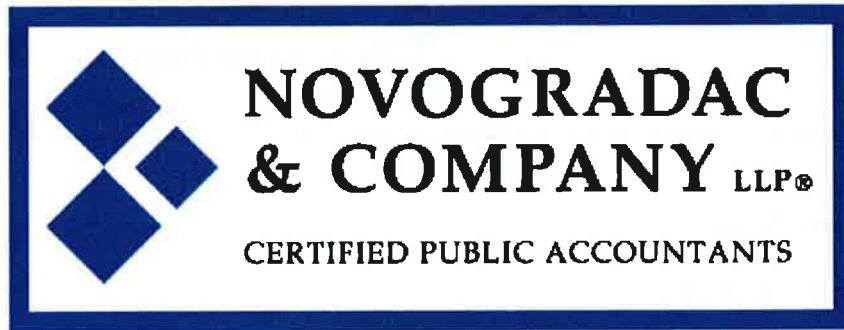


01. MARKET STUDY



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

**Senior Residences at Mercy Park
5134 Peachtree Road
Chamblee, DeKalb County, Georgia**

**Effective Date: May 26, 2015
Report Date: June 9, 2015**

Prepared For

**Ms. Tina Lowe
President
Mercy Housing Southeast
260 Peachtree Street, Suite 1800
Atlanta, GA 30303**

Prepared By

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June 9, 2015

Ms. Tina Lowe
President
Mercy Housing Southeast
260 Peachtree Street, Suite 1800
Atlanta, GA 30303

Re: Market Study for Senior Residences at Mercy Park located in Chamblee, Georgia

Dear Ms. Lowe:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Chamblee, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project (the Subject). The purpose of this market study is to assess the viability of the proposed Housing for Older Persons (HFOP) development Senior Residences at Mercy Park, consisting of 77 revenue generating units. Units will be Housing for Older Persons (HFOP) units targeting seniors age 55 and older earning 50 and 60 percent of the AMI, or less. Further, five of the 77 units will target adults with special needs. 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,



H. Blair Kincer, MAI, CRE
Partner
Novogradac & Company LLP
May 26, 2015
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
May 26, 2015
Date



Lawson Short
Real Estate Analyst
Novogradac & Company LLP
May 26, 2015
Date

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Senior Residences at Mercy Park will be a newly constructed senior property located in Chamblee, Georgia. The property will consist of one four-story elevator-serviced midrise building. Further, the Subject will share grounds with the proposed Mercy Care Health and Wellness Center.

The following table illustrates the unit mix for the Subject including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

PROPOSED RENTS							
Unit Type	Number of Units	Unit Size (SF)	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HOME Maximum Allowable Gross Rent
<i>Low HOME (50% AMI)</i>							
1BR/1BA	9	706	\$514	\$126	\$640	\$640	\$650
2BR/1BA	7	901	\$612	\$155	\$767	\$767	\$780
<i>60% AMI</i>							
1BR/1BA	43	706	\$574	\$126	\$700	\$768	-
2BR/1BA	18	901	\$625	\$155	\$780	\$921	-
Total	77						

Notes (1) Source of Utility Allowance provided by the property-specific HUD Utility Model, effective 6/1/2015

Notes (2) Five of the units will target adults with special needs.

The Subject will offer the following amenities: patio/balcony, blinds, carpeting, central heating and air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, hand rails, microwaves, ovens, pull cords, refrigerators, walk-in closets, washer dryer hook-ups, a business center/computer lab, a courtyard, elevators, an exercise facility, central laundry, off-street parking, on-site management, a picnic area, recreation areas, a library, an adult day care center, video surveillance, limited access, courtesy patrol, and service coordination. Overall, the Subject's amenities will be competitive with those offered at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located at 5134 Peachtree Road, along the north side of Peachtree Road between its intersections with Clairmont Road NE and Chamblee Tucker Road. The Subject is located in Chamblee, just north of the DeKalb-Peachtree Airport and the Chamblee MARTA Station. MARTA is the light rail and connector bus service serving

Atlanta. The Subject is located in a mixed-use neighborhood. It should be noted that the Subject will be part of planned unit development known as Mercy Park, which will also feature Mercy Care Health and Wellness Center adjacent to the east of the Subject site. To the north is a Wal-Mart Supercenter and additional commercial uses in good condition. Immediately east of the Subject site is a three-story office building in average condition followed by commercial uses in average to good condition including Senior Connections, a senior citizens center. Land use immediately south of the Subject site consists of owner-occupied townhomes in good condition followed by commercial uses in average condition, single-family homes in average to good condition, and the DeKalb-Peachtree Airport. Land use southeast of the Subject site consists of the Chamblee MARTA Station. Land use west of the Subject site consists of a single-story office building in average condition followed by commercial uses in average to good condition. Commercial uses in the Subject's neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

3. Market Area Definition:

The PMA is defined as a portion of the northeast Atlanta area including the communities of Chamblee and Doraville. This area bounded by Interstate 285 to the north, US Highway 19 (AKA GA Highway 9) to the west, Lindberg Drive NE and Interstate 85 to the south, and Interstates 85 and 285 to the east. This area was defined based on interviews with a member of the Chamblee Planning Department, and the local housing authority. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates from throughout DeKalb County as well as portions of Fulton County. The Secondary Market Area (SMA) is determined to be the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which consists of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton Counties.

4. Community Demographic Data:

The senior population in the PMA increased from 2010 to 2015, while the senior population in the MSA and nation also experienced growth over this same time period. This

trend is expected to continue over the next five years and the senior population in the PMA is expected to increase at a similar rate compared to that of the MSA and a greater rate compared to the nation through 2019. We believe the sustained growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 19.5 percent of the population in the PMA will be age 55 and older by the projected market entry date of March 2018. The total number of senior households in the PMA increased 0.8 percent from 2010 to 2015. Over the same period of time, the total number of senior households in the MSA increased 2.2 percent. The total number of senior households in the PMA is expected to increase at a faster annual rate of 5.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 5.1 percent over the next five years.

Senior renter households earning under \$30,000 in the PMA comprise 48.3 percent of all income cohorts. The Subject will target senior households 55 and older earning between \$19,200 and \$40,920; therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

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

5. Economic Data:

Professional/scientific/technical services, accommodation/food services, and construction are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2015 year-to-date and has surpassed pre-recessionary levels as of February 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From February 2014 to February 2015, total employment has increased by 4.3 percent in the MSA compared to an increase of 2.1 percent nationally. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.1 percentage points, compared to a decrease of 1.2 percentage points

nationally. The unemployment rate in the MSA as of February 2015 was 6.1 percent, which was 0.3 percentage points above the national rate of 5.8 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels, indicating that the local economy is still in a state of recovery.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 518 income qualified senior renter households in the PMA for the Subject’s affordable units. The following table indicates the capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART					
Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	296	0	296	9	3.0%
1BR at 60% AMI	336	0	336	43	12.8%
2BR at 50% AMI	105	0	105	7	6.6%
2BR at 60% AMI	120	0	120	18	15.0%
All Affordable	518	0	518	77	14.9%

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

7. Competitive Rental Analysis:

The availability of LIHTC data is considered adequate; there are six existing LIHTC properties in the PMA. However, two of these properties were excluded because they do not target seniors. The Subject will target the senior population and we have included the four senior LIHTC properties within the PMA.

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

Other market rate properties were excluded based on proximity, condition, unit types, and tenancy.

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
<i>Low HOME (50% AMI)</i>					
1BR/1BA	\$514	\$578	\$1,260	\$946	-45.7%
2BR/1BA	\$612	\$608	\$1,470	\$1,185	-48.3%
<i>60% AMI</i>					
1BR/1BA	\$574	\$578	\$1,260	\$946	-39.3%
2BR/1BA	\$625	\$608	\$1,470	\$1,185	-47.2%

The Subject’s proposed one and two-bedroom HOME rents will offer a 45.7 to 48.3 percent advantage over the average market rents, while the proposed one and two-bedroom LIHTC rents will offer a 39.3 to 47.2 percent advantage over the average market rents.

Since most of the comparable properties were built prior to 2010, they have been “held harmless” to the recent decrease in AMI and have a higher maximum allowable gross rent level than the Subject, which will be completed in 2018. When rents are “held harmless” a property owner is not required to decrease rents in light of a decrease in the AMI. Instead, the property may continue operating with rent restrictions based upon the higher AMI level prior to the decrease. Note that the 2015 AMI in DeKalb County increased 6.1 percent, but remains below the 2010 AMI level. Per the Georgia DCA 2015 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The

HUD Utility Modeling provided by the client is effective June 1, 2015; therefore, we have utilized the 2015 maximum income and rent limits.

All of the comparable properties reported achieving maximum allowable rents. Chamblee Senior Apartments and Hearthsides Brookleigh are considered the most comparable affordable properties. The Subject will be age-restricted, similar to both of these comparables and will offer a similar location relative to both of these comparables. The Subject will offer a similar in-unit and common area amenities package relative to both of these comparables. Chamblee Senior Apartments was constructed in 2007 and exhibits slightly inferior condition relative to the Subject as complete, while Hearthsides Brookleigh was constructed in 2011 and exhibits similar condition relative to the Subject. Chamblee Senior Apartments offers similar unit sizes relative to those proposed for the Subject, while Hearthsides Brookleigh offers slightly superior unit sizes relative to those proposed at the Subject. Both of these comparables are contained in elevator-serviced midrise designs, similar to the Subject. Overall, the Subject will be similar to slightly superior in comparison to both comparables based largely on the newly constructed condition of the proposed Subject.

The comparable senior affordable properties are exhibiting a weighted average vacancy rate of 0.5 percent with only four vacant units, which is considered excellent. Further, the majority of the affordable senior comparables and one of the market rate comparables maintain waiting lists. We believe the low vacancy rate and existence of waiting lists at the comparable properties demonstrates demand for affordable senior housing in the market. We believe the Subject is feasible as proposed, particularly given its location within close proximity to a MARTA station and the proposed Mercy Care Health and Wellness Center.

8. Absorption/Stabilization**Estimate:**

We were able to obtain absorption information from three comparable senior properties and one market rate property. However, due to development timing, the majority of this data is relatively dated as all but one of the comparables below were completed prior to 2008.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Ashford Landing Senior Residences	LIHTC/PBRA	Senior	2009	117	10
Chamblee Senior Apartments	LIHTC/PBRA	Senior	2007	65	14
Miller Station at Peachtree	Market	Family	2007	192	16
Ashford Parkside	LIHTC	Senior	2007	151	75
Average				131	29

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Ashford Landing Senior Residences is the most recent senior affordable property for which absorption data is available. The absorption rates reported by the comparables range from 10 to 75 units per month, with an average of 29 units per month. The Subject's location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of four to five months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior affordable and the market rate comparables are performing well, with a weighted vacancy rate of 2.7 percent. The affordable senior comparables reported vacancy rates ranging from zero to 2.0 percent with only four vacant units among them and an overall vacancy rate of 0.5 percent. These rates indicate strong demand for affordable senior housing. Additionally, several of the senior affordable properties and one of the market rate properties maintain waiting lists and all of the senior affordable comparables' property managers indicated strong demand for affordable senior housing in the market. The Subject will offer similar to slightly superior in-unit amenities in comparison to the senior affordable comparables and slightly superior in-unit

amenities compared to the market rate comparable properties that do not offer in-unit washer/dryers. The Subject's common area amenities will be similar to the affordable senior comparables and slightly inferior to the market rate comparables. The Subject will offer patio/balconies, coat closets, ceiling fans, hand rails, microwaves, pull cords, recreation areas, service coordination, and free Wi-Fi in common areas, which are not offered at the majority of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior rental market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable senior housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

Senior Residences at Mercy Park, Chamblee, GA; Market Study

Summary Table:

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

Development Name:	Senior Residences at Mercy Park	Total # Units: 77
Location:	5134 Peachtree Road Chamblee, DeKalb County, GA	# LIHTC Units: 77
PMA Boundary:	This area bounded by Interstate 285 to the north, US Highway 19 (AKA GA Highway 9) to the west, Lindberg Drive NE and Interstate 85 to the south, and Interstates 85 and 285 to the east	
	Farthest Boundary Distance to Subject:	6.1

Rental Housing Stock (found on pages 113)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,962	53	97.3%
Market-Rate Housing	5	966	49	94.9%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	4	270	0	100.0%
LIHTC	6	796	4	99.5%
Stabilized Comps	10	1,962	53	97.3%
Properties in Construction & Lease Up	0	N/A	N/A	N/A

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
9	1BR Low HOME	1	706	\$514	\$946	\$1.34	N/Ap	\$1,260	\$1.78
7	2BR Low HOME	1	901	\$612	\$1,185	\$1.32	N/Ap	\$1,470	\$1.63
43	1BR @60%	1	706	\$574	\$946	\$1.34	N/Ap	\$1,260	\$1.78
18	2BR @60%	1	901	\$625	\$1,185	\$1.32	N/Ap	\$1,470	\$1.63

Demographic Data (found on page 32 & 54)

	2010		2015		Mar-18	
Renter Households	5,309	33.30%	5,213	33.30%	6,056	33.90%
Income-Qualified Renter HHs (LIHTC)	1,337	25.18%	2,588	25.18%	2,869	25.18%

Targeted Income-Qualified Renter Household Demand (found on pages 53-60)

Type of Demand	30%	40%	50%	60%	Market Rate	Overall
Renter Household Growth	N/Ap	N/Ap	165	187	N/Ap	212
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	227	258	N/Ap	294
Homeowner conversion (Seniors)	N/Ap	N/Ap	9	11	N/Ap	12
Total Primary Market Demand	N/Ap	N/Ap	401	456	N/Ap	518
Less Comparable/Competitive Supply	N/Ap	N/Ap	0	0	N/Ap	0
Adjusted Income-qualified Renter HHs	N/Ap	N/Ap	401	456	N/Ap	518

Capture Rates (found on page 57)

Targeted Population	30%	40%	50%	60%	Market Rate	Overall
Capture Rate:	N/Ap	N/Ap	4.00%	13.40%	N/Ap	14.90%

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject site is located at 5134 Peachtree Road, near the northeast corner of Clairmont Road and Peachtree Road, in Chamblee, DeKalb County, Georgia 30341.
Construction Type:	The Subject will consist of one four-story elevator-serviced midrise building.
Occupancy Type:	Housing for Older Persons (HFOP) (seniors age 55 and older).
Special Population Target:	Five of the Subject's units will be reserved for tenants with special needs.
Number of Units by Bedroom Type and AMI Level:	See following property profile.
Unit Size:	See following property profile.
Structure Type:	See following property profile.
Rents and Utility Allowances:	See following property profile.
Existing or Proposed Project Based Rental Assistance:	None of the Subject's units will benefit from rental assistance.
Proposed Development Amenities:	See following property profile.

