighborhoods that lack LIHTC housing or neighborhoods that are particularly desirable for more development. Furthermore they could not think of any new construction apartments in the area. Management stated 80-90 percent of their tenancy is from Floyd County, and that the remaining tenancy is scattered from all different areas, towns and surrounding counties.
- Management stated that from their knowledge, Floyd county and the Rome area could support a property bigger than theirs, and could use an additional 40 LIHTC units without negatively impacting existing LIHTC units.
- 1Q13** Management reported that the rents have increased between 2.0 and 7.0 percent in the past year and are pending an additional increase in June. Management stated that their tenancy tends to stay for extended periods and they have exceptionally low turnover due to this.
- Management reported demand for additional LIHTC units in general in the area, as well as demand for additional market units. Management stated 80-90 percent of their tenancy is from Floyd County, and that the remaining tenancy is scattered from all different areas, towns and surrounding counties.
- Management stated that from their knowledge, Floyd county and the Rome area could support a property bigger than theirs, and could use an additional 40 LIHTC units without negatively impacting existing LIHTC units.
- 2Q15** Management reported that the property is currently fully occupied, which is typical throughout the year. The contact noted that the property has many long-term tenants and typically maintains a low turnover ratio. The property currently maintains a waiting list that has two households on it. Since our last interview on 2013, rents have increased between 12 and 23 percent. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization ratio at the property.

Photos



PROPERTY PROFILE REPORT

Arbor Terrace Apartments

Effective Rent Date	5/07/2015
Location	50 Chateau Drive SE Rome, GA 30161 Floyd County
Distance	3.9 miles
Units	96
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Majority come from Floyd CO. Some are employed in healthcare, law enforcement and education. Approx. 10% are students
Contact Name	Tina
Phone	706-295-7020



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Pre-leased; within two weeks
Annual Chg. in Rent	Increased four to seven percent
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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)	16	680	\$425	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	64	1,190	\$595	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,320	\$680	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	\$32	\$457
2BR / 1.5BA	\$595	\$0	\$595	\$41	\$636
3BR / 2BA	\$680	\$0	\$680	\$65	\$745

Arbor Terrace Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Refrigerator

Security

Limited Access
Patrol

Services

None

Property

Off-Street Parking
Picnic Area
Swimming Pool

On-Site Management
Playground

Premium

None

Other

None

Comments

The property is fully occupied and does not typically maintain a waiting list. Management was unable to comment on the need for affordable housing in the local area.

Arbor Terrace Apartments, continued

Trend Report

Vacancy Rates

3Q12	1Q13	4Q13	1Q15
6.2%	7.3%	7.3%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	0.0%	\$375	\$0	\$375	\$407
2013	1	6.2%	\$375	\$0	\$375	\$407
2013	4	0.0%	\$395	\$0	\$395	\$427
2015	1	0.0%	\$425	\$0	\$425	\$457

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	6.2%	\$575	\$0	\$575	\$616
2013	1	7.8%	\$575	\$0	\$575	\$616
2013	4	7.8%	\$563	\$0	\$563	\$604
2015	1	0.0%	\$595	\$0	\$595	\$636

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	12.5%	\$650	\$0	\$650	\$715
2013	1	6.2%	\$650	\$0	\$650	\$715
2013	4	12.5%	\$650	\$0	\$650	\$715
2015	1	0.0%	\$680	\$0	\$680	\$745

Trend: Comments

3Q12	The property manager stated they have recently experienced a high turnover, particularly in their one-bedroom units. However, of the six units currently vacant, three have leases pending. This property offers both townhome units and garden style units.
1Q13	The contact reported three of the vacant units have applications pending approval.
4Q13	The contact reported a much stronger demand for one-bedroom units opposed to two and three-bedroom units. Two-bedroom units range from \$550 per month to \$575 per month.
1Q15	The property is fully occupied and does not typically maintain a waiting list. Management was unable to comment on the need for affordable housing in the local area.

Arbor Terrace Apartments, continued

Photos



PROPERTY PROFILE REPORT

Ashton Ridge (fka Windridge)

Effective Rent Date	5/07/2015
Location	2522 Callier Springs Road Rome, GA 30161 Floyd County
Distance	2.4 miles
Units	88
Vacant Units	2
Vacancy Rate	2.3%
Type	Lowrise (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Riverwood Park
Tenant Characteristics	Predominantly local families and seniors from Rome and the surrounding area.
Contact Name	Yvonda
Phone	706-802-0017



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	23%
Leasing Pace	Preleased; within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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 (3 stories)	14	708	\$425	\$0	Market	No	1	7.1%	N/A	None
2	2	Lowrise (3 stories)	37	933	\$499	\$0	Market	No	1	2.7%	N/A	None
3	2	Lowrise (3 stories)	37	1,134	\$549	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	\$32	\$457
2BR / 2BA	\$499	\$0	\$499	\$41	\$540
3BR / 2BA	\$549	\$0	\$549	\$65	\$614

Ashton Ridge (fka Windridge), continued

Amenities

In-Unit

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

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

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management
Playground

Premium

None

Other

Tot Lot

Comments

Management reported that the tax credits expired in June 2014. The property still accepts Housing Choice Vouchers and currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions.

Ashton Ridge (fka Windridge), continued

Trend Report

Vacancy Rates

1Q13	2Q14	1Q15	2Q15
5.7%	5.7%	4.5%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	7.1%	\$425	\$0	\$425	\$457
2015	2	7.1%	\$425	\$0	\$425	\$457

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	5.4%	\$499	\$0	\$499	\$540
2015	2	2.7%	\$499	\$0	\$499	\$540

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	2.7%	\$549	\$0	\$549	\$614
2015	2	0.0%	\$549	\$0	\$549	\$614

Trend: Comments

- 1Q13** Management indicated that about 15 percent of the property's tenants are seniors.
- 2Q14** The contact indicated that there are currently applications for all of the vacant units; these units are likely to be filled within the next ten days.
- 1Q15** Management reported that this property is now a conventional, market rate property. The tax credits expired June of 2014. Management reported that the property still accepts Housing Choice Vouchers and that currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions. Management reported that the property offers two parking spaces per unit. The contact could not comment on the parking utilization rate at the property.
- 2Q15** Management reported that the tax credits expired in June 2014. The property still accepts Housing Choice Vouchers and currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions.