Senior Residences at Mercy Park, Chamblee, GA; Market Study

Property Profile Report

Senior Residences At Mercy Park

Comp # Subject
Effective Rent Date 5/26/2015
Location 5134 Peachtree Road
 Chamblee, GA 30341
 Dekalb County County
Units 73
Vacant Units N/A
Vacancy Rate N/A
Type Midrise
 (4 stories)
Year Built / Renovated Proposed / n/a
Tenant Characteristics Seniors 55+ and disabled



Market

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Midrise (4 stories)	9	706	\$514	\$0	@50% (HOME)	n/a	N/A	N/A	yes
1	1	Midrise (4 stories)	43	706	\$574	\$0	@60%	n/a	N/A	N/A	no
2	1	Midrise (4 stories)	7	901	\$612	\$0	@50% (HOME)	n/a	N/A	N/A	yes
2	1	Midrise (4 stories)	18	901	\$625	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Patrol Video Surveillance
Property	Parking spaces: 80 Business Center/Computer Lab Courtyard Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Recreation Areas Service Coordination Wi-Fi	Premium	none
Services	none	Other	Library, Adult day care

Scope of Renovations:	The Subject will be new construction
Current Rents:	The Subject will be new construction
Current Occupancy:	The Subject will be new construction
Current Tenant Income:	The Subject will be new construction
Placed in Service Date:	The Subject is expected to be completed by March 2018.
Conclusion:	The Subject will be an excellent-quality midrise elevator-serviced apartment complex, comparable or superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

SITE EVALUATION

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

Edward Mitchell visited the site on May 26, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

The parent tract has frontage along the north side of Peachtree Road.

Visibility/Views:

The Subject site is located in a mixed-use neighborhood that consists of owner-occupied townhomes, single-family homes, commercial uses, office buildings, the Chamblee MARTA station, and the DeKalb-Peachtree Airport, which range in condition from average to good. Views to the north consist of commercial uses in good condition, while views to the east and west consist of one to three-story office buildings in average condition, and views to the south consist of owner-occupied townhomes in good condition. The Subject site has average views and good visibility.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject is located in a mixed-use neighborhood. It should be noted that the Subject will be part of planned unit development known as Mercy Park, which will also feature Mercy Care Health and Wellness Center adjacent to the east of the Subject site. To the north is a Wal-Mart Supercenter and additional commercial uses in good condition. Immediately east of the Subject site is a three-story office building in average condition followed by commercial uses in average to good condition including Senior Connections, a senior citizens center. Land use immediately south of the Subject site consists of owner-occupied townhomes in good condition followed by commercial uses in average condition, single-family homes in average to good condition, and the DeKalb-Peachtree Airport. Land use southeast of the Subject site consists of the Chamblee MARTA Station. Land use west of the

Subject site consists of a single-story office building in average condition followed by commercial uses in average to good condition. Commercial uses in the Subject's neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

Positive/Negative Attributes of Site: The Subject will be part of a planned unit development known as Mercy Park, which will also include Mercy Care Health and Wellness Center adjacent to the east of the Subject's site. The Subject's proximity to a MARTA station and other locational amenities and retail uses including a senior citizens center, are considered positive attributes. The Subject's neighborhood is considered "Car-Dependent" by *Walkscore.com* with a rating of 31; however, we believe this rating is very low considering the fact that the site is located adjacent to a Wal-Mart Supercenter and within close proximity to a MARTA station, several commercial uses, the proposed wellness center, and a senior citizens center.

The Subject is located just north of the DeKalb-Peachtree Airport, which is a potential negative attribute considering the noise produced by this land use. However, the presence of the airport has not historically had a negative impact on marketability or property values in the immediate area. It should also be noted that this is a community airport with no large jet engines.

3. Physical Proximity to Locational Amenities:

The Subject is located within 0.9 miles of all locational amenities with the exception of a hospital; however, it should be noted that Mercy Care Health and Wellness Center is proposed for the eastern portion of the Subject's parent tract. As such, upon completion, all locational amenities will be located within 0.9 miles of the Subject site. Additionally, the Subject offers excellent access to a senior center, a bus stop, and a MARTA station.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



Subject site



Subject site



Owner-occupied multifamily development directly across from the Subject



Midrise office building adjacent to Subject



Single-story office building adjacent to Subject



Chamblee MARTA station in neighborhood



Walmart-anchored center adjacent to Subject



Walmart-anchored center adjacent to Subject



Upscale lofts in neighborhood



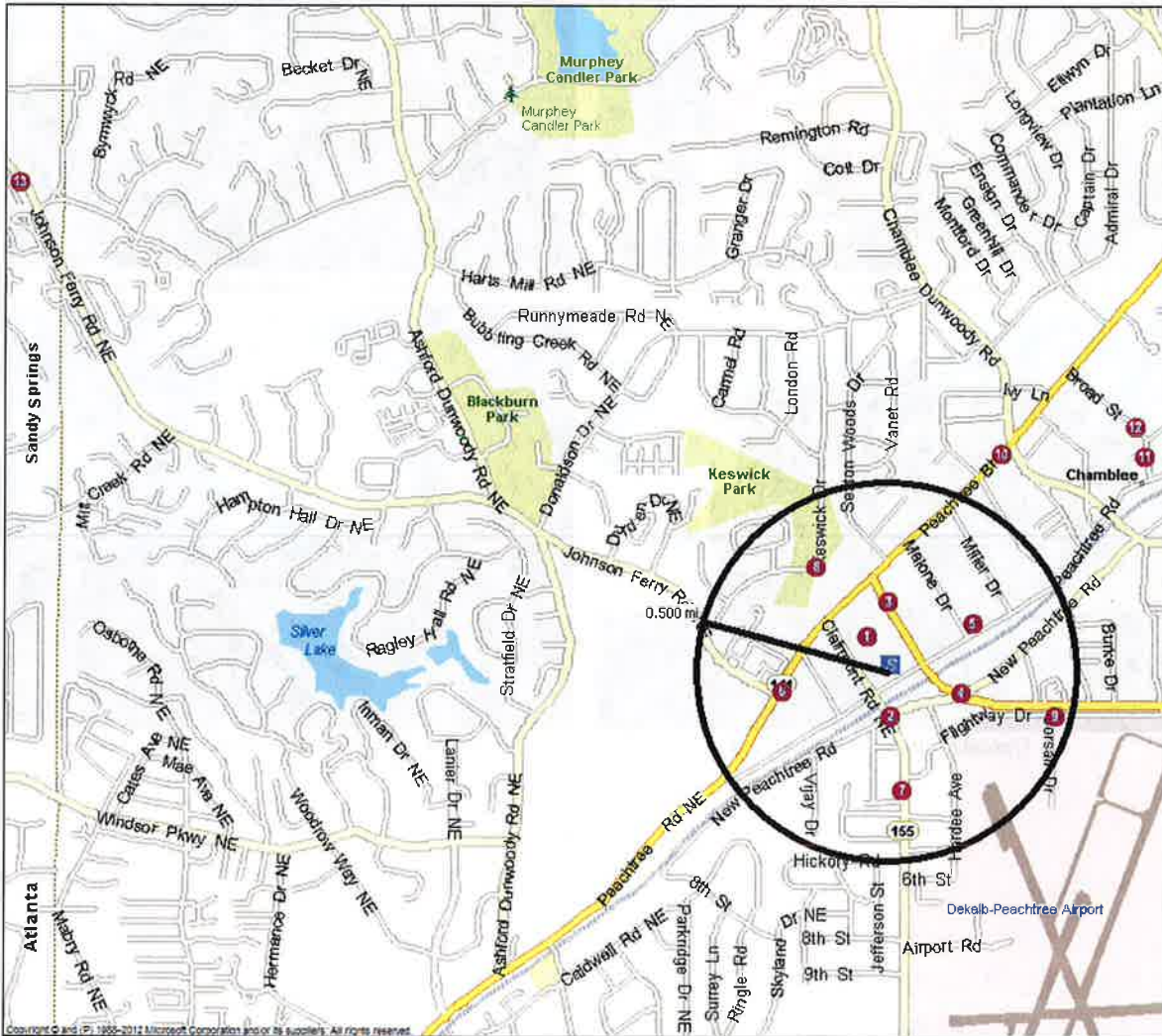
Street view Peachtree Road facing west



Street view along Peachtree Road facing east

5. Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES		
Map Number	Service or Amenity	Miles From Subject
1	Wal-Mart Supercenter	Adjacent
2	Bus Stop	0.1 miles
3	Chase Bank	0.1 miles
4	Chamblee MARTA Station	0.1 miles
5	Senior Connections	0.3 miles
6	BP Gas Station	0.2 miles
7	Chamblee Public Library	0.3 miles
8	Kesswick Park	0.6 miles
9	DeKalb Peachtree Airport	0.5 miles
10	Walgreens Pharmacy	0.7 miles
11	Police Station	0.9 miles
12	Post Office	0.9 mile
13	St. Joseph's Hospital	2.7 miles

6. Description of Land Uses:

The Subject is located in a mixed-use neighborhood. To the north is a Wal-Mart Supercenter and additional commercial uses in good condition. Immediately east of the Subject site is a three-story office building in average condition, followed by commercial uses in average to good condition, including Senior Connections, a senior citizens center. Mercy Care Health and Wellness Center is proposed for the eastern portion of the Subject's parent tract. Land use immediately south of the Subject site consists of owner-occupied townhomes in good condition followed by commercial uses in average condition, single-family homes in average to good condition, and the DeKalb-Peachtree Airport. Land use southeast of the Subject site consists of the Chamblee MARTA Station. Land use west of the Subject site consists of a single-story office building in average condition followed by commercial uses in average to good condition. Commercial uses in the Subject's neighborhood appeared to be approximately 90 percent occupied at the time of inspection.

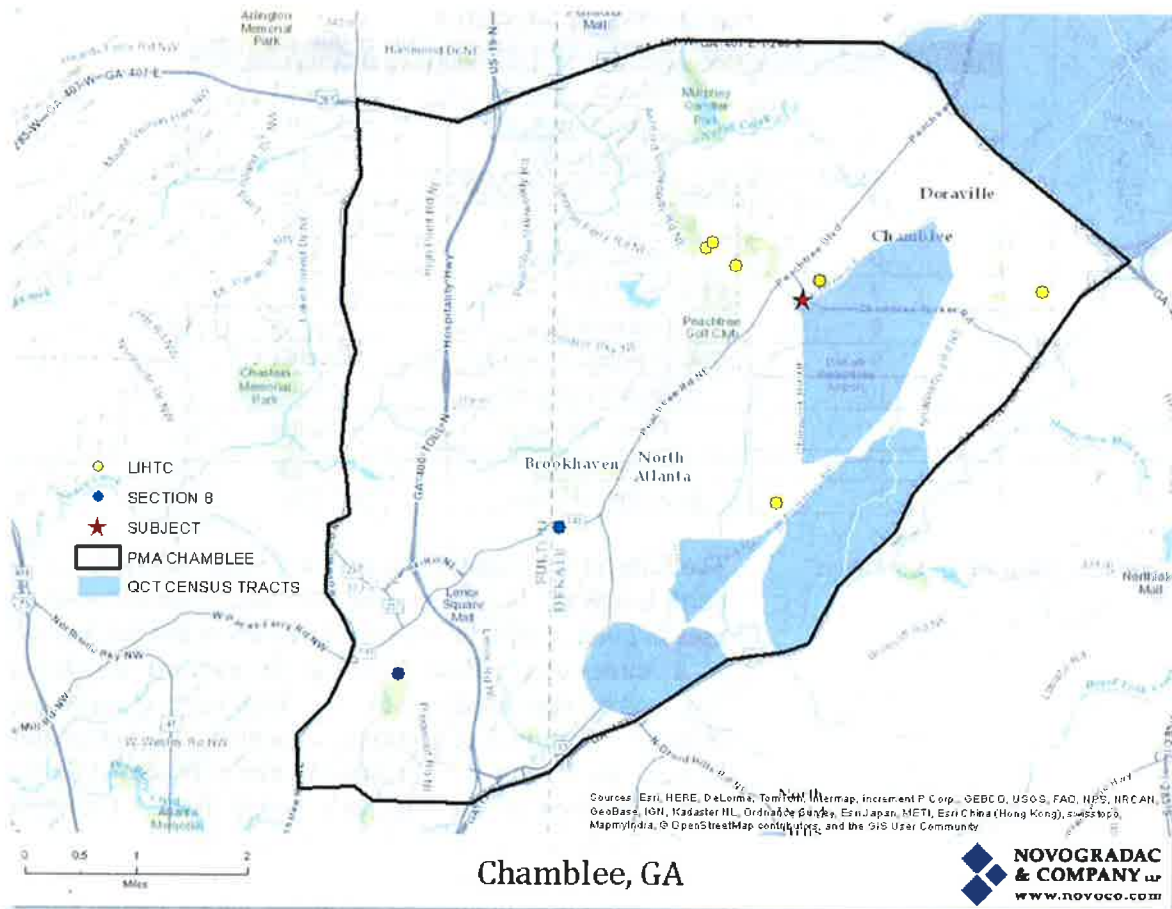
7. Existing Assisted Rental Housing

Property Map:

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

EXISTING AND PROPOSED ASSISTED RENTAL HOUSING IN PMA

Name	Address	City	State	Zip Code	Type	Map Color	Included/ Excluded	Reason for Exclusion
Mercy Park	5134 Peachtree Road	Chamblee	GA	30341	LIHTC	Red Star	N/Ap	N/Ap
Chestnut Creek	3374 Aztec Road	Atlanta	GA	30340	LIHTC	Yellow	Excluded	Family tenancy
Ashford Parkside	3522 Blair Circle	Atlanta	GA	30319	LIHTC		Included	N/Ap
Ashford Landing Senior Residences	3521 Blair Circle NE	Atlanta	GA	30319	LIHTC/PBRA		Included	N/Ap
Chamblee Senior Apartments	3381 Malone Drive	Chamblee	GA	30341	LIHTC/PBRA		Included	N/Ap
Hearthside Brookleigh	2282 Johnson Ferry Road	Atlanta	GA	30319	LIHTC/PBRA/Market	Blue	Included	N/Ap
Bryton Hill Apartments	2527 Skyland Drive NE	Atlanta	GA	30319	LIHTC		Excluded	Family tenancy
Calvin Court	479 E. Paces Ferry Road	Atlanta	GA	30305	Section 8/Market		Excluded	Unable to contact
Lenox Summit	2449 E. Club Drive NE	Atlanta	GA	30319	Section 8		Excluded	Subsidized Rents



Note: The Section 8 and PBRA properties all offer project-based rental assistance.

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

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

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

The Subject site is accessible from the north side of Peachtree Road, an arterial that provides direct access to Peachtree Boulevard, the primary northeast-southwest arterial in the area, to the southwest. Peachtree Boulevard provides direct access to GA-400 Toll Road to the southwest and to Interstate 285 to the northeast. Traffic flow in the immediate area is good. Overall, access and visibility are considered good.

10. Environmental Concerns:

We were not provided with an environmental assessment report. However, according to documents provided by the client, the Subject is a designated Brownfield site, which is defined by the Environmental Protection Agency (EPA) as “real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential

presence of a hazardous substance, pollutant, or contaminant.” According to a limitation of liability provided by the client from the Georgia Department of Natural Resources, the soil on the Subject site is in compliance with the residential soil risk reduction standards for volatile organic compounds, polyaromatic hydrocarbons, pchlorinated biphenyls, and RCRA metals as determined using US EPA Methods. According to this limited liability document, to maintain continued compliance, “the potential for indoor air vapor intrusion shall be re-evaluated and any vapor mitigation measures employed during redevelopment shall be submitted to EPD within 30 days of the evaluation and/or any required mitigation.” The limitation of liability goes on to state that the “prospective purchaser shall not be liable to the state or any other third part for costs incurred in the remediation of equitable relief relating to, or damages resultant from the pre-existing release, nor shall the prospective purchaser be required to certify compliance with risk reduction standards for ground water, perform corrective action, or otherwise be liable for any preexisting releases to ground water associated with the qualifying property.” Novogradac and Company LLP are not experts in this field and cannot further opine.

11. Conclusion:

The Subject site is located at 5134 Peachtree Road near the northwest corner of Peachtree Road and Chamblee Tucker Road. The Subject will be part of a larger planned unit development known as Mercy Park, which will also include Mercy Care Health and Wellness Center. Surrounding uses consist of commercial and office buildings and owner-occupied townhomes, which range in condition from average to good. A MARTA station, bus stop, and senior center are also located within close proximity to the Subject site. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject’s neighborhood is considered “Car-Dependent” by *Walkscore.com* with a rating of 31; however, we believe this rating is very low considering the fact that the site is located adjacent to a Wal-Mart Supercenter and within close proximity to a MARTA station, several commercial uses, the proposed wellness center, and a senior citizens center. The Subject site is considered a desirable building site for senior rental housing. The Subject is located within 0.9 miles of all locational amenities with the exception of a hospital; however, as previously discussed, Mercy Care Health and Wellness Center is proposed for the eastern portion of the Subject’s parent tract. As such, upon

completion, all locational amenities will be located within 0.9 miles of the Subject site.



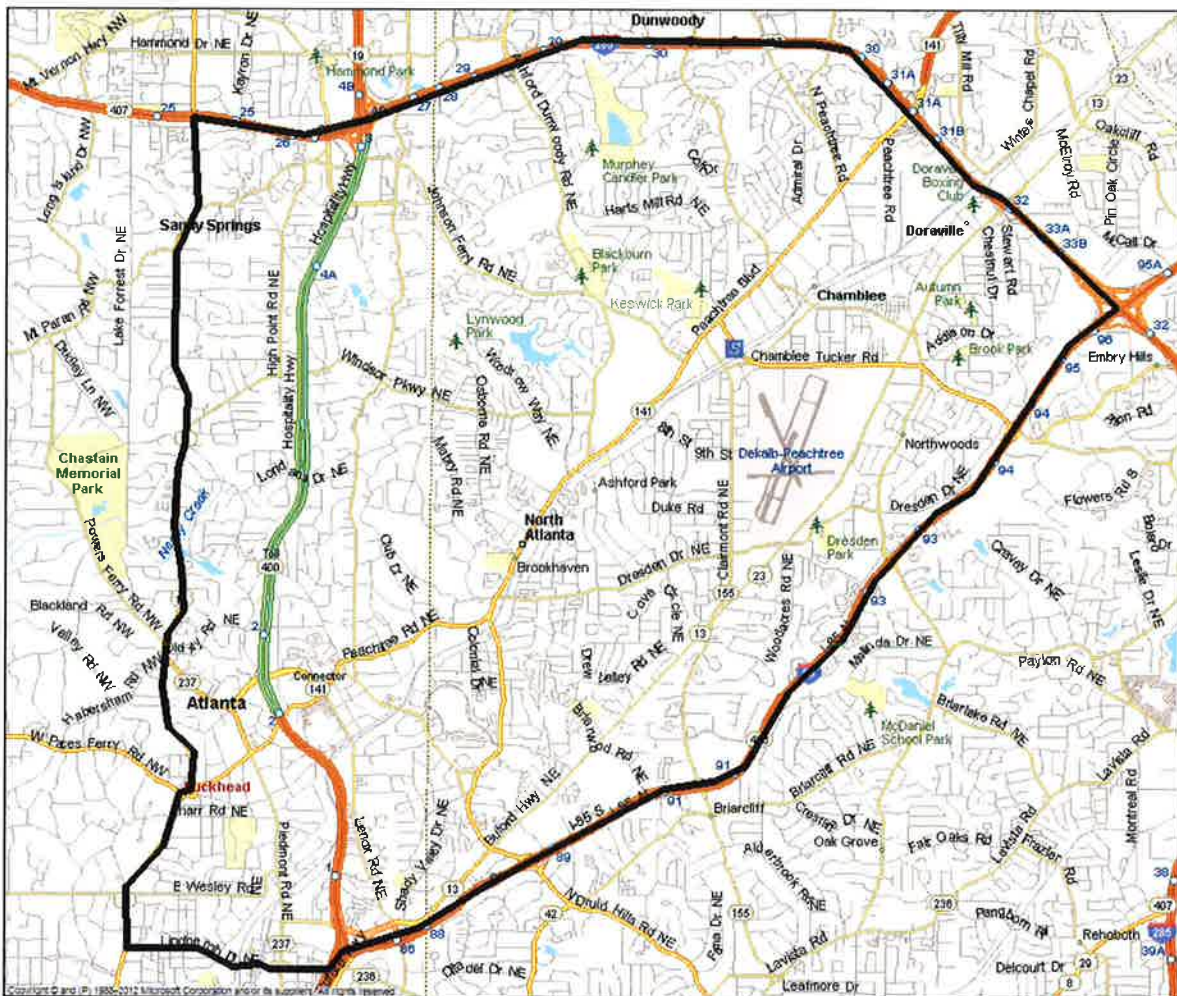
D. MARKET AREA

MARKET AREA

Primary Market Area

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

Primary Market Area Map



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

The PMA is defined as a portion of the northeast Atlanta area including the communities of Chamblee and Doraville. This area bounded by Interstate 285 to the north, US Highway 19 (AKA GA Highway 9) to the west, Lindberg Drive NE and Interstate 85 to the south, and Interstates 85 and 285 to the east. This area was defined based on interviews with a member of the Chamblee Planning Department, and the local housing authority. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates from throughout DeKalb County as well as portions of Fulton County. The Secondary Market Area (SMA) is determined to be the Atlanta-Sandy Springs-Roswell, Georgia Metropolitan Statistical Area (MSA), which consists of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton Counties.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject site is approximately 6.3 miles.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Metropolitan Statistical Area (MSA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. It should be noted that per DCA market study guidelines, source data must be Claritas, State Data Center or US Census/American Fact Finder. However, the demographic data presented in this report originates from the Census and is compiled by a third party analyst. Novogradac & Company uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI's team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI's products have been used by almost all US federal agencies (including HUD and USDA), top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2019. It should be noted that the Subject will be a Housing for Older Persons (HFOP) and per 2015 DCA Market Study Guidelines household trends for these projects are based on households who are 55 years or older. As such, data for seniors 55 and older has been presented in lieu of data for seniors 62 and older.

TOTAL POPULATION						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	118,779	-	4,263,438	-	281,421,906	-
2010	131,389	1.1%	5,286,728	2.4%	308,745,538	1.0%
2015	137,921	0.9%	5,467,379	0.7%	314,467,933	0.4%
Projected Mkt Entry March 2018	143,618	1.5%	5,682,942	1.5%	322,051,827	0.9%
2019	146,466	1.5%	5,790,724	1.5%	325,843,774	0.9%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

TOTAL SENIOR POPULATION (55+)						
Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	18,255	-	646,403	-	59,266,437	-
2010	21,951	2.0%	1,028,311	5.9%	76,750,713	3.0%
2015	25,142	2.8%	1,190,600	3.0%	83,352,075	1.6%
Projected Mkt Entry March 2018	28,021	4.3%	1,325,659	4.3%	90,315,639	3.1%
2019	29,461	4.3%	1,393,188	4.3%	93,797,421	3.1%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

POPULATION BY AGE GROUP							
Age Cohort	PMA					Projected Mkt Entry March 2018	2019
	1990	2000	2010	2015	Projected Mkt Entry March 2018		
0-4	7,294	10,119	9,677	9,929	10,055	0-4	
5-9	5,335	7,305	8,521	8,527	8,530	5-9	
10-14	4,245	5,036	6,643	7,396	7,772	10-14	
15-19	6,080	5,019	5,726	6,517	6,913	15-19	
20-24	12,690	11,642	10,875	11,458	11,750	20-24	
25-29	17,736	19,001	16,299	16,347	16,371	25-29	
30-34	14,977	14,711	16,026	15,212	14,805	30-34	
35-39	11,025	12,026	12,153	13,087	13,554	35-39	
40-44	8,395	9,507	10,492	10,323	10,238	40-44	
45-49	6,701	8,111	8,677	9,042	9,225	45-49	
50-54	6,048	6,961	7,689	7,757	7,791	50-54	
55-59	4,295	5,567	6,509	6,996	7,240	55-59	
60-64	3,022	5,048	5,325	6,036	6,391	60-64	
65-69	2,559	3,226	4,364	4,719	4,896	65-69	
70-74	2,485	2,213	2,783	3,480	3,829	70-74	
75-79	2,400	1,957	2,070	2,443	2,629	75-79	
80-84	1,641	1,786	1,748	1,841	1,887	80-84	
85+	1,853	2,154	2,343	2,507	2,589	85+	
Total	118,781	131,389	137,920	143,617	146,465	Total	

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	PMA			MSA		
	<i>Total Population</i>	<i>Non-Elderly</i>	<i>Elderly (55+)</i>	<i>Total Population</i>	<i>Non-Elderly</i>	<i>Elderly (55+)</i>
2000	118,781	100,526	18,255	4,263,438	3,617,035	646,403
2010	131,389	109,438	21,951	5,286,728	4,258,417	1,028,311
2015	137,920	112,778	25,142	5,467,379	4,276,779	1,190,600
Projected Mkt Entry March 2018	143,617	115,595	28,021	5,682,942	4,357,284	1,325,659
2019	146,465	117,004	29,461	5,790,724	4,397,536	1,393,188

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

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

The senior population in the PMA increased from 2010 to 2015, while the senior population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next five years and the senior population in the PMA is expected to increase at a similar rate to that of the MSA and a slightly faster rate compared to the nation through 2019. We believe the sustained growth of the senior population in the PMA is a positive indication of demand for the Subject’s proposed age-restricted units. Approximately 19.5 percent of the population in the PMA will be age 55 and older by the projected market entry date of March 2018.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
2000	49,893	-	1,566,711	-
2010	57,766	1.6%	1,943,885	2.4%
2015	60,739	1.0%	2,010,072	0.6%
Projected Mkt Entry March 2018	63,593	1.8%	2,091,563	1.5%
2019	65,020	1.4%	2,132,309	1.2%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

TOTAL NUMBER OF SENIOR HOUSEHOLDS (55+)				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
2000	11,353	-	396,452	-
2010	15,046	3.3%	612,737	5.5%
2015	15,645	0.8%	684,282	2.2%
Projected Mkt Entry March 2018	17,839	5.3%	777,390	5.1%
2019	18,935	5.3%	823,945	5.1%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

AVERAGE HOUSEHOLD SIZE						
Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.33	-	2.67	-	2.58	-
2010	2.25	-0.3%	2.68	0.0%	2.58	0.0%
2015	2.25	0.0%	2.68	0.0%	2.58	0.0%
Projected Mkt Entry March 2018	2.24	-0.2%	2.68	0.0%	2.57	0.0%
2019	2.24	-0.1%	2.68	0.0%	2.57	0.0%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

The total number of senior households in the PMA increased 0.8 percent from 2010 to 2015. Over the same period of time, the total number of senior households in the MSA increased 2.2 percent. The total number of senior households in the PMA is expected to increase at a faster annual rate of 5.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 5.1 percent over the next five years. Average household size in the PMA is currently 2.25 persons, which is projected to decrease slightly through 2019. Overall, the projected increase in senior households age 55 and older is a positive indicator for the proposed Subject's age-restricted units.

2b. Households by Tenure

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

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)								
Year	PMA				Atlanta-Sandy Springs-Roswell, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	9,737	64.7%	5,309	35.3%	479,032	78.2%	133,705	21.8%
2015	10,433	66.7%	5,213	33.3%	531,280	77.6%	153,002	22.4%
Projected Mkt Entry March 2018	11,782	66.1%	6,056	33.9%	602,505	77.5%	174,885	22.5%
2019	12,457	65.8%	6,478	34.2%	638,118	77.4%	185,826	22.6%

Source: ESRI Demographics 2015, Novogradac & Company LLP, 5/2015

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

2c. Households by Income

The following table depicts senior renter household income in 2015, the projected market entry March 2018, and 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 55+)						
Income Cohort	2015		Projected Mkt Entry		2019	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	771	14.8%	942	15.6%	1,027	15.9%
\$10,000-19,999	1,001	19.2%	1,201	19.8%	1,301	20.1%
\$20,000-29,999	744	14.3%	877	14.5%	943	14.6%
\$30,000-39,999	409	7.8%	509	8.4%	559	8.6%
\$40,000-49,999	405	7.8%	474	7.8%	508	7.8%
\$50,000-59,999	347	6.6%	381	6.3%	397	6.1%
\$60,000-74,999	315	6.0%	372	6.1%	400	6.2%
\$75,000-99,999	446	8.6%	493	8.1%	516	8.0%
\$100,000-124,999	281	5.4%	287	4.7%	290	4.5%
\$125,000-149,999	171	3.3%	187	3.1%	195	3.0%
\$150,000-199,999	165	3.2%	171	2.8%	174	2.7%
\$200,000+	158	3.0%	164	2.7%	167	2.6%
Total	5,213	100.0%	6,056	100.0%	6,478	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, 5/2015

Senior renter households earning under \$30,000 in the PMA comprise 48.3 percent of all income cohorts. The Subject’s income limits will range from \$19,200 to \$40,920. As such, a large portion of senior renter households will income qualify to reside at the Subject’s units, and the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased 6.1 percent in 2015.