Photos



PROPERTY PROFILE REPORT

Claridge Gate

Effective Rent Date	5/07/2015
Location	3 Keown Road SE Rome, GA 30161 Floyd County
Distance	4.5 miles
Units	32
Vacant Units	1
Vacancy Rate	3.1%
Type	Garden
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixture of families and singles.
Contact Name	Alice
Phone	706-291-4321



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased; within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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	N/A	1,221	\$795	\$0	Market	No	1	N/A	N/A	None
3	2	Garden	N/A	1,377	\$950	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$795	\$0	\$795	\$41	\$836
3BR / 2BA	\$950	\$0	\$950	\$65	\$1,015

Amenities

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

Claridge Gate, continued

Comments

The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. The property charges \$75 per month for garages. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by Hardy Realty, the same company that manages the Summer Stone Apartments.

Claridge Gate, continued

Trend Report

Vacancy Rates

4Q13	2Q14	1Q15	2Q15
3.1%	0.0%	0.0%	3.1%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$795	\$0	\$795	\$836
2014	2	N/A	\$795	\$0	\$795	\$836
2015	1	N/A	\$795	\$0	\$795	\$836
2015	2	N/A	\$795	\$0	\$795	\$836

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	N/A	\$950	\$0	\$950	\$1,015
2014	2	N/A	\$950	\$0	\$950	\$1,015
2015	1	N/A	\$950	\$0	\$950	\$1,015
2015	2	N/A	\$950	\$0	\$950	\$1,015

Trend: Comments

- 4Q13** The one vacant unit at the property is currently being cleaned and was not ready to be rented at the time of the interview.
- 2Q14** The property does not accept Housing Choice Vouchers. Rents include wireless internet. Listed rents are for one-year leases; rents increase \$100 for each unit-type on a six-month lease.
- 1Q15** The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by the same company as the Summer Stone Apartments.
- 2Q15** The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. The property charges \$75 per month for garages. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by Hardy Realty, the same company that manages the Summer Stone Apartments.

Photos



PROPERTY PROFILE REPORT

Eastland Court

Effective Rent Date	5/07/2015
Location	40 Chateau Drive Rome, GA 30161 Floyd County
Distance	3.6 miles
Units	116
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (4 stories)
Year Built/Renovated	2005/2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Young and middle aged professionals, families, and a few students. Approximately five percent senior.
Contact Name	Sara
Phone	706-232-2300



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	21	804	\$795	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (4 stories)	4	919	\$909	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (4 stories)	68	1,056	\$899	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (4 stories)	23	1,516	\$1,075	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$795 - \$909	\$0	\$795 - \$909	\$32	\$827 - \$941
2BR / 2BA	\$899	\$0	\$899	\$41	\$940
3BR / 2BA	\$1,075	\$0	\$1,075	\$65	\$1,140

Eastland Court, continued

Amenities

In-Unit

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

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Garage
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The specific number of households was not provided. Management was unable to provide the annual turnover ratio for the property, and the property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent. Management was unable to provide a reason for the decrease.

Eastland Court, continued

Trend Report

Vacancy Rates

4Q13	2Q14	1Q15	2Q15
1.7%	2.6%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	8.0%	\$775 - \$950	\$0	\$775 - \$950	\$807 - \$982
2014	2	0.0%	\$775 - \$960	\$0	\$775 - \$960	\$807 - \$992
2015	1	0.0%	\$795 - \$909	\$0	\$795 - \$909	\$827 - \$941
2015	2	0.0%	\$795 - \$909	\$0	\$795 - \$909	\$827 - \$941

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$899	\$74	\$825	\$866
2014	2	2.9%	\$899	\$74	\$825	\$866
2015	1	0.0%	\$899	\$0	\$899	\$940
2015	2	0.0%	\$899	\$0	\$899	\$940

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$1,115	\$0	\$1,115	\$1,180
2014	2	4.3%	\$1,075	\$0	\$1,075	\$1,140
2015	1	0.0%	\$1,075	\$0	\$1,075	\$1,140
2015	2	0.0%	\$1,075	\$0	\$1,075	\$1,140

Studio / 1BA

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

4Q13	The property does not accept Housing Choice Vouchers.
2Q14	The property does not accept Housing Choice Vouchers. All three vacant units are currently preleased. The property manager could not provide the property's annual turnover rate.
1Q15	Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The specific number of households was not provided. Management was unable to provide the annual turnover ratio for the property, and the property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent. Management was unable to provide a reason for the decrease.
2Q15	Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent.

Photos



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

Housing Choice Vouchers

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Ashland Park Apartments	LIHTC	40%
Evergreen Village	LIHTC	10%
Riverwood Park	LIHTC	15%
Spring Haven Apartments	LIHTC	4%
Arbor Terrace Apartments	Market	30%
Ashton Ridge (fka Windridge)	Market	23%
Claridge Gate	Market	0%
Eastland Court	Market	0%
Average		15%
Average LIHTC		17%

As illustrated in the table, all four LIHTC properties reported low to moderate voucher usage. The average voucher usage rate at the LIHTC properties is 17 percent. Two of the four market rate properties indicated that they do not accept Housing Choice Vouchers. Given the data, it is likely that the Subject will operate with a moderate voucher usage rate of approximately 20 to 30 percent.

Lease Up History

None of the comparable properties were able to report absorption data. Given the current market, the lack of comparable inventory, and the Subject’s superior age, condition, and location, we anticipate that the Subject will absorb at a rate of 10 units per month. We therefore expect the Subject to stabilize at the Georgia DCA defined 93 percent occupancy within eight months.