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

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION OF SENIORS 55+								
Household Size	2000		2010		2015		2019	
	Total Renter Households	Percent	Total Households	Percent	Total Renter Households	Percent	Total Renter Households	Percent
1 person	2,539	64.1%	3,011	56.7%	3,257	62.5%	4,004	61.8%
2 persons	1,000	25.3%	918	17.3%	963	18.5%	1,221	18.8%
3 persons	137	3.5%	478	9.0%	434	8.3%	542	8.4%
4 persons	114	2.9%	387	7.3%	212	4.1%	273	4.2%
5+ persons	168	4.2%	516	9.7%	348	6.7%	438	6.8%
Total	3,958	100.0%	5,309	100.0%	5,213	100.0%	6,478	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, 5/2015

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

Conclusion

The senior population in the PMA increased from 2010 to 2015, while the senior population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next five years and the senior population in the PMA is expected to increase at a similar rate compared to that of the MSA and a greater rate compared to the nation through 2019. We believe the sustained growth of the senior population in the PMA is a positive indication of demand for the Subject’s proposed age-restricted units. Approximately 19.5 percent of the population in the PMA will be age 55 and older by the projected market entry date of March 2018. The total number of senior households in the PMA increased 0.8 percent from 2010 to 2015. Over the same period of time, the total number of senior households in the MSA increased 2.2 percent. The total number of senior households in the PMA is expected to increase at a faster annual rate of 5.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 5.1 percent over the next five years.

Senior renter households earning under \$30,000 in the PMA comprise 48.3 percent of all income cohorts. The Subject will target senior households 55 and older earning between \$19,200 and \$40,920; therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

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

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

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

According to the 2014 fourth quarter *Reis* report on Atlanta, “for years, the Atlanta area economy was a major growth juggernaut attracting out-of-area business and seeing high rates of job growth though robust residential development spread rapidly throughout suburban and exurban reaches. Even before the recession, however, expectations of future expansion were being downgraded. While Atlanta often defied the projections for slower growth, post-recession job creation has not matched the boom-like trends common earlier. That said, however, the economy continues to show considerable strength. The city itself, now replete with redevelopment projects, remains dynamic with a broad-based employment profile. And the recession has been left far behind. According to preliminary data provided by the U.S. Bureau of Labor Statistics (BLS), total non-farm employment as of December 2014 was up 35,700 jobs (1.4 percent) from the total recorded for December 2007.

Recent gains have been substantial. Preliminary BLS data for December 2014 indicate a 12-month increase in total non-farm employment on the order of 64,700 jobs (2.6 percent). Growth over 24 months is reported at 127,800 jobs (5.2 percent). Tracked by industry sector, the largest numerical increase and the highest rate of growth over the latest December-to-December span are indicated for the Trade, Transportation, and Utilities sector with a net gain of 22,500 jobs, representing an increase of 4.1 percent. Gains of 3.6 percent in both the Professional and Business Services and Leisure and Hospitality Sectors represented respective net gains of 15,700 and 8,900 jobs. While the Construction sector was relatively quiet with a 12-month net gain of 1,900 jobs (growth at 2.0 percent), employment in this sector over 24 months was up fully 9,400 jobs (10.5 percent).

The Atlanta area, moreover, has been the beneficiary of several recent major corporate decisions. The latest, coming in January 2015, was NCR’s decision to move its headquarters from suburban Gwinnett County to a new building in Midtown Atlanta, ‘bringing 3,600 jobs and an investment of nearly \$260 million,’ Atlanta Business Chronicle reported at the time (of course, Gwinnett County will suffer a proportionate loss). The city has approved a \$3.2 million incentives package in support of the move. Also in January, Mercedes-Benz USA announced that it would move its headquarters from New Jersey to Atlanta. A \$100 million, 12-acre, 200,000-square-foot campus to employ 600 personnel is planned for Sandy Springs, sources report. In nearby Dunwoody, in what the Chronicle described as ‘one of the largest projects in the region’s history,’ State Farm Insurance Company is building an employment center that will host up to 8,000 employees. And a major mixed-use development—‘a city within a city,’ according to the Chronicle—is planned for the former 165-acre General Motors plant in Doraville. Demolition commenced on January 9th.

The local housing market has gathered strength as well. Reporting in late January 2015, the Chronicle described Atlanta as ‘one of the leaders in the U.S. housing recovery.’ Stated a top executive at IberiaBank Corporation to this source, ‘Local Market Monitor projects a 25.0 percent increase in home prices in Atlanta over the next three years and is currently underpriced 21.0 percent relative to infill.’

Even if Atlanta does not regain its legendary juggernaut posture of the pre-2000 period, its economy should continue to benefit from strong embedded fundamentals. It is the major economic pillar of the Southeast, it attracts a broad base of business from white-collar to distribution, it hosts a vibrant urban core active with redevelopment on a major scale, and it continues to see rates of population growth above the nation's. Job creation at favorable rates should continue, barring interference on the part of national trends."

1. Total Jobs

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

TOTAL JOBS IN DEKALB COUNTY, GA		
Year	Total Employment	% Change
2004	341,370	-
2005	338,549	-0.8%
2006	361,923	6.5%
2007	371,555	2.6%
2008	374,716	0.8%
2009	340,668	-10.0%
2010	320,941	-6.1%
2011	324,080	1.0%
2012	333,684	2.9%
2013	334,460	0.2%
2014 YTD Average	339,059	1.4%
Dec-13	335,502	-
Dec-14	341,253	1.7%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2014

As illustrated in the table above, DeKalb County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2009 with a 10 percent decrease in total jobs over that year. Total jobs continued to decrease in 2010, albeit at a slightly slower rate. However, covered employment has increased each year from 2011 to 2014 year-to-date. From December 2013 to December 2014, covered employment increased by 1.7 percent. As such, the local economy appears to be recovering well from the economic recession, though it has some way to go before reaching pre-recessionary employment levels. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2. Total Jobs by Industry

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

MARCH 2014 COVERED EMPLOYMENT DeKalb County, Georgia

	Number	Percent
Total, all industries	25,528	-
Goods-producing	5,400	-
Natural resources and mining	591	2.3%
Construction	1,145	4.5%
Manufacturing	3,664	14.4%
Service-providing	20,128	-
Trade, transportation, and utilities	6,848	26.8%
Information	415	1.6%
Financial activities	1,152	4.5%
Professional and business services	2,713	10.6%
Education and health services	4,974	19.5%
Leisure and hospitality	2,995	11.7%
Other services	1,018	4.0%
Unclassified	13	0.1%

Source: Bureau of Labor Statistics, 2015

The largest sector in Dekalb County, according to the Bureau of Labor Statistics, is the trade/transportation/utilities industry, followed by the educational and health services, and manufacturing industries. 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 industry is historically an unstable sector. However, due to the close proximity to Atlanta, a major tourism and business spot in Georgia, these industries (specifically trade and transportation) continue to prosper. 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
Prof/Scientific/Tech Services	10,380	14.6%	9,808,289	6.8%
Accommodation/Food Services	7,767	10.9%	10,849,114	7.6%
Construction	7,087	10.0%	8,291,595	5.8%
Retail Trade	6,464	9.1%	16,592,605	11.6%
Health Care/Social Assistance	5,166	7.3%	20,080,547	14.0%
Admin/Support/Waste Mgmt Svcs	4,660	6.5%	6,316,579	4.4%
Finance/Insurance	4,634	6.5%	6,884,133	4.8%
Educational Services	4,445	6.2%	12,979,314	9.1%
Other Services (excl Publ Adm)	3,400	4.8%	7,850,739	5.5%
Information	3,221	4.5%	2,577,845	1.8%
Manufacturing	3,209	4.5%	15,162,651	10.6%
Real Estate/Rental/Leasing	2,713	3.8%	2,627,562	1.8%
Wholesale Trade	2,050	2.9%	3,628,118	2.5%
Public Administration	1,979	2.8%	6,713,073	4.7%
Transportation/Warehousing	1,782	2.5%	5,898,791	4.1%
Arts/Entertainment/Recreation	1,631	2.3%	3,151,821	2.2%
Mgmt of Companies/Enterprises	246	0.3%	97,762	0.1%
Agric/Forestry/Fishing/Hunting	154	0.2%	1,800,354	1.3%
Utilities	127	0.2%	1,107,105	0.8%
Mining	61	0.1%	868,282	0.6%
Total Employment	71,176	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, 5/2015

Professional/scientific/technical services, accommodation/food services, and construction are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The PMA is overrepresented in the professional/scientific/technical services, accommodation/food services, construction, information, and real estate/rental/leasing industries, relative to the nation. Comparatively, the health care/social assistance, educational services, and manufacturing sectors are underrepresented in the PMA.

3. Major Employers

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

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

Source: Metro Atlanta Chamber, December 2014, Novogradac & Company LLP, 5/2015

MAJOR EMPLOYERS		
Chamblee, GA		
Employer	Industry	Number Employed
Wal-Mart Supercenter	Retail	374
Jim Ellis Volkswagen Inc	Retail	249
RR Donnelley	Manufacturing	197
UniHealth Post-Acute Care	Healthcare	193
Rollins Inc	Manufacturing	189
Curry Cars LLC	Retail	178
Sam's Club	Retail	174
Jim Ellis Atlanta Inc	Retail	162
World Toyota	Retail	135
Epps Air Service	Aviation	135

Source: City of Chamblee Economic Development Department, Novogradac & Company, 5/2015

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

The largest employers within the City of Chamblee are primarily in the retail, manufacturing, and healthcare sectors. The largest employer in the city is Wal-Mart, which is located just north of the Subject site.

Expansions/Contractions

We spoke with Adam Causey, Director of Economic Development at the City of Chamblee, in regards to the business expansions and contractions in the Chamblee area. Mr. Causey reported the following:

New Business/Development

- Whole Foods will anchor Peachtree Crossing, an 11-acre mixed-use redevelopment project at Johnson Ferry Road and Peachtree Boulevard in Chamblee. Whole Foods plans to develop a 90,000-square foot retail building at the site. Construction is expected to begin in the summer of 2015.
- The Olmsted, a 283-unit mixed-use development, recently broke ground in November of 2014. This project is the first multifamily project approved in Chamblee in nearly a decade. The site will feature one, two, and three-bedroom apartments and will target the general population. Upon completion the project will feature 11,000 square feet of retail space including two restaurants. This development will be located across the street from the Chamblee MARTA stations and has been further detailed in the *Interviews* section of this report. The project is expected to be completed by January 2016.
- Parkview on Peachtree, a 597-unit luxury mixed-use development with 80,000 square feet office and retail space, is expected to begin construction in 2015. The project will be developed in two phases. This development will feature one, two, and three bedroom apartments and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road. This development is also discussed further in the *Interviews* section of this report.

Business Expansions

- Ed Boyles Kia Galleria and Jim Ellis Audi have both began construction on new car dealerships in Chamblee. Both of these developments will be located along Peachtree Boulevard.

Mr. Causey stated he was not aware of any major business closures or contractions in Chamblee within the past five years.

In addition, Mr. Causey stated the city is seeing a significant uptick in redevelopment projects, with an emphasis on mixed-use developments. Mr. Causey noted the city has seen more proposed projects in the past year and stated that the economic forecast for the Chamblee market is positive.

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

WARN NOTICES

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

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

As illustrated in the above table, DeKalb County lost 602 jobs since 2013, 44 of which were from within the PMA.

4. Employment and Unemployment Trends

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

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	2,329,891	-	3.7%	-	136,933,000	-	4.7%	-
2002	2,324,880	-0.2%	5.0%	1.3%	136,485,000	-0.3%	5.8%	1.1%
2003	2,347,173	1.0%	4.9%	-0.2%	137,736,000	0.9%	6.0%	0.2%
2004	2,382,163	1.5%	4.8%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,445,674	2.7%	5.4%	0.6%	141,730,000	1.8%	5.1%	-0.4%
2006	2,538,141	3.8%	4.7%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	2,618,825	3.2%	4.4%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,606,822	-0.5%	6.2%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	2,452,057	-5.9%	9.9%	3.8%	139,877,000	-3.8%	9.3%	3.5%
2010	2,389,549	-2.5%	10.5%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	2,428,103	1.6%	10.1%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	2,487,638	2.5%	9.0%	-1.1%	142,469,000	1.9%	8.1%	-0.8%
2013	2,513,530	1.0%	7.9%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2014	2,552,790	1.6%	7.0%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	2,636,456	3.3%	6.2%	-0.8%	147,101,667	0.5%	5.8%	-0.4%
Feb-2014	2,533,810	-	7.2%	-	144,134,000	-	7.0%	-
Feb-2015	2,641,634	4.3%	6.1%	-1.1%	147,118,000	2.1%	5.8%	-1.2%

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

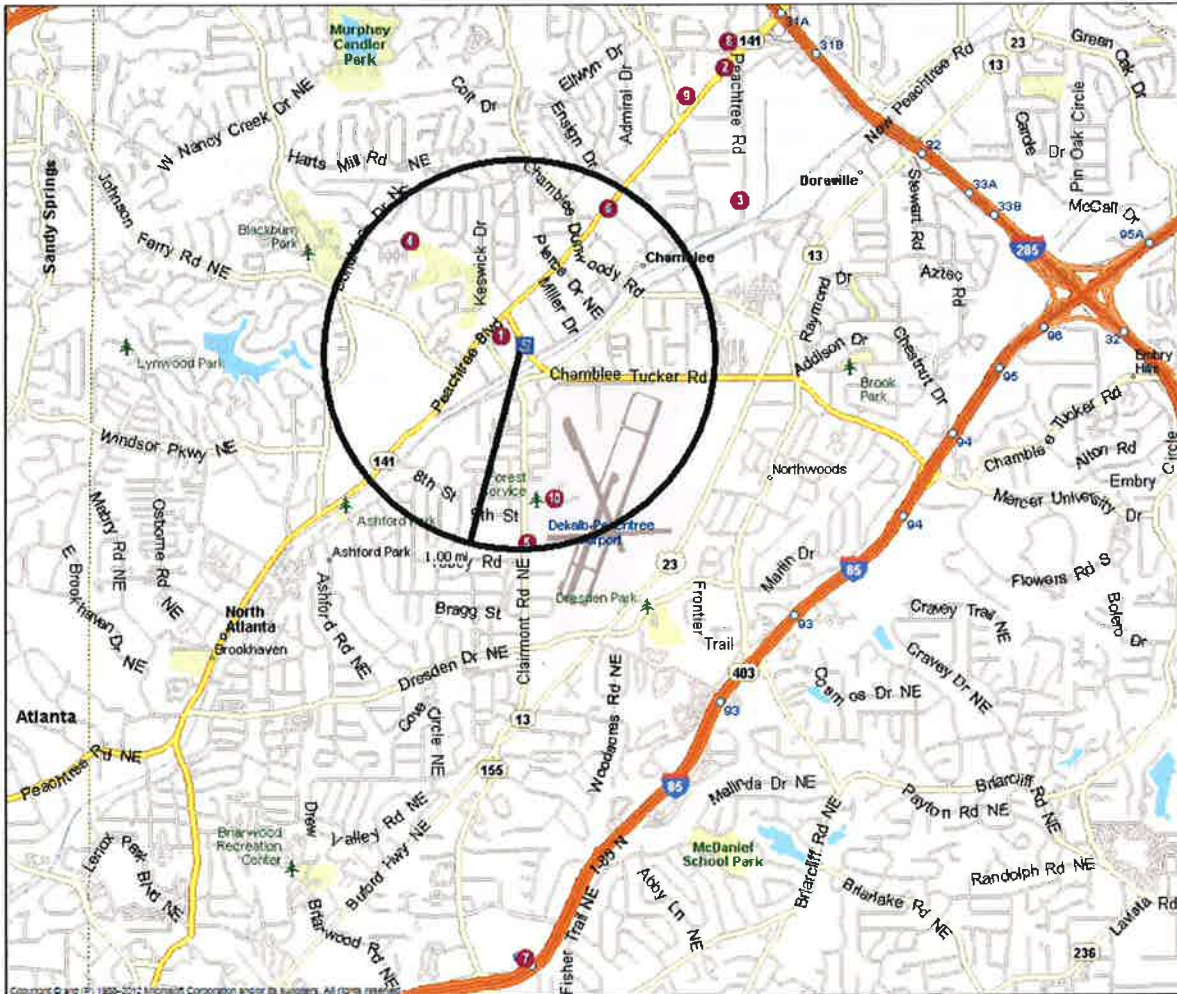
*2015 data is through Dec

Total employment increased each year from 2003 to 2007. These increases were significant; however, they were followed by decreases from 2008 to 2010 as a result of the economic recession. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2015 year-to-date and has surpassed pre-recessionary levels as of February 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From February 2014 to February 2015, total employment has increased by 4.3 percent in the MSA compared to an increase of 2.1 percent nationally.

Prior to the economic recession, the unemployment rate in the MSA was generally in line with or slightly below that of the nation. However, the unemployment rate in the MSA experienced a slightly more significant increase during the national recession and has remained above the nation since. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.1 percentage points, compared to a decrease of 1.2 percentage points nationally. The unemployment rate in the MSA as of February 2015 was 6.1 percent, which was 0.3 percentage points above the national rate of 5.8 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels, indicating that the local economy is still in a state of recovery.

5. Map of Site and Major Employment Concentrations

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



MAJOR EMPLOYERS				
Chamblee				
#	Employer	Industry	Number Employed	Distance from Subject
1	Wal-Mart Supercenter	Retail	374	Adjacent
2	Jim Ellis Volkswagen Inc	Retail	249	1.8 miles
3	RR Donnelley	Manufacturing	197	1.4 miles
4	UniHealth Post-Acute Care	Healthcare	193	0.8 miles
5	Rollins Inc	Manufacturing	189	1.0 mile
6	Curry Cars LLC	Retail	178	0.9 miles
7	Sam's Club	Retail	174	3.1 miles
8	Jim Ellis Atlanta Inc	Retail	162	2.0 miles
9	World Toyota	Retail	135	1.6 miles
10	Epps Air Service	Aviation	135	0.8 miles

Source: City of Chamblee Economic Development Department, Novogradac & Company LLP, 5/2015

Conclusion

Professional/scientific/technical services, accommodation/food services, and construction are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2015 year-to-date and has surpassed pre-recessionary levels as of February 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From February 2014 to February 2015, total employment has increased by 4.3 percent in the MSA compared to an increase of 2.1 percent nationally. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.1 percentage points, compared to a decrease of 1.2 percentage points nationally. The unemployment rate in the MSA as of February 2015 was 6.1 percent, which was 0.3 percentage points above the national rate of 5.8 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels, indicating that the local economy is still in a state of recovery.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

3. Demand

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

3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized March 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to March 2018 by interpolation of the difference between 2015 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated

new households in March 2018. This number takes the overall growth from 2015 to March 2018 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. Demand from Existing Households

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

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

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

3C. Secondary Market Area

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

3D. Other

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

ADDITIONS TO SUPPLY

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2013, 2014, and 2015.
- Vacancies in projects placed in service prior to 2015 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2013 to present. As the following

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. There have been no properties funded, placed in service, or under construction within the PMA since 2012. The most recently awarded LIHTC development in the PMA of which we are aware is Hearthsides at Brookleigh, which received an allocation in 2009 and was completed in 2011 and is fully occupied.

PMA Occupancy

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

PMA OCCUPANCY						
Property Name	Occupancy	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Ashford Landing Senior Residences	99.1%	LIHTC/PBRA	Senior	Included	N/A	1.0 mile
Ashford Parkside	98.0%	LIHTC	Senior	Included	N/A	1.0 miles
Chamblee Senior Apartments	100.0%	LIHTC/PBRA	Senior	Included	N/A	0.3 miles
Hearthsides Brookleigh	100.0%	LIHTC/PBRA/Market	Senior	Included	N/A	0.6 miles
Calvin Court	N/A/v	Section 8/Market	Senior	Excluded	Unable to contact	4.9 miles
Lenox Summit	100.0%	Section 8	Senior	Excluded	Subsidized Rents	3.0 miles
Renaissance on Peachtree	94.7%	Market	Senior	Excluded	Additional services included in rent	3.0 miles

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.

None of the Subject’s units will benefit from project-based rental assistance.

Capture Rates

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

Renter Household Income Distribution 2015 to Projected Market Entry March 2018					
Mercy Park					
PMA					
	2015		Projected Mkt Entry March 2018		Percent Growth
	#	%	#	%	
\$0-9,999	771	14.8%	942	15.6%	18.1%
\$10,000-19,999	1,001	19.2%	1,201	19.8%	16.7%
\$20,000-29,999	744	14.3%	877	14.5%	15.1%
\$30,000-39,999	409	7.8%	509	8.4%	19.6%
\$40,000-49,999	405	7.8%	474	7.8%	14.5%
\$50,000-59,999	347	6.6%	381	6.3%	8.9%
\$60,000-74,999	315	6.0%	372	6.1%	15.3%
\$75,000-99,999	446	8.6%	493	8.1%	9.5%
\$100,000-124,999	281	5.4%	287	4.7%	2.0%
\$125,000-149,999	171	3.3%	187	3.1%	8.6%
\$150,000-199,999	165	3.2%	171	2.8%	3.7%
\$200,000+	158	3.0%	164	2.7%	3.5%
Total	5,213	100.0%	6,056	100.0%	13.9%

Renter Household Income Distribution Projected Market Entry March 2018			
Mercy Park			
	PMA		
	Projected Mkt Entry March 2018		Change 2015 to Prj Mrkt Entry March 2018
	#	%	#
\$0-9,999	942	15.6%	131
\$10,000-19,999	1,201	19.8%	167
\$20,000-29,999	877	14.5%	122
\$30,000-39,999	509	8.4%	71
\$40,000-49,999	474	7.8%	66
\$50,000-59,999	381	6.3%	53
\$60,000-74,999	372	6.1%	52
\$75,000-99,999	493	8.1%	69
\$100,000-124,999	287	4.7%	40
\$125,000-149,999	187	3.1%	26
\$150,000-199,999	171	2.8%	24
\$200,000+	164	2.7%	23
Total	6,056	100.0%	844

Tenure Prj Mrkt Entry March 2018	
Renter	33.9%
Owner	66.1%
Total	100.0%

Renter Household Size for Prj Mrkt Entry March 2018		
Size	Number	Percentage
1 Person	3,755	62.0%
2 Person	1,135	18.7%
3 Person	506	8.4%
4 Person	252	4.2%
5+ Person	408	6.7%
Total	6,056	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	11,342	40.1%
2 Person	7,838	27.7%
3 Person	3,205	11.3%
4 Person	2,190	7.8%
5+ Person	3,686	13.0%
Total	28,261	100.0%

Low HOME (50% AMI)

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

Percent of AMI Level			50%		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$34,100		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry March 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	131.19			
\$10,000-19,999	167.31	19.8%	\$799	8.0%	13
\$20,000-29,999	122.15	14.5%	\$9,999	100.0%	122
\$30,000-39,999	70.87	8.4%	\$4,100	41.0%	29
\$40,000-49,999	65.99	7.8%		0.0%	0
\$50,000-59,999	53.00	6.3%		0.0%	0
\$60,000-74,999	51.81	6.1%		0.0%	0
\$75,000-99,999	68.63	8.1%		0.0%	0
\$100,000-124,999	39.96	4.7%		0.0%	0
\$125,000-149,999	26.02	3.1%		0.0%	0
\$150,000-199,999	23.80	2.8%		0.0%	0
\$200,000+	22.88	2.7%		0.0%	0
	844	100.0%			165
Percent of renter households within limits versus total number of renter households					19.51%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$34,100		
Income Category	Total Renter Households PMA Prj Mrkt Entry March 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	942			
\$10,000-19,999	1,201	19.8%	\$799	8.0%	96
\$20,000-29,999	877	14.5%	\$9,999	100.0%	877
\$30,000-39,999	509	8.4%	\$4,100	41.0%	209
\$40,000-49,999	474	7.8%		0.0%	0
\$50,000-59,999	381	6.3%		0.0%	0
\$60,000-74,999	372	6.1%		0.0%	0
\$75,000-99,999	493	8.1%		0.0%	0
\$100,000-124,999	287	4.7%		0.0%	0
\$125,000-149,999	187	3.1%		0.0%	0
\$150,000-199,999	171	2.8%		0.0%	0
\$200,000+	164	2.7%		0.0%	0
	6,056	100.0%			1,182
within limits versus total number of renter households					19.51%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$55,696		
2015 Median Income	\$72,890		
Change from 2015 to Prj Mkt Entry March 2018	\$17,194		
Total Percent Change	30.9%		
Average Annual Change	5.1%		
Inflation Rate	5.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$34,100		
Maximum Allowable Income Inflation Adjusted	\$34,100		
Maximum Number of Occupants	4		
Rent Income Categories	50%		
Initial Gross Rent for Smallest Unit	\$640		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$640		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry March 2018

Income Target Population		50%
New Renter Households PMA		844
Percent Income Qualified		19.5%
New Renter Income Qualified Households		165

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		6,056
Income Qualified		19.5%
Income Qualified Renter Households		1,182
Percent Rent Overburdened Prj Mrkt Entry March 2018		26.7%
Rent Overburdened Households		316

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,182
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		8

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		11782
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		9

Total Demand

Total Demand from Existing Households		332
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		332
Total New Demand		165
Total Demand (New Plus Existing Households)		497

Demand from Seniors Who Convert from Homeownership		9
Percent of Total Demand From Homeownership Conversion		1.8%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	62.0%	308
Two Persons	18.7%	93
Three Persons	8.4%	42
Four Persons	4.2%	21
Five Persons	6.7%	33
Total	100.0%	497

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	277
Of two-person households in 1BR units	20%	19
Of one-person households in 2BR units	10%	31
Of two-person households in 2BR units	80%	75
Of three-person households in 2BR units	60%	25
Of three-person households in 3BR units	40%	17
Of four-person households in 3BR units	80%	17
Of five-person households in 3BR units	70%	23
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	10
Total Demand		497

Total Demand by Bedroom		50%
1 BR		296
2 BR		105
Total Demand		401

Additions To Supply 2015 to Prj Mrkt Entry March 2018		50%
1 BR		0
2 BR		0
Total		0

Net Demand		50%
1 BR		296
2 BR		105
Total		401

Net Demand		50%
1 BR		296
2 BR		105
Total		401

Developer's Unit Mix		50%
1 BR		9
2 BR		7
Total		16

Capture Rate Analysis		50%
1 BR		3.0%
2 BR		6.6%
Total		4.0%

60% AMI

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

Percent of AMI Level				60%	
Minimum Income Limit		\$21,000			
Maximum Income Limit		\$40,920		4	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry March 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	131.19			
\$10,000-19,999	167.31	19.8%		0.0%	0
\$20,000-29,999	122.15	14.5%	\$8,999	90.0%	110
\$30,000-39,999	70.87	8.4%	\$9,999	100.0%	71
\$40,000-49,999	65.99	7.8%	\$920	9.2%	6
\$50,000-59,999	53.00	6.3%		0.0%	0
\$60,000-74,999	51.81	6.1%		0.0%	0
\$75,000-99,999	68.63	8.1%		0.0%	0
\$100,000-124,999	39.96	4.7%		0.0%	0
\$125,000-149,999	26.02	3.1%		0.0%	0
\$150,000-199,999	23.80	2.8%		0.0%	0
\$200,000+	22.88	2.7%		0.0%	0
	844	100.0%			187
within limits versus total number of renter households					22.15%

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

Percent of AMI Level				60%	
Minimum Income Limit		\$21,000			
Maximum Income Limit		\$40,920		4	
Income Category	Total Renter Households PMA Prj Mrkt Entry March 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	942			
\$10,000-19,999	1,201	19.8%		0.0%	0
\$20,000-29,999	877	14.5%	\$8,999	90.0%	789
\$30,000-39,999	509	8.4%	\$9,999	100.0%	509
\$40,000-49,999	474	7.8%	\$920	9.2%	44
\$50,000-59,999	381	6.3%		0.0%	0
\$60,000-74,999	372	6.1%		0.0%	0
\$75,000-99,999	493	8.1%		0.0%	0
\$100,000-124,999	287	4.7%		0.0%	0
\$125,000-149,999	187	3.1%		0.0%	0
\$150,000-199,999	171	2.8%		0.0%	0
\$200,000+	164	2.7%		0.0%	0
	6,056	100.0%			1,342
within limits versus total number of renter households					22.15%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$55,696		
2015 Median Income	\$72,890		
Change from 2015 to Prj Mrkt Entry March 2018	\$17,194		
Total Percent Change	30.9%		
Average Annual Change	5.1%		
Inflation Rate	5.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,920		
Maximum Allowable Income Inflation Adjusted	\$40,920		
Maximum Number of Occupants	4		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$700		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$700		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry March 2018

Income Target Population		60%
New Renter Households PMA		844
Percent Income Qualified		22.2%
New Renter Income Qualified Households		187

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		6,056
Income Qualified		22.2%
Income Qualified Renter Households		1,342
Percent Rent Overburdened Prj Mrkt Entry March 2018		26.7%
Rent Overburdened Households		359

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,342
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		9

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		11,782
Rural Versus Urban	2.0%	
Senior Demand Converting from Homeownership		11

Total Demand

Total Demand from Existing Households		378
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		378
Total New Demand		187
Total Demand (New Plus Existing Households)		565

Demand from Seniors Who Convert from Homeownership		11
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	62.0%	350
Two Persons	18.7%	106
Three Persons	8.4%	47
Four Persons	4.2%	24
Five Persons	6.7%	38
Total	100.0%	565

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	315
Of two-person households in 1BR units	20%	21
Of one-person households in 2BR units	10%	35
Of two-person households in 2BR units	80%	85
Of three-person households in 2BR units	60%	28
Of three-person households in 3BR units	40%	19
Of four-person households in 3BR units	80%	19
Of five-person households in 3BR units	70%	27
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	11
Total Demand		565
Total Demand by Bedroom		60%
1 BR		336
2 BR		120
Total Demand		456
Additions To Supply 2015 to Prj Mrkt Entry March 2018		60%
1 BR		0
2 BR		0
Total		0
Net Demand		60%
1 BR		336
2 BR		120
Total		456
Net Demand		60%
1 BR		336
2 BR		120
Total		456
Developer's Unit Mix		60%
1 BR		43
2 BR		18
Total		61
Capture Rate Analysis		60%
1 BR		12.8%
2 BR		15.0%
Total		13.4%