Phased Developments

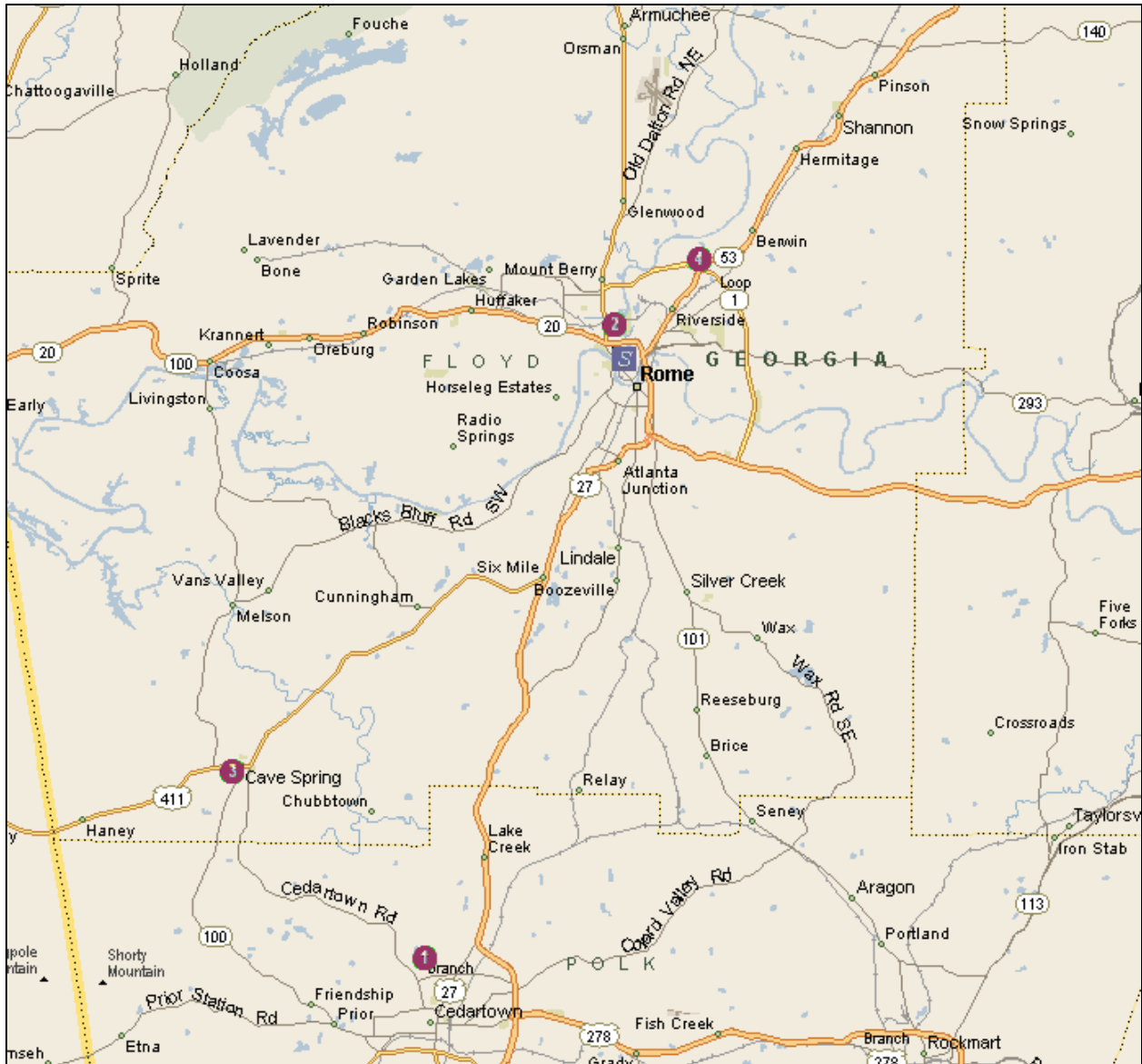
The Subject is not a phase of an existing multifamily development.

Rural Areas

The Subject is not located in a designated rural area.

3. COMPETITIVE PROJECT MAP

The following map and table details all multifamily LIHTC and Bond properties that do not operate with additional subsidies located within the PMA.



COMPETITIVE PROJECTS IN THE PMA

#	Project Name	City	Program	Distance from Subject
1	Evergreen Village	Cedartown	LIHTC	18.5 miles
2	Riverwood Park	Rome	LIHTC	1.5 miles
3	Spring Haven Apartments	Cave Spring	LIHTC/HOME	17.2 miles
4	Ashland Park Apartments	Rome	LIHTC/FHA	4.0 miles

South Rome Apartments, Rome, GA; Market Study

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 red, 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 red.