All Affordable

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$40,920		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry March 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	131.19			
\$10,000-19,999	167.31	19.8%	\$799	8.0%	13
\$20,000-29,999	122.15	14.5%	\$9,999	100.0%	122
\$30,000-39,999	70.87	8.4%	\$9,999	100.0%	71
\$40,000-49,999	65.99	7.8%	\$920	9.2%	6
\$50,000-59,999	53.00	6.3%		0.0%	0
\$60,000-74,999	51.81	6.1%		0.0%	0
\$75,000-99,999	68.63	8.1%		0.0%	0
\$100,000-124,999	39.96	4.7%		0.0%	0
\$125,000-149,999	26.02	3.1%		0.0%	0
\$150,000-199,999	23.80	2.8%		0.0%	0
\$200,000+	22.88	2.7%		0.0%	0
	844	100.0%			212
Percent of renter households within limits versus total number of renter households					25.18%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$19,200		
Maximum Income Limit			\$40,920		
Income Category	Total Renter Households PMA Prj Mrkt Entry March 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	942			
\$10,000-19,999	1,201	19.8%	\$799	8.0%	96
\$20,000-29,999	877	14.5%	\$9,999	100.0%	877
\$30,000-39,999	509	8.4%	\$9,999	100.0%	509
\$40,000-49,999	474	7.8%	\$920	9.2%	44
\$50,000-59,999	381	6.3%		0.0%	0
\$60,000-74,999	372	6.1%		0.0%	0
\$75,000-99,999	493	8.1%		0.0%	0
\$100,000-124,999	287	4.7%		0.0%	0
\$125,000-149,999	187	3.1%		0.0%	0
\$150,000-199,999	171	2.8%		0.0%	0
\$200,000+	164	2.7%		0.0%	0
	6,056	100.0%			1,525
within limits versus total number of renter households					25.18%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Senior		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	40%		
2000 Median Income	\$55,696		
2015 Median Income	\$72,890		
Change from 2015 to Proj Mkt Entry March 2018	\$17,194		
Total Percent Change	30.9%		
Average Annual Change	5.1%		
Inflation Rate	5.1%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,920		
Maximum Allowable Income Inflation Adjusted	\$40,920		
Maximum Number of Occupants	4		
Rent Income Categories	Overall		
Initial Gross Rent for Smallest Unit	\$640		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$640		

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

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry March 2018

Income Target Population	Overall
New Renter Households PMA	844
Percent Income Qualified	25.2%
New Renter Income Qualified Households	212

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	6,056
Income Qualified	25.2%
Income Qualified Renter Households	1,525
Percent Rent Overburdened Prj Mrkt Entry March 2018	26.7%
Rent Overburdened Households	408

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,525
Percent Living in Substandard Housing	0.6%
Households Living in Substandard Housing	10

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

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	11782
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	12

Total Demand

Total Demand from Existing Households	430	
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households	430	
Total New Demand	212	
Total Demand (New Plus Existing Households)	642	

Demand from Seniors Who Convert from Homeownership	12
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	62.0%	398
Two Persons	18.7%	120
Three Persons	8.4%	54
Four Persons	4.2%	27
Five Persons	6.7%	43
Total	100.0%	642

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	358
Of two-person households in 1BR units	20%	24
Of one-person households in 2BR units	10%	40
Of two-person households in 2BR units	80%	96
Of three-person households in 2BR units	60%	32
Of three-person households in 3BR units	40%	21
Of four-person households in 3BR units	80%	21
Of five-person households in 3BR units	70%	30
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	13
Total Demand		642

Total Demand by Bedroom	Overall
1 BR	382
2 BR	136
Total Demand	518

Additions To Supply 2015 to Prj Mrkt Entry March 2018	Overall
1 BR	0
2 BR	0
Total	0

Net Demand	Overall
1 BR	382
2 BR	136
Total	518

Net Demand	Overall
1 BR	382
2 BR	136
Total	518

Developer's Unit Mix	Overall
1 BR	52
2 BR	25
Total	77

Capture Rate Analysis	Overall
1 BR	13.6%
2 BR	18.4%
Total	14.9%

Conclusions

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

- The number of senior households in the PMA is expected to increase 5.3 percent between 2014 and 2019.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART					
Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	296	0	296	9	3.0%
1BR at 60% AMI	336	0	336	43	12.8%
2BR at 50% AMI	105	0	105	7	6.6%
2BR at 60% AMI	120	0	120	18	15.0%
All Affordable	518	0	518	77	14.9%

DEMAND AND NET DEMAND			
	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	165	187	212
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	8	9	10
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	220	250	284
=			
Sub Total	392	445	506
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	9	11	12
Equals Total Demand	401	456	518
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	401	456	518

As the analysis illustrates, the Subject's capture rates range from 3.0 to 15.0 percent, with an overall capture rate of 14.9 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 10 “true” comparable properties containing 1,962 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered adequate; there are six existing LIHTC properties in the PMA. However, two of these properties were excluded because they do not target seniors. The Subject will target the senior population and we have included the four senior LIHTC properties within the PMA.

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

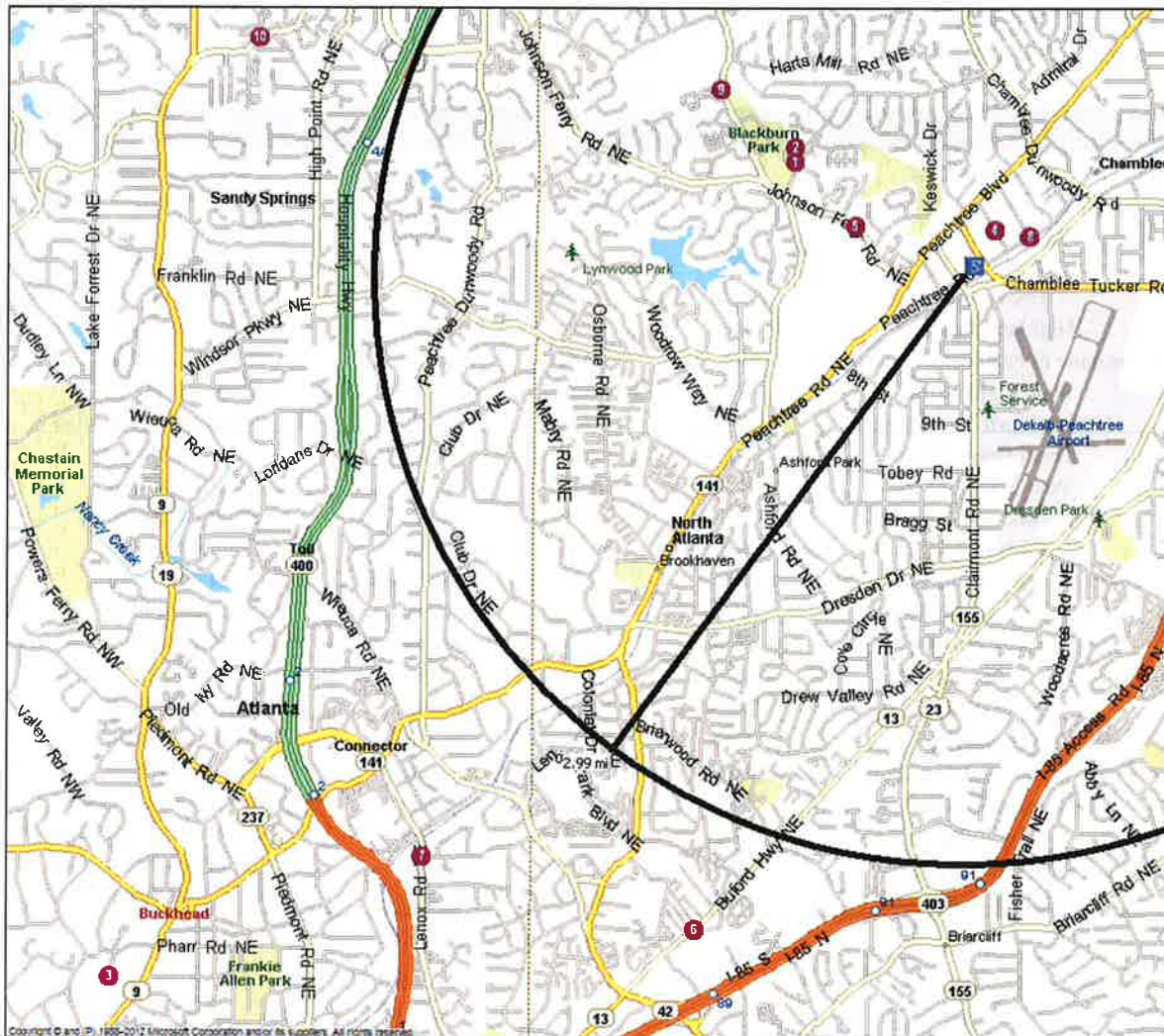
Excluded Properties

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

EXCLUDED PROPERTIES

Name	Occupancy	Type	Tenancy	Reason for Exclusion
Chestnut Creek	N/Av	LIHTC	Family	Family tenancy
Bryton Hill Apartments	N/Av	LIHTC	Family	Family tenancy
Calvin Court	N/Av	Market/Section 8	Senior	Unable to contact
Lenox Summit	100%	Section 8	Senior	Subsidized Rents
The Ashford	94%	Market	Family	Inferior condition
Highland Gardens	N/Av	Market	Family	Inferior condition
Promenade at Peachtree Apartments	N/Av	Market	Family	Unable to contact
Post Oglethorpe	97%	Market	Family	Townhome design
Alexan Town Brookhaven	96%	Market	Family	Better comparables available
Peachtree Garden	N/Av	Market	Family	Townhome design
Post Brookhaven	96%	Market	Family	Inferior condition
The Park on Clairmont	98%	Market	Family	Inferior condition
Highland North	N/Av	Market	Family	Inferior condition
Tempo Continental	N/Av	Market	Family	Inferior condition
3833 Peachtree Apartments	N/Av	Market	Family	Inferior condition
Renaissance on Peachtree	95%	Market	Senior	Additional services included in rent
Jefferson at Lenox Park	91%	Market	Family	Better comparables available
Post Gardens	95%	Market	Family	Inferior condition
Bell Lenox Park	97%	Market	Family	Inferior condition
Berkshires at Lenox Park	92%	Market	Family	Inferior condition
Reserve at Lenox Park	94%	Market	Family	Better comparables available
Park Villa	N/Av	Market	Family	Inferior condition
Park Towne North	100%	Market	Family	Inferior condition
Esquire Apartments	100%	Market	Family	Inferior condition

Comparable Rental Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Ashford Landing Senior Residences	Atlanta	Senior LIHTC/PBRA	1.0 miles
2	Ashford Parkside	Atlanta	Senior LIHTC	1.0 miles
3	Campbell Stone Apartments*	Atlanta	Senior PBRA/Market	5.5 miles
4	Chamblee Senior Apartments	Chamblee	Senior LIHTC/PBRA	0.3 miles
5	Hearthside Brookleigh	Atlanta	Senior LIHTC/PBRA/Market	0.6 miles
6	Esquire Apartments	Atlanta	Market	3.6 miles
7	Metropolitan At Buckhead	Atlanta	Market	4.0 miles
8	Miller Station At Peachtree	Atlanta	Market	0.4 miles
9	Rock Creek At Ashford	Atlanta	Market	1.6 miles
10	The Stratford	Atlanta	Market	3.8 miles