UNIT MATRIX REPORT									
	South Rome Apartments	Ashland Park Apartments	Evergreen Village	Riverwood Park	Spring Haven Apartments	Arbor Terrace Apartments	Ashton Ridge (fka Windridge)	Claridge Gate	Eastland Court
Comp #	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Various (3 stories)	Garden (3 stories)	Garden (2 stories)	Lowrise (3 stories)	One-story	Various (2 stories)	Lowrise (3 stories)	Garden	Garden (4 stories)
Year Built / Renovated	Proposed 2017 / n/a	2005 / n/a	1997 / n/a	1997 / n/a	2001 / n/a	1971 / n/a	1999 / n/a	2006 / n/a	2005/2007 / n/a
Type	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/HOME	Market	Market	Market	Market
Utility Adjustments									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	yes	yes	yes	yes	no	no	no	no	no
Sewer	yes	yes	yes	yes	no	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes
In-Unit Amenities									
Balcony/Patio	yes	yes	yes	no	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	yes	no	yes	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	no	yes	yes	yes	no	no	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	no	yes	no	yes
Ceiling Fan	yes	yes	no	yes	yes	no	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	no	yes	no	yes
Microwave	no	no	no	no	yes	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	no	no	yes	yes	yes	yes	yes
Washer/Dryer	no	no	yes	no	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	no	yes	yes	yes
Property Amenities									
Basketball Court	no	no	yes	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	no	no	no	no	no	no	no
Car Wash	no	yes	no	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	no	no	yes	no	yes
Exercise Facility	yes	yes	yes	yes	no	no	no	no	yes
Garage	no	no	no	no	no	no	no	yes	yes
Central Laundry	yes	no	yes	yes	yes	no	yes	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	no	yes
Picnic Area	yes	yes	yes	no	no	yes	yes	yes	yes
Playground	yes	yes	yes	yes	no	yes	yes	no	yes
Swimming Pool	no	yes	no	no	no	yes	no	no	yes
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75.00	\$100.00
Security									
Limited Access	no	no	no	no	no	yes	no	no	yes
Patrol	no	no	no	no	no	yes	no	no	no
Perimeter Fencing	yes	yes	no	yes	no	no	no	yes	yes

South Rome Apartments, Rome, GA; Market Study

In terms of in-unit amenities, the Subject will be most similar to Ashland Park Apartments. While several comparables offer amenities such as exterior storage or microwaves, which will not be included at the Subject, these amenities are not typically considered to be overly valuable and generally do not affect leasing at multifamily developments. The Subject will therefore be similar to all comparable properties in terms of in-unit amenities. Like all of the surveyed properties, the Subject will offer valuable and sought-after amenities including dishwashers, balconies and patios, and washer/dryer hook-ups. Overall, we believe that the Subject will offer a competitive in-unit amenity package.

When compared to the LIHTC properties, the Subject will be inferior to Ashland Park Apartments in terms of its community amenity package. This is due to the Subject's lack of a swimming pool and car wash, which are offered at Ashland Park Apartments. The Subject will be slightly superior in terms of community amenity package when compared to Riverwood Park as this property does not offer a business center, community room, or picnic area, which will be included at the Subject. The Subject will be superior when compared to Spring Haven Apartments due to this comparable's lack of an exercise facility, community room/clubhouse, business center/computer lab and picnic area; all of which will be included at the Subject.

When compared to the market rate properties, the Subject will be inferior to Eastland Court in terms of community amenity package. This is primarily due to its lack of a swimming pool and garages, which are included at Eastland Court. The Subject will be superior to Claridge Gate and Arbor Terrace Apartments as these properties do not include an exercise facility, community room, or business center, all of which will be included at the Subject. Overall, we believe that the Subject will offer a competitive community amenity package.

5. Tenancy

The Subject will target family households. Therefore, per DCA's guidelines, senior properties were not included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	184	7	3.80%
Evergreen Village	LIHTC	56	0	0.00%
Riverwood Park	LIHTC	91	2	2.20%
Spring Haven Apartments	LIHTC/HOME	24	0	0.00%
Arbor Terrace Apartments	Market	96	0	0.00%
Ashton Ridge (fka Windridge)	Market	88	2	2.30%
Claridge Gate	Market	32	1	3.10%
Eastland Court	Market	116	0	0.00%
Average		687	12	1.43%
Average LIHTC		355	9	1.50%

As illustrated, vacancy rates in the market range from 0.0 to 3.80 percent, averaging 1.43 percent. The average LIHTC vacancy rate is slightly higher at 1.50 percent. Ashland Park

Apartments reported the highest vacancy rate of 3.8 percent. The property manager indicated that this vacancy rate is typical for the property. The contact also indicated that the property provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program, which has slightly increased the property's turnover. Management indicated that a large number of tenants who relocate after being a part of this program purchase single-family homes. Upon completion of construction, the Subject will be 12 years newer than Ashland Park Apartments and therefore superior to this comparable in terms of age and condition. Ashland Park Apartments is located in a significantly more isolated neighborhood than the Subject. According to Walkscore.com, Ashland Park Apartments earned a Walk Score of 5 out of 100, indicating that the property is located in a car dependent neighborhood and almost all errands require the use of a car. Conversely, the Subject's neighborhood earned a Walk Score of 66, indicating that it is located in a somewhat walkable area and many errands can be accomplished on foot. The Subject's superior condition and proximity to retail and other locational amenities will have a positive impact on leasing.

Riverwood Park Apartments indicated that the property is currently 98 percent occupied. Both property managers at Riverwood Park and Ashland Park indicated that the properties maintain lengthy waiting lists for all unit types, however the length of the list at Riverwood Park was unable to be disclosed. These waiting lists indicate demand for additional affordable rental housing in the market. The market rate properties reported healthy vacancy rates ranging from 0.0 percent to 3.1 percent. Given the data, it is likely that the Subject will operate with a vacancy rate of eight percent or less upon stabilization.

7. Properties Under Construction and Proposed

According to the Rome Planning Department, there is one residential development currently in the planning stages and one currently under construction within the PMA. A proposed condominium development located at the intersection of Third Avenue and Broad Street in Rome is currently in the early stages of approval. The proposed development will be a mixed-use development consisting of 26 condominiums on the top floor and retail space on the bottom floor. Additionally, Joe Wright Village Housing Development, located between Church Street and Waddell Street in Rome is a recently completed development the Northwest Housing Authority; all units will be Public Housing. Upon completion, the project will consist of 32-units in four phases. The first phase, which is currently under construction, will include three two-bedroom, single-family homes. The projected date of market entry for this phase was unknown. The final three phases will consist of 11 two-bedroom single-family homes as well as nine duplex-style units. The projected date of market entry for the completed project is April 2018. This development's units were not removed from our demand analysis, as its units will be subsidized and are therefore not considered to be competitive with the Subject's units.

We contacted Ms. Sue Hiller, Planning Director at Rome-Floyd County Planning Department. Ms. Hiller stated that other than the proposed condominium development discussed above, that there are no multifamily apartment developments in the planning or construction stages in the Subject's area.

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.

South Rome Apartments, Rome, GA; Market Study

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Unit Size	Overall Comparison
1	Ashland Park Apartments	@60%	Superior	Similar	Inferior	Superior	10
2	Evergreen Village	@50%	Similar	Inferior	Inferior	Inferior	-30
3	Riverwood Park	@50%, @60%	Slightly inferior	Similar	Similar	Slightly inferior	-10
4	Spring Haven Apartments	@50% (HOME), @60% (HOME)	Inferior	Similar	Inferior	Inferior	-30
5	Arbor Terrace Apartments	Market	Inferior	Inferior	Inferior	Slightly inferior	-30
6	Ashton Ridge (fka Windridge)	Market	Inferior	Similar	Inferior	Inferior	-30
7	Claridge Gate	Market	Inferior	Similar	Inferior	Superior	-10
8	Eastland Court	Market	Superior	Similar	Inferior	Slightly inferior	-5

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

As illustrated in the above table, when taking into consideration property amenities, in-unit features, location, age and condition, and unit sizes, the Subject will be most similar to Ashland Park Apartments. The Subject will be superior to the remaining comparables based on these measurements.

The rental rates at the LIHTC properties are compared to the Subject's proposed 50 and 60 percent AMI rents in the following table. Two of the LIHTC comparables offer one-bedroom units renting at 50 percent of the AMI. Given the limited supply of this unit-type in the market, we believe they will be leasable.

LIHTC Rent Comparison - @50%			
Property Name	1BR	2BR	3BR
South Rome Apartments (Subject)	\$354	\$450	\$505
LIHTC Maximum (Net)	\$406	\$486	\$550
Evergreen Village	\$354	\$441	\$488
Riverwood Park	-	\$441	\$491
Spring Haven Apartments	\$395	\$469	-
Average (excluding Subject)	\$375	\$450	\$490

LIHTC Rent Comparison - @60%			
Property Name	1BR	2BR	3BR
South Rome Apartments (Subject)	\$466	\$559-\$560	\$635
LIHTC Maximum (Net)	\$504	\$604	\$686
Ashland Park Apartments	\$489	\$550	\$589
Riverwood Park	-	\$491	\$550
Spring Haven Apartments	\$402	\$491	-
Average (excluding Subject)	\$446	\$511	\$570

Upon completion, the Subject will offer 21 units renting at 50 percent of the Area Median Income. Riverwood Park and Evergreen Village both offer two and three-bedroom units renting at 50 percent of the AMI. As indicated in the table, both of these properties are achieving close to maximum rents at 50 percent of the AMI for two-bedroom units. Spring Haven Apartments is

currently achieving close to the maximum rents at 50 percent of the AMI for both one and two-bedroom units. The Subject's proposed rents at 50 percent of the AMI are below maximum levels for one, two, and three-bedroom units. Ashland Park reported a healthy vacancy rate of 3.8 percent and Riverwood Park reported that the property is 98 percent occupied with an extensive waiting list. Given the Subject's superior age and condition, competitive unit sizes, and its proximity to retail and locational amenities we believe that the proposed rents at 50 percent AMI are reasonable and achievable.

The Subject will offer 63 units renting at 60 percent of the Area Median Income. As indicated in the table, Ashland Park is currently achieving the closest to the maximum allowable rents at 60 percent of the AMI of all comparable properties surveyed for its one, two and three-bedroom units. The remaining LIHTC comparables are all currently achieving well below maximum allowable rents at 60 percent of the AMI. The Subject's proposed net rents at 60 percent AMI are the highest in the market for two and three-bedroom units and are below the maximum allowable levels. Given the Subject's superior age and condition, competitive unit sizes, and its proximity to retail and locational amenities, we believe that the proposed rents at 60 percent AMI are reasonable and achievable.

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
1 BR @50%	\$354	\$354	\$941	\$540	34%
2 BR @50%	\$450	\$441	\$940	\$584	23%
3 BR @ 50 %	\$505	\$488	\$1,140	\$735	31%
1 BR @60%	\$466	\$354	\$941	\$540	14%
2 BR @60%	\$559-\$560	\$441	\$940	\$584	4%
3 BR @ 60%	\$635	\$488	\$1,140	\$735	14%

As illustrated, the Subject’s proposed 50 and 60 percent AMI rents are below both the LIHTC and market rate surveyed average rents. However, the Subject’s proposed 50 percent AMI rents are equal to the surveyed minimum rents for one-bedroom units and above the surveyed minimum rents for two and three-bedroom units. The Subject’s proposed 60 percent AMI rents are well below the surveyed average rent level, but are above surveyed minimum rents. This is considered reasonable given that there are very few newly constructed multifamily properties and that the Subject will be superior to available inventory in terms of age and condition.

With regards to the market rate properties, the Subject will be most similar to Eastland Court. This property is the newest comparable property and has among the highest rents in the market, which are more than 40 percent higher than the Subject’s proposed rents.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

According to DCA’s records, two properties have been awarded tax credits within the PMA since 2013. Greystone Apartments, which is allocated in Rome, was allocated tax credits in 2013. The property will be restricted to physically and mentally disabled persons and seniors aged 62 and older. The property will operate on the Shelter Plus Care Program and units will be subsidized. Additionally, Highland Estates in Rome was allocated tax credits in 2014. The property will be restricted to seniors aged 55 and older and earning 50 and 60 percent of the AMI or less. The Subject will be located 0.3 miles southwest of of the Greystone Apartments and 3.3 miles south of Highland Estates. Due to the dissimilar tenancy, the Subject will not be directly competitive with Greystone Apartments or Highland Estates. Therefore, the Subject will face limited competition during its initial lease up.