*Located outside PMA

Senior Residences at Mercy Park, Chamblee, 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.)	Str (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate	
Subject	Senior Residences At Mercy Park 5134 Peachtree Road Chamblee, GA 30341 DeKalb County	n/a	Midrise (4 stories) Proposed / n/a	LIHTC/ HOME	1BR / 1BA	9	11.7%	@ 50%	\$514	706	yes		N/A	N/A	
					1BR / 1BA	43	55.8%	@ 60%	\$574	706	no		N/A	N/A	
					2BR / 1BA	7	9.1%	@ 50%	\$612	901	yes		N/A	N/A	
					2BR / 1BA	18	23.4%	@ 60%	\$625	901	no		N/A	N/A	
						77	100.0%						N/A	N/A	
1	Ashford Landing Senior Residences 3521 Blair Circle, NE Atlanta, GA 30319 DeKalb County	1 mile	Midrise (age-restricted) (4 stories) 2009 / n/a	LIHTC/PBRA	1BR / 1BA	29	24.8%	@ 30%	\$289	688	yes	Yes	0	0.0%	
					1BR / 1BA	46	39.2%	@ 60%	\$679	688	yes	Yes	1	2.2%	
					1BR / 1BA	19	16.2%	@ 60%	\$679	688	yes	Yes	0	0.0%	
					2BR / 1BA	7	6.0%	@ 30%	\$284	914	yes	Yes	0	0.0%	
					2BR / 1BA	10	8.5%	@ 60%	\$835	914	yes	Yes	0	0.0%	
					2BR / 1BA	6	5.1%	@ 60%	\$835	914	yes	Yes	0	0.0%	
						117	100.0%						1	0.9%	
2	Ashford Parkside 3522 Blair Circle Atlanta, GA 30319 DeKalb County	1 mile	Midrise (age-restricted) (3 stories) 2007 / n/a	LIHTC	1BR / 1BA	3	2.0%	@ 30%	\$275	688	yes	Yes	0	0.0%	
					1BR / 1BA	8	5.3%	@ 30%	\$275	688	yes	Yes	0	0.0%	
					1BR / 1BA	28	18.3%	@ 60%	\$679	688	yes	Yes	0	0.0%	
					2BR / 1BA	5	3.3%	@ 30%	\$330	914	yes	Yes	0	0.0%	
					2BR / 1BA	14	9.3%	@ 30%	\$330	914	yes	Yes	0	0.0%	
					2BR / 1BA	58	38.4%	@ 60%	\$815	914	yes	Yes	2	3.4%	
					2BR / 2BA	2	1.3%	@ 30%	\$330	1079	yes	Yes	0	0.0%	
					2BR / 2BA	8	5.3%	@ 30%	\$330	1079	yes	Yes	0	0.0%	
					2BR / 2BA	25	16.6%	@ 60%	\$910	1079	yes	Yes	1	4.0%	
						151	100.0%						3	2.0%	
3	Campbell Stone Apartments 2911 Pharr Court South NW Atlanta, GA 30305 Fulton County	5.5 miles	Highrise (age-restricted) (16 stories) 1964 / n/a	PBRA/Market	Studio / 1BA	54	15.8%	@ 30%	N/A	476	n/a	Yes	0	0.0%	
					Studio / 1BA	49	14.3%	Market	\$505	476	n/a	Yes	0	0.0%	
					1BR / 1BA	152	44.4%	@ 30%	N/A	603	n/a	Yes	0	0.0%	
					1BR / 1BA	75	21.9%	Market	\$578	603	n/a	Yes	0	0.0%	
					2BR / 1BA	9	2.6%	@ 30%	N/A	684	n/a	Yes	0	0.0%	
					2BR / 1BA	3	0.9%	Market	\$608	684	n/a	Yes	0	0.0%	
						342	100.0%						0	0.0%	
4	Chamblee Senior Apartments 3381 Malone Drive Chamblee, GA 30341 DeKalb County	0.3 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	LIHTC/PBRA	1BR / 1BA	1	1.5%	@ 30%	\$275	695	yes	Yes	0	0.0%	
					1BR / 1BA	3	4.6%	@ 30%	\$275	699	yes	Yes	0	0.0%	
					1BR / 1BA	6	9.2%	@ 50%	\$525	699	yes	Yes	0	0.0%	
					1BR / 1BA	9	13.8%	@ 60%	\$525	699	yes	Yes	0	0.0%	
					1BR / 1BA	3	4.6%	@ 60%	\$381	695	yes	Yes	0	0.0%	
					1BR / 1BA	10	15.4%	@ 60%	\$381	699	yes	Yes	0	0.0%	
					2BR / 1BA	3	4.6%	@ 30%	\$330	886	yes	Yes	0	0.0%	
					2BR / 1BA	7	10.8%	@ 50%	\$660	886	yes	Yes	0	0.0%	
					2BR / 1BA	4	6.2%	@ 50%	\$660	899	yes	Yes	0	0.0%	
					2BR / 1BA	2	3.1%	@ 60%	\$660	886	yes	Yes	0	0.0%	
					2BR / 1BA	3	4.6%	@ 60%	\$660	899	yes	Yes	0	0.0%	
					2BR / 1BA	4	6.2%	@ 60%	\$702	886	yes	Yes	0	0.0%	
					2BR / 1BA	9	13.8%	@ 60%	\$702	899	yes	Yes	0	0.0%	
					2BR / 2BA	1	1.5%	Non-Rental	N/A	1,069	n/a	None	0	0.0%	
	65	100.0%						0	0.0%						
5	Hearthside Brookleigh 2282 Johnson Ferry Road Atlanta, GA 30319 DeKalb County	0.6 miles	Midrise (age-restricted) (3 stories) 2011 / n/a	LIHTC/PBRA/Market	1BR / 1BA	2	1.7%	@ 50%	\$725	752	n/a	Yes	0	0.0%	
					1BR / 1BA	13	10.7%	@ 60%	\$725	752	yes	Yes	0	0.0%	
					1BR / 1BA	5	4.1%	@ 60%	\$725	752	n/a	Yes	0	0.0%	
					1BR / 1BA	N/A	N/A	Market	\$1,015	752	n/a	Yes	0	N/A	
					1BR / 1BA	6	5.0%	Market	\$965	752	n/a	Yes	0	0.0%	
					2BR / 1BA	43	35.3%	@ 60%	\$850	942	yes	Yes	0	0.0%	
					2BR / 1BA	5	4.1%	@ 60%	\$710	942	n/a	Yes	0	0.0%	
					2BR / 1BA	N/A	N/A	Market	\$1,210	942	n/a	Yes	0	N/A	
					2BR / 1BA	12	9.9%	Market	\$1,060	942	n/a	Yes	0	0.0%	
					2BR / 1BA	1	0.8%	Non-Rental	N/A	942	n/a	None	N/A	N/A	
					2BR / 2BA	21	17.4%	@ 60%	\$860	1,015	yes	Yes	0	0.0%	
					2BR / 2BA	5	4.1%	@ 60%	\$710	1,015	n/a	Yes	0	0.0%	
					2BR / 2BA	N/A	N/A	Market	\$1,360	1,015	n/a	Yes	0	N/A	
2BR / 2BA	8	6.6%	Market	\$1,160	1,015	n/a	Yes	N/A	N/A						
	121	100.0%						0	0.0%						

Senior Residences at Mercy Park, Chamblee, GA; Market Study

6	Esquire Apartments 3102 Buford Hwy NE Atlanta, GA 30329 DeKalb County	3.6 miles	Garden 1975 / 2010	Market	1BR / 1BA	N/A	N/A	Market	\$755	820	n/a	No	0	N/A
					1.5BR / 1BA	N/A	N/A	Market	\$855	950	n/a	No	0	N/A
					2BR / 1BA	N/A	N/A	Market	\$910	950	n/a	No	0	N/A
					2BR / 1.5BA	N/A	N/A	Market	\$950	1,200	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,055	1,400	n/a	No	0	N/A
					52	100.0%							0	0.0%
7	Metropolitan At Buckhead 3200 Lenox Rd NE Atlanta, GA 30324 Fulton County	4 miles	Midrise 1962 / 2008	Market	1BR / 1BA	215	49.9%	Market	\$858	555	n/a	No	9	4.2%
					2BR / 2BA	136	31.6%	Market	\$1,110	900	n/a	No	9	6.6%
					3BR / 2BA	80	18.6%	Market	\$1,335	1,375	n/a	No	4	5.0%
						431	100.0%							
8	Miller Station At Peachtree 3450 Miller Drive Atlanta, GA 30341 DeKalb County	0.4 miles	Lowrise (3 stories) 2007 / n/a	Market	1BR / 1BA	48	25.0%	Market	\$1,065	834	n/a	No	0	0.0%
					1BR / 1BA	48	25.0%	Market	\$1,115	930	n/a	Yes	0	0.0%
					2BR / 2BA	48	25.0%	Market	\$1,435	1,208	n/a	No	4	8.3%
					2BR / 2BA	48	25.0%	Market	\$1,470	1,302	n/a	No	0	0.0%
						192	100.0%							
9	Rock Creek At Ashford 3716 Ashford Dunwoody Road Atlanta, GA 30319 DeKalb County	1.6 miles	Garden (3 stories) 1987 / 2014	Market	Studio / 1BA	20	9.0%	Market	\$955	457	n/a	None	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$990	557	n/a	None	0	N/A
					1BR / 1BA	N/A	N/A	Market	\$935	582	n/a	None	0	N/A
					1BR / 1BA	N/A	N/A	Market	\$1,260	830	n/a	None	1	N/A
					2BR / 1BA	N/A	N/A	Market	\$1,400	1,130	n/a	None	1	N/A
					2BR / 1BA	34	15.3%	Market	\$1,350	1,130	n/a	None	0	0.0%
					2BR / 2BA	54	24.3%	Market	\$889	1,112	n/a	None	N/A	N/A
	222	100.0%									12	5.4%		
10	The Stratford 5479 Glenridge Drive Atlanta, GA 30342 Fulton County	3.8 miles	Midrise (4 stories) 1990 / 2014	Market	1BR / 1BA	N/A	N/A	Market	\$949	698	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$869	698	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,299	1,038	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,179	1,038	n/a	No	N/A	N/A
	269	100.0%									11	4.1%		

Senior Residences at Mercy Park, Chamblee, 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	1,962	Weighted Occupancy	97.3%
				Market Rate	1,166	Market Rate	95.8%
				Tax Credit	796	Tax Credit	99.5%
One Bedroom One Bath				Two Bedrooms One Bath			
RENT	Property	Average	Property	Average	Property	Average	Property
	Rock Creek At Ashford	\$1,260	Miller Station At Peachtree (2BA)	\$1,470			
	Miller Station At Peachtree	\$1,115	Miller Station At Peachtree (2BA)	\$1,435			
	Miller Station At Peachtree	\$1,065	Rock Creek At Ashford	\$1,400			
	Hearthside Brookleigh * (M)	\$1,015	Rock Creek At Ashford	\$1,350			
	Rock Creek At Ashford	\$990	The Stratford (2BA)	\$1,299			
	Hearthside Brookleigh * (M)	\$965	Hearthside Brookleigh * (M)	\$1,210			
	The Stratford	\$949	The Stratford (2BA)	\$1,179			
	Rock Creek At Ashford	\$935	Metropolitan At Buckhead (2BA)	\$1,110			
	The Stratford	\$869	Hearthside Brookleigh * (M)	\$1,060			
	Metropolitan At Buckhead	\$838	Esquire Apartments	\$910			
	Esquire Apartments	\$755	Hearthside Brookleigh * (60%)	\$850			
	Hearthside Brookleigh * (50%)	\$725	Ashford Landing Senior Residences * (60%)	\$835			
	Hearthside Brookleigh * (60%)	\$725	Ashford Landing Senior Residences * (60%)	\$835			
	Hearthside Brookleigh * (60%)	\$725	Ashford Parkside * (60%)	\$815			
	Ashford Landing Senior Residences * (60%)	\$679	Hearthside Brookleigh * (60%)	\$710			
	Ashford Landing Senior Residences * (60%)	\$679	Chamblee Senior Apartments * (60%)	\$702			
	Ashford Parkside * (60%)	\$679	Chamblee Senior Apartments * (60%)	\$702			
	Chamblee Senior Apartments * (60%)	\$581	Chamblee Senior Apartments * (50%)	\$660			
	Chamblee Senior Apartments * (60%)	\$581	Chamblee Senior Apartments * (50%)	\$660			
	Campbell Stone Apartments * (M)	\$578	Chamblee Senior Apartments * (60%)	\$660			
	Senior Residences At Mercy Park * (60%)	\$576	Chamblee Senior Apartments * (60%)	\$660			
	Chamblee Senior Apartments * (30%)	\$525	Senior Residences At Mercy Park * (60%)	\$625			
	Chamblee Senior Apartments * (60%)	\$525	Senior Residences At Mercy Park * (50%)	\$612			
	Senior Residences At Mercy Park * (50%)	\$514	Campbell Stone Apartments * (M)	\$608			
	Ashford Landing Senior Residences * (30%)	\$289	Ashford Parkside * (30%)	\$330			
	Ashford Parkside * (30%)	\$275	Ashford Parkside * (30%)	\$330			
	Ashford Parkside * (30%)	\$275	Chamblee Senior Apartments * (30%)	\$330			
	Chamblee Senior Apartments * (30%)	\$275	Ashford Landing Senior Residences * (30%)	\$284			
	Chamblee Senior Apartments * (30%)	\$275					
SQUARE FOOTAGE	Property	Average	Property	Average	Property	Average	Property
	Miller Station At Peachtree	930	Miller Station At Peachtree (2BA)	1,302			
	Miller Station At Peachtree	834	Miller Station At Peachtree (2BA)	1,208			
	Rock Creek At Ashford	830	Rock Creek At Ashford	1,130			
	Esquire Apartments	820	Rock Creek At Ashford	1,130			
	Hearthside Brookleigh * (50%)	752	The Stratford (2BA)	1,038			
	Hearthside Brookleigh * (60%)	752	The Stratford (2BA)	1,038			
	Hearthside Brookleigh * (60%)	752	Esquire Apartments	950			
	Hearthside Brookleigh * (M)	752	Hearthside Brookleigh * (60%)	942			
	Hearthside Brookleigh * (M)	752	Hearthside Brookleigh * (60%)	942			
	Senior Residences At Mercy Park * (50%)	706	Hearthside Brookleigh * (M)	942			
	Senior Residences At Mercy Park * (60%)	706	Hearthside Brookleigh * (M)	942			
	Chamblee Senior Apartments * (30%)	699	Ashford Landing Senior Residences * (30%)	914			
	Chamblee Senior Apartments * (30%)	699	Ashford Landing Senior Residences * (60%)	914			
	Chamblee Senior Apartments * (60%)	699	Ashford Landing Senior Residences * (60%)	914			
	Chamblee Senior Apartments * (60%)	699	Ashford Parkside * (30%)	914			
	The Stratford	698	Ashford Parkside * (30%)	914			
	The Stratford	698	Ashford Parkside * (60%)	914			
	Chamblee Senior Apartments * (30%)	695	Senior Residences At Mercy Park * (50%)	901			
	Chamblee Senior Apartments * (60%)	695	Senior Residences At Mercy Park * (60%)	901			
	Ashford Landing Senior Residences * (30%)	688	Metropolitan At Buckhead (2BA)	900			
	Ashford Landing Senior Residences * (60%)	688	Chamblee Senior Apartments * (30%)	899			
	Ashford Landing Senior Residences * (60%)	688	Chamblee Senior Apartments * (60%)	899			
	Ashford Parkside * (30%)	688	Chamblee Senior Apartments * (60%)	899			
	Ashford Parkside * (30%)	688	Chamblee Senior Apartments * (30%)	886			
	Ashford Parkside * (60%)	688	Chamblee Senior Apartments * (50%)	886			
	Campbell Stone Apartments * (M)	603	Chamblee Senior Apartments * (60%)	886			
	Rock Creek At Ashford	582	Chamblee Senior Apartments * (60%)	886			
	Rock Creek At Ashford	557	Campbell Stone Apartments * (M)	684			
	Metropolitan At Buckhead	535					
RENT PER SQUARE FOOT	Property	Average	Property	Average	Property	Average	Property
	Rock Creek At Ashford	\$1.78	Hearthside Brookleigh * (M)	\$1.28			
	Rock Creek At Ashford	\$1.61	The Stratford (2BA)	\$1.25			
	Metropolitan At Buckhead	\$1.60	Rock Creek At Ashford	\$1.24			
	Rock Creek At Ashford	\$1.52	Metropolitan At Buckhead (2BA)	\$1.23			
	The Stratford	\$1.36	Rock Creek At Ashford	\$1.19			
	Hearthside Brookleigh * (M)	\$1.35	Miller Station At Peachtree (2BA)	\$1.19			
	Hearthside Brookleigh * (M)	\$1.28	The Stratford (2BA)	\$1.14			
	Miller Station At Peachtree	\$1.28	Miller Station At Peachtree (2BA)	\$1.13			
	The Stratford	\$1.24	Hearthside Brookleigh * (M)	\$1.13			
	Miller Station At Peachtree	\$1.20	Esquire Apartments	\$0.96			
	Ashford Landing Senior Residences * (60%)	\$0.99	Ashford Landing Senior Residences * (60%)	\$0.91			
	Ashford Landing Senior Residences * (60%)	\$0.99	Ashford Landing Senior Residences * (60%)	\$0.91			
	Ashford Parkside * (60%)	\$0.99	Hearthside Brookleigh * (60%)	\$0.90			
	Hearthside Brookleigh * (50%)	\$0.96	Ashford Parkside * (60%)	\$0.89			
	Hearthside Brookleigh * (60%)	\$0.96	Campbell Stone Apartments * (M)	\$0.89			
	Hearthside Brookleigh * (60%)	\$0.96	Chamblee Senior Apartments * (60%)	\$0.79			
	Campbell Stone Apartments * (M)	\$0.96	Chamblee Senior Apartments * (60%)	\$0.78			
	Esquire Apartments	\$0.92	Hearthside Brookleigh * (60%)	\$0.75			
	Chamblee Senior Apartments * (60%)	\$0.84	Chamblee Senior Apartments * (50%)	\$0.74			
	Chamblee Senior Apartments * (60%)	\$0.83	Chamblee Senior Apartments * (60%)	\$0.74			
	Senior Residences At Mercy Park * (60%)	\$0.82	Chamblee Senior Apartments * (30%)	\$0.73			
	Chamblee Senior Apartments * (50%)	\$0.75	Chamblee Senior Apartments * (60%)	\$0.73			
	Chamblee Senior Apartments * (60%)	\$0.75	Senior Residences At Mercy Park * (60%)	\$0.69			
	Senior Residences At Mercy Park * (50%)	\$0.73	Senior Residences At Mercy Park * (50%)	\$0.68			
	Ashford Landing Senior Residences * (30%)	\$0.42	Chamblee Senior Apartments * (30%)	\$0.37			
	Ashford Parkside * (30%)	\$0.40	Ashford Parkside * (30%)	\$0.36			
	Ashford Parkside * (30%)	\$0.40	Ashford Parkside * (30%)	\$0.36			
	Chamblee Senior Apartments * (30%)	\$0.40	Ashford Landing Senior Residences * (30%)	\$0.31			
	Chamblee Senior Apartments * (30%)	\$0.39					