There are currently six LIHTC developments within the PMA targeting family tenancies; four of these have been included as comparables in our analysis. Two have been excluded because they operate with a subsidy. Two of the comparable properties utilized in the report are located in Cedartown and Cave Spring, more than 17 miles from the Subject sites. Riverwood Park reported that the property is currently 98 percent occupied with an extensive waiting list. Ashland Park Apartments reported the highest vacancy rate of 3.8 percent, but this appears to be a property-specific issue and not reflective of the overall market. While this property offers larger unit sizes compared to the Subject, the development will be 12 years older than the Subject upon completion of construction, and will therefore be inferior to the Subject in terms of age and condition. Additionally, this property is located in a significantly more isolated neighborhood when compared to that of the Subject. The waiting lists at Ashland Park and Riverwood Park indicate demand for additional affordable housing within the PMA. If allocated,

South Rome Apartments, Rome, GA; Market Study

we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported low vacancy rates. Based upon the strong performance of the LIHTC comparables in the PMA, we believe there is adequate demand for the proposed Subject.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	20,552	65.0%	11,074	35.0%
2010	20,580	62.0%	12,637	38.0%
2015	19,755	59.5%	13,472	40.5%
Projected Mkt Entry				
July 2017	19,742	59.40%	13,491	40.60%
2019	19,729	59.4%	13,510	40.6%

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

Currently, 40.5 percent of housing units within the PMA are renter-occupied while 59.5 percent are owner-occupied. The percentage of renter-occupied units is expected to increase slightly through the date of market entry and 2019. While the local housing market consists of a larger share of owner-occupied units, the percentage of renter-occupied units within the PMA is greater than the national average of 35 percent.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Type	Total Units	2QTR 2012	4QTR 2012	1QTR 2013	4QTR 2013	2QTR 2014	2QTR 2015
Ashland Park Apartments	Garden	184	7.10%	7.10%	7.10%	N/A	25.50%	3.80%
Evergreen Village	Garden	56	N/A	N/A	N/A	N/A	N/A	0.00%
Riverwood Park	Lowrise	91	1.10%	0.00%	0.00%	N/A	0.00%	2.20%
Spring Haven Apartments	One-story	24	4.20%	4.20%	12.50%	N/A	N/A	0.00%
Arbor Terrace Apartments	Various	96	3.10%	N/A	7.30%	7.30%	N/A	N/A
Ashton Ridge (fka Windridge)	Lowrise	88	N/A	4.50%	5.70%	N/A	5.70%	2.30%
Claridge Gate	Garden	32	N/A	0.00%	0.00%	3.10%	0.00%	3.10%
Eastland Court	Garden	116	5.30%	5.20%	5.20%	1.70%	2.60%	0.00%
		687	4.10%	3.50%	5.40%	4%	6.80%	1.60%

As illustrated in the table, the average vacancy in the local market has historically remained below six percent. The average rate is higher in the second quarter of 2014 is higher than historical averages; this is primarily due to the high vacancy rate reported by management at Ashland Park Apartments. It should be noted that vacancy rates at this property have historically been lower than ten percent and is currently at 3.8 percent as of the second quarter of 2015. Given this data, the Subject will likely maintain a vacancy rate of five percent or less.

Change in Rental Rates

The following table details changes in rent in the past 12 months as reported by the surveyed properties.

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Ashland Park Apartments	LIHTC	Increased 1.5 to 3.0 percent
Evergreen Village	LIHTC	None
Riverwood Park	LIHTC	None
Spring Haven Apartments	LIHTC/HOME	Increased
Arbor Terrace Apartments	Market	None
Ashton Ridge (fka Windridge)	Market	None
Claridge Gate	Market	Decrease on 1BR
Eastland Court	Market	None

As indicated in the table, three of the LIHTC comparables reported increases in rent within the last 12 months. The property manager at Spring Haven Apartments was unable to provide the amount of rental rate increase within the past 12 months. Since our last interview with property management in the first quarter of 2013, rent has increased between 12 and 23 percent. Riverwood Park Apartments and Evergreen Village reported that rents have remained constant over the last year. With regards to the market rate comparables, Claridge Gate reported rent decreases on one-bedroom units with 919 square-feet. Property management reported that the rent decreased approximately five percent. The reason for the decrease was unable to be provided. The property managers at Eastland Court and Ashton Ridge indicated that rents have not changed over the past year. The property manager at Arbor Terrace was unable to provide the amount of rental rate increase within the past 12 months. Since our last interview with property management in the fourth quarter of 2013, rents have increased between four and seven percent. Given the data, it is not likely that the Subject will frequently employ significant rent increases.

11. Impact of Foreclosed, Abandoned and Vacant Structures

Per RealtyTrac’s February 2015 data, an estimated 14.6 percent of homes are vacant in Rome. The median home sales price is \$103,000 as of February 2015, which represents a six percent year-over-year increase. The median list price in the city is \$100,300, representing a zero percent year-over-year increase since February 2014. As of February 2015, one in every 1,109 housing units in Rome was in some state of foreclosure; this rate is lower than the rate for Floyd County (one in every 1,051 housing units), and lower than the rate for the State of Georgia (one in every 1,085 housing units). The rate is also lower than the national rate of one in every 1,082 housing units. Given the rate of foreclosed properties in the region and corroboration from the local Chamber of Commerce about the lack of vacant buildings in the Subject’s vicinity, we believe the impact of foreclosed, abandoned and vacant structures to be negligible.

12. Primary Housing Void

Within the PMA, there are limited one-bedroom units renting at 50 percent of the Area Median Income. The Subject will offer one-bedroom units renting at 50 percent AMI and will therefore fill this void. Additionally, the majority of rental properties within the local market have either a garden-style or low-rise design. In addition to garden-style units, the Subject will offer 34 duplex-style units. Duplexes are often considered superior designs for family tenancies when compared to garden-style or low-rise designs as they generally offer more space and privacy. The Subject will therefore fill a void by offering duplexes.

13. Effect of Subject on Other Affordable Units in Market

The Subject will add 84 one, two and three-bedroom units renting at 50 and 60 percent of the Area Median Income. Ashland Park reported a healthy vacancy rate of 3.8 percent with a waiting list for all unit types and Riverwood Park reported that the property is currently 98 percent occupied with an extensive waiting list. While Ashland Park Apartments offers larger unit sizes when compared to the Subject, the development will be 12 years older than the Subject upon completion of construction, thereby inferior to the Subject in terms of age and condition. Additionally, this property is located in a significantly more isolated neighborhood when compared to that of the Subject. The waiting lists at Ashland Park and Riverwood Park indicate demand for additional affordable housing within the PMA.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. There are two multifamily LIHTC properties in Rome that do not operate with additional subsidies; these properties have been used as comparables in our analysis. These properties reported vacancy rates ranging from zero percent to 3.8 percent. Ashland Park Apartments, which reported the highest vacancy rate of 3.8 percent, indicated that this rate is typical at the property. Additionally, this property is located in a significantly more isolated neighborhood when compared to that of the Subject. Additionally, both indicated that they maintain a waiting list, suggesting that there is demand for additional affordable housing within the local market.

Upon completion of construction, the Subject will be superior to all of the surveyed properties in terms of age and condition. Additionally, the Subject will offer a superior location when compared to these properties, with the exception of Riverwood Park, which offers a generally similar location. The Subject will offer some of the largest unit sizes in the market and will include a competitive amenity package. The Subject will include sought-after amenities including dishwashers, washer/dryer hookups, and balconies and patios. Given the Subject's generally superior condition and location, its competitive unit sizes and amenity packages, and taking into account rents being achieved at the comparable properties, we believe that the proposed rents at 50 percent of the AMI are reasonable and achievable. Additionally, we believe that the Subject's proposed rents at 60 percent of the AMI are reasonable and achievable.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

None of the comparable properties were able to report absorption data. Given the current market, the lack of comparable inventory, and the Subject's superior age, condition, and location, we anticipate that the Subject will absorb at a rate of 10 units per month. We therefore expect the Subject to stabilize at Georgia DCA-defined 93 percent occupancy within eight months.

J. INTERVIEWS

Northwest Georgia Housing Authority

We contacted Ms. Kimberly Lewis, the Director of the Housing Choice Voucher (HCV) program at the Northwest Georgia Housing Authority, regarding the program within Floyd County. Ms. Lewis noted that there is currently a waiting list for vouchers that is over 100 households long that is currently closed. The list remains open year round only for senior and homeless veterans. Ms. Lewis noted that there are currently over 600 vouchers in use in Floyd County, 98 of which are project-based. Ms. Lewis added that the demand for the vouchers is strong in the local area. The payment standards for the county are summarized. The Subject’s current one, two and three-bedroom rents are below the payment standard.

Payment Standards

1 BR	\$506
2 BR	\$685
3 BR	\$853

Planning

We contacted Ms. Sue Hiller, Planning Director at Rome-Floyd County Planning Department. Ms. Hiller stated that there are no multifamily apartment developments in the planning or construction stages in the Subject’s area. Ms. Hiller noted that plans for a proposed condominium development located at the intersection of Third Avenue and Broad Street in Rome are currently in the early stages of approval. The proposed development will be a mixed-use development consisting of 26 condominiums on the top floor and retail space on the bottom floor. Ms. Hiller was unable to provide the estimated completion date. Additionally, Joe Wright Village Housing Development, located between Church Street and Waddell Street in Rome is a recently completed development the Northwest Housing Authority; all units will be Public Housing. Upon completion, the project will consist of 32-units in four phases. The first phase, which is currently under construction, will include three two-bedroom, single-family homes. The projected date of market entry for this phase was unknown. The final three phases will consist of 11 two-bedroom single-family homes as well as nine duplex-style units. The projected date of market entry for the completed project is April 2018.

Chamber of Commerce

According to Angela Devine, Entrepreneurial Coordinator for the Greater Rome Chamber of Commerce, there is one commercial development that is in the planning stages and one that is expected to complete construction in 2015. Courtyard by Marriott located on West 3rd Street and will feature 108 rooms and plans to open by end of the 2015. The development company held a groundbreaking in December 2013 and was expected to begin construction in early 2014, however, the company has been tweaking the design to satisfy Marriott and the City of Rome. Thirty new jobs will be created once completed. In addition, the plans for the proposed Hampton Inn Suites were approved in 2015. The 92-room development will be located on Turner McCall Boulevard and is expected to create 30 full-time jobs and between 10 and 15 part-time jobs.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The Rome, GA MSA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects early in 2006 and suffered additional losses from 2008 to 2010. The most significant loss occurred in 2010 when 4,552 jobs were lost. Although total employment decreased in 2013, the MSA experienced significant growth in total employment in 2012, and moderate growth in 2014 and 2015 year-to-date. However, it should be noted that total employment remains below pre-recessionary levels, suggesting that the MSA has not yet recovered from the recent period of economic downturn.

Historically, the unemployment rate in the MSA has been lower than or similar to the national unemployment rate. During the recession, the MSA's unemployment rate increased at a faster pace than national unemployment rate. The MSA's unemployment rate peaked in 2011 at 12.1 percent, which was 320 basis points higher than the national unemployment rate during this same year. While the unemployment rate has decreased since 2011, the unemployment rate in the MSA remains 100 basis points higher than the national average as of February 2015.

Six of the top 10 employers in Rome are in the health care and educational services industries. The three health care employers account for 45 percent of the total employees of the top ten employers in Rome. Government also has a high proportion of employees in Rome, as it is home to both the City and County offices. While manufacturing is typically considered to be a volatile industry, susceptible to the effects of economic recession, the health care and government sectors are generally considered to be stable, less affected by economic downturn.

- The population in the PMA and MSA increased by 0.1 percent annually from 2000 through 2015, lagging national increased in population. The populations of both the MSA and PMA are projected to remain the same through the market entry date and through 2019 by 0.1 percent annually. Total household growth in the PMA and MSA is projected to remain the same, but will lag national increases in total number of households. The average household size is projected to remain generally constant in the PMA, MSA and nation through 2019.
- An estimated 43.9 percent of households in the PMA are projected to earn between \$20,000 and \$59,999 per year at the time of market entry, a percentage expected to increase to 45.6 percent through 2019.
- The Subject's capture rates at the 50 percent AMI level will range from 1.4 to 4.3 percent, with an overall capture rate of 2.5 percent. The Subject's 60 percent AMI capture rates range from 3.5 to 9.1 percent, with an overall capture rate of 8.6 percent. The overall capture rate for the project's 50 and 60 percent units is 7.4percent. We therefore believe that there is adequate demand for the Subject.
- None of the comparable properties were able to report absorption data. Given the current market, the lack of comparable inventory, and the Subject's superior age, condition, and

location, we anticipate that the Subject will absorb at a rate of 10 units per month. We therefore expect the Subject to stabilize at the Georgia DCA-defined 93 percent occupancy within eight months.

- As illustrated, vacancy rates in the market range from zero to 3.8 percent, averaging 1.7 percent. The average LIHTC vacancy rate is slightly lower at 1.2 percent. Ashland Park Apartments reported the highest vacancy rate of 3.8 percent. The property manager indicated that this vacancy rate is typical for the property. Upon completion of construction, the Subject will be ten years new than Ashland Park Apartments and therefore superior to this comparable in terms of age and condition. Ashland Park Apartments is located in a significantly more isolated neighborhood than the Subject. According to Walkscore.com, Ashland Park Apartments earned a Walk Score of 5 out of 100, indicating that the property is located in a car dependent neighborhood and almost all errands require the use of a car. Conversely, the Subject's neighborhood earned a Walk Score of 66, indicating that it is located in a somewhat walkable area and many errands can be accomplished on foot. The Subject's superior condition and proximity to retail and other locational amenities will have a positive impact on leasing.

Riverwood Park Apartments indicated that the property is currently 98 percent occupied. The property manager at Riverwood Park indicated that the property maintains a waiting list for all unit types, however the length of the list was not disclosed. This indicates demand for additional affordable rental housing in the market. The market rate properties reported healthy vacancy rates ranging from 0.0 percent to 3.1 percent. Given the data, it is likely that the Subject will operate with a vacancy rate of eight percent or less upon stabilization.

- Management at all of the LIHTC comparables reported maintaining a waiting list and of the market rate comparables, management at Eastland Court reported maintaining a waiting list for all unit types. It is likely that the Subject will maintain a modest waiting list upon completion of construction.
- Strengths of the Subject will include its superior age and condition; upon completion of construction, the Subject will be at least 10 years newer than all surveyed properties. Additionally, the Subject is located within closer proximity to retail and commercial uses when compared to all surveyed properties, with the exception of Riverwood Park. The Subject's somewhat walkable location will be an advantage. Single family homes in the general vicinity appear to have been built between 1950 and 1980 and are in generally average to good condition. Upon completion of construction, the Subject will have similar in-unit amenities when compared to the LIHTC and market rate properties in the local market. It will offer sought-after amenities including a dishwasher, washer/dryer hook-ups, and balconies and patios; therefore, we therefore believe the Subject's in-unit amenity package will be competitive. As the demand analysis indicates, there is adequate demand for the Subject based on our calculations for the 50 and 60 percent AMI units.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. There are two multifamily LIHTC properties in Rome that do not operate with additional subsidies; these properties have been used as comparables in our analysis. These properties reported vacancy rates

ranging from zero percent to 3.8 percent. Ashland Park Apartments, which reported the highest vacancy rate of 3.8 percent, indicated that this rate is typical at the property. Additionally, this property is located in a significantly more isolated neighborhood when compared to that of the Subject. All of the LIHTC comparables indicated that they maintain a waiting list, suggesting that there is demand for additional affordable housing within the local market.

- Upon completion of construction, the Subject will be superior to all of the surveyed properties in terms of age and condition. Additionally, the Subject will offer a superior location when compared to these properties, with the exception of Riverwood Park, which offers a generally similar location. The Subject will offer some of the largest unit sizes in the market and will include a competitive amenity package. Given the Subject's generally superior condition and location, its competitive unit sizes and amenity packages, and taking into account rents being achieved at the comparable properties, we believe that the proposed rents at 50 percent of the AMI are achievable. Additionally, we believe that the Subject's proposed rents at 60 percent of the AMI are reasonable and achievable

Recommendations

- We believe that the Subject's proposed rents at 50 percent AMI should be reasonable and achievable. Riverwood Park, Evergreen Village and Spring Haven, the three comparables offering units at 50 percent of the AMI, reported healthy vacancy rates of between zero and 2.2 percent, respectively. Evergreen Village is currently achieving below maximum allowable rents at 50 percent of the AMI on one-bedroom units, Riverwood Park is achieving close to maximum rents on two-bedroom units, and Spring Haven is currently achieving close to maximum rents on both one and two-bedroom units. Given the Subject's superior age and condition, competitive unit sizes, and its proximity to retail and locational amenities, we believe that the proposed rents are reasonable and achievable.

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

June 10, 2015
Date



Ed Mitchell
Senior Real Estate Analyst

June 10, 2015
Date



Sterling Battle
Researcher
Novogradac & Company LLP

June 10, 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

June 10, 2015
Date



Edward R. Mitchell
Manager-Valuation
Novogradac & Company LLP

June 10, 2015
Date



Sterling Battle
Researcher
Novogradac & Company LLP

June 10, 2015
Date

N. QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of 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

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- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

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

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

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

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

II. Work History

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

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for 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

Sterling Battle

I. Education

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

II. Professional Experience

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

III. Research Assignments

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

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