PROPERTY PROFILE REPORT

Ashford Landing Senior Residences

Effective Rent Date 4/27/2015

Location 3521 Blair Circle, NE
Atlanta, GA 30319
DeKalb County
Intersection: E Johnson Ferry Road

Distance 1 mile

Units 117

Vacant Units 1

Vacancy Rate 0.9%

Type Midrise (age-restricted) (4 stories)

Year Built/Renovated 2009 / N/A

Marketing Began 1/01/2009

Leasing Began 3/23/2009

Last Unit Leased 12/31/2009

Major Competitors Chamblee Senior Residence, Ashford, Promenade

Tenant Characteristics Seniors age 62 and older; typical age is 75

Contact Name Heddy

Phone 770.488.2360



Market Information

Program @30% (ACC), @60%, @60% (Project Based)

Annual Turnover Rate 10%

Units/Month Absorbed 10

HCV Tenants 5%

Leasing Pace Immediate

Annual Chg. in Rent No change

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	29	688	\$324	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	46	688	\$714	\$0	@60%	Yes	1	2.2%	yes	None
1	1	Midrise (4 stories)	19	688	\$714	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	7	914	\$324	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	10	914	\$875	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	6	914	\$875	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None

Ashford Landing Senior Residences, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$324	\$0	\$324	-\$35	\$289	1BR / 1BA	\$714	\$0	\$714	-\$35	\$679
2BR / 1BA	\$324	\$0	\$324	-\$40	\$284	2BR / 1BA	\$875	\$0	\$875	-\$40	\$835

Amenities

In-Unit

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

Carpeting
 Coat Closet
 Exterior Storage
 Hand Rails
 Pull Cords
 Walk-In Closet
 Washer/Dryer hookup

Security

In-Unit Alarm
 Limited Access
 Perimeter Fencing

Services

Adult Education
 Computer Tutoring
 Shuttle Service

Property

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

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

Premium

Hairdresser / Barber

Other

None

Comments

There the waiting list for this property is over five years long. The one vacant unit is currently pre-leased.

Ashford Landing Senior Residences, continued

Trend Report

Vacancy Rates

4Q11	3Q14	4Q14	2Q15
0.0%	0.0%	0.0%	0.9%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$324	\$0	\$324	\$289
2014	3	0.0%	\$324	\$0	\$324	\$289
2014	4	0.0%	\$324	\$0	\$324	\$289
2015	2	0.0%	\$324	\$0	\$324	\$289

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$324	\$0	\$324	\$284
2014	3	0.0%	\$324	\$0	\$324	\$284
2014	4	0.0%	\$324	\$0	\$324	\$284
2015	2	0.0%	\$324	\$0	\$324	\$284

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$720	\$0	\$720	\$685
2014	3	0.0%	\$714	\$0	\$714	\$679
2014	4	0.0%	\$714	\$0	\$714	\$679
2015	2	1.5%	\$714	\$0	\$714	\$679

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$750	\$0	\$750	\$710
2014	3	0.0%	\$875	\$0	\$875	\$835
2014	4	0.0%	\$875	\$0	\$875	\$835
2015	2	0.0%	\$875	\$0	\$875	\$835

Trend: Comments

- 4Q11** Management indicated high demand for affordable senior housing and a strong need for additional affordable senior housing. Ashford Landing is currently at 100 percent occupancy and has a two to three year waiting list with over 500 households on it. Management estimates 50 percent of tenants are locals and 50 percent of tenants come from neighboring counties. Two-bedroom units lease the best and have the highest demand at Ashford Landing. Management believes 10 to 15 percent of tenants utilize services from outside sources. The income range for tenants at Ashford Landing is between \$9,000 and \$17,000 annually, most tenants rely on social security. The rent range that seniors would mostly like pay according to management is \$375 to \$700.
- 3Q14** There the waiting list for this property is over five years long and is not currently open. The contact was unable to identify the average age of the tenants. The property does not accept Housing Choice Vouchers.
- 4Q14** There the waiting list for this property is over five years long. The contact was unable to identify the average age of the tenants. According to the manager, this property does not accept individual Housing Choice Vouchers.
- 2Q15** There the waiting list for this property is over five years long. The one vacant unit is currently pre-leased.

Ashford Landing Senior Residences, continued

Photos



PROPERTY PROFILE REPORT

Ashford Parkside

Effective Rent Date 4/27/2015
Location 3522 Blair Circle
 Atlanta, GA 30319
 Dekalb County
Distance 1 mile
Units 151
Vacant Units 3
Vacancy Rate 2.0%
Type Midrise (age-restricted) (3 stories)
Year Built/Renovated 2007 / N/A
Marketing Began 6/01/2007
Leasing Began 11/01/2007
Last Unit Leased 12/31/2007
Major Competitors Chamblee Senior
Tenant Characteristics Majority of tenants are from former Johnson Ferry East; Referrals from senior service providers and word-of-mouth; 10% former homeowners
Contact Name Heddy
Phone (770) 488-2360



Market Information

Program @30%, @30% (ACC), @60%
Annual Turnover Rate 10%
Units/Month Absorbed 75
HCV Tenants 0%
Leasing Pace Within 14 days
Annual Chg. in Rent No change
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (3 stories)	3	688	\$310	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Midrise (3 stories)	8	688	\$310	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
1	1	Midrise (3 stories)	28	688	\$714	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (3 stories)	5	914	\$370	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Midrise (3 stories)	14	914	\$370	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
2	1	Midrise (3 stories)	58	914	\$855	\$0	@60%	Yes	2	3.4%	yes	None
2	2	Midrise (3 stories)	2	1,079	\$370	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Midrise (3 stories)	8	1,079	\$370	\$0	@30% (ACC)	Yes	0	0.0%	yes	None
2	2	Midrise (3 stories)	25	1,079	\$950	\$0	@60%	Yes	1	4.0%	yes	None

Ashford Parkside, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$310	\$0	\$310	-\$35	\$275	1BR / 1BA	\$714	\$0	\$714	-\$35	\$679
2BR / 1BA	\$370	\$0	\$370	-\$40	\$330	2BR / 1BA	\$855	\$0	\$855	-\$40	\$815
2BR / 2BA	\$370	\$0	\$370	-\$40	\$330	2BR / 2BA	\$950	\$0	\$950	-\$40	\$910

Amenities

In-Unit

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

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

Security

In-Unit Alarm
Limited Access
Perimeter Fencing

Services

Computer Tutoring
Shuttle Service

Property

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

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

Premium

Hairdresser / Barber

Other

Library, garden, arts and

Comments

The contact reported the property has a five year long waiting list. All vacant units are preleased at this time.

Ashford Parkside, continued

Trend Report

Vacancy Rates

4Q10	4Q11	4Q14	2Q15
0.0%	0.0%	1.3%	2.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$324 - \$329	\$0	\$324 - \$329	\$289 - \$294
2011	4	0.0%	\$324 - \$329	\$0	\$324 - \$329	\$289 - \$294
2014	4	N/A	\$310	\$0	\$310	\$275
2015	2	0.0%	\$310	\$0	\$310	\$275

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$324 - \$388	\$0	\$324 - \$388	\$284 - \$348
2011	4	0.0%	\$324 - \$388	\$0	\$324 - \$388	\$284 - \$348
2014	4	N/A	\$370	\$0	\$370	\$330
2015	2	0.0%	\$370	\$0	\$370	\$330

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$324 - \$388	\$0	\$324 - \$388	\$284 - \$348
2011	4	0.0%	\$324 - \$388	\$0	\$324 - \$388	\$284 - \$348
2014	4	N/A	\$370	\$0	\$370	\$330
2015	2	0.0%	\$370	\$0	\$370	\$330

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$680	\$0	\$680	\$645
2011	4	0.0%	\$680	\$0	\$680	\$645
2014	4	N/A	\$714	\$0	\$714	\$679
2015	2	0.0%	\$714	\$0	\$714	\$679

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$715	\$0	\$715	\$675
2011	4	0.0%	\$715	\$0	\$715	\$675
2014	4	N/A	\$855	\$0	\$855	\$815
2015	2	3.4%	\$855	\$0	\$855	\$815

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$805	\$0	\$805	\$765
2011	4	0.0%	\$805	\$0	\$805	\$765
2014	4	N/A	\$950	\$0	\$950	\$910
2015	2	4.0%	\$950	\$0	\$950	\$910

Trend: Comments

- 4Q10** Management stated the waiting list is managed by the Housing Authority of Dekalb County. There are currently 258 households on the wait list. Approximately 65 percent of the units have single-occupancy and 35 percent of the units have double-occupancy. The average age of tenants is 73 years old and the average income is estimated to be \$9,000. A total of 30 units are Annual Capital Contribution (ACC) units and 105 have PBRA. Management was unable to provide a breakdown for the PBRA units by size or target AMI levels.
- 4Q11** Management feels that demand for affordable housing is extremely strong and there is a need for additional affordable senior housing in the local rental market. Ashford Parkside is currently at 100 percent occupancy and has a two and a half year waiting list with over 400 households on it. Around 65 percent of their tenants are locals, 25 percent come from neighboring counties and 10 percent come from Florida. Management stated demand for both one-bedroom and two-bedroom units is equal. About 15 percent of tenant utilized services from outside services, meals on wheels and transportation being the most popular. Management indicated that the majority of tenants income range is below \$31,000 dollars and the rent range seniors would be willing to pay wouldn't exceed \$896 dollars a month. A majority of seniors are relying on social security for their income.
- 4Q14** Management believes that demand for affordable housing is extremely strong and there is a need for additional affordable senior housing in the local rental market. This property has a five year long waiting list.
- 2Q15** The contact reported the property has a five year long waiting list. All vacant units are released at this time.

Photos



PROPERTY PROFILE REPORT

Campbell Stone Apartments

Effective Rent Date 5/06/2015
Location 2911 Pharr Court South NW
 Atlanta, GA 30305
 Fulton County
Distance 5.5 miles
Units 342
Vacant Units 0
Vacancy Rate 0.0%
Type Highrise (age-restricted) (16 stories)
Year Built/Renovated 1964 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Aged 62 and older, mostly from the Atlanta area, few from surrounding cities and states.
Contact Name Jennifer Barnes
Phone 404-261-4132



Market Information

Program @30% (Project Based Rental Assistance -
Annual Turnover Rate 18%
Units/Month Absorbed N/A
HCV Tenants 15%
Leasing Pace Within two weeks
Annual Chg. in Rent Inc 7% for 1BR since 1Q15
Concession None

Utilities

A/C included -- central
Cooking included -- electric
Water Heat included -- gas
Heat included -- gas
Other Electric 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
0	1	Highrise (16 stories)	54	476	N/A	\$0	@30% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
0	1	Highrise (16 stories)	49	476	\$700	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Highrise (16 stories)	152	603	N/A	\$0	@30% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Highrise (16 stories)	75	603	\$800	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Highrise (16 stories)	9	684	N/A	\$0	@30% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	1	Highrise (16 stories)	3	684	\$900	\$0	Market	Yes	0	0.0%	N/A	None

Campbell Stone Apartments, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	N/A	\$0	N/A	-\$195	N/A	Studio / 1BA	\$700	\$0	\$700	-\$195	\$505
1BR / 1BA	N/A	\$0	N/A	-\$222	N/A	1BR / 1BA	\$800	\$0	\$800	-\$222	\$578
2BR / 1BA	N/A	\$0	N/A	-\$292	N/A	2BR / 1BA	\$900	\$0	\$900	-\$292	\$608

Amenities

In-Unit	Security	Services
Blinds	Intercom (Phone)	None
Central A/C	Limited Access	
Refrigerator		
Property	Premium	Other
Business Center/Computer Lab	Hairdresser / Barber	Thrift Store, Gift Store,
Courtyard		
Exercise Facility		
Off-Street Parking		
Picnic Area		

Comments

The contact reported that the property is fully occupied and that the property maintains a waiting list that is approximately one year long.

Campbell Stone Apartments, continued

Trend Report

Vacancy Rates

2Q05	4Q11	1Q15	2Q15
N/A	N/A	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$400	\$0	\$400	\$178
2011	4	N/A	\$400	\$0	\$400	\$178
2015	1	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$480	\$0	\$480	\$188
2011	4	N/A	\$480	\$0	\$480	\$188
2015	1	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A

Studio / 1BA

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

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$800	\$0	\$800	\$578
2011	4	N/A	\$800	\$0	\$800	\$578
2015	1	0.0%	\$800	\$0	\$800	\$578
2015	2	0.0%	\$800	\$0	\$800	\$578

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	2	N/A	\$900	\$0	\$900	\$608
2011	4	N/A	\$900	\$0	\$900	\$608
2015	1	0.0%	\$900	\$0	\$900	\$608
2015	2	0.0%	\$900	\$0	\$900	\$608

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$650	\$0	\$650	\$455
2015	2	0.0%	\$700	\$0	\$700	\$505

Trend: Comments

- 2Q05** In addition to the amenities listed above, the Subject will offer a fee-based dining room and fee-based housekeeping services. Other services include counseling, physical therapy, and daily physical fitness activities. There is also a walking path connecting the Subject to the Peach Shopping Plaza, which includes a grocery store, a bank, and other retail uses.
- 4Q11** N/A
- 1Q15** The contact reported that the property is fully occupied and that the property maintains a waiting list that is approximately one year long. The contact reported that most tenants relocate in hopes of downsizing from their single-family homes. The contact reported that the property has an estimated total of 200 parking spaces.
- 2Q15** The contact reported that the property is fully occupied and that the property maintains a waiting list that is approximately one year long.

PROPERTY PROFILE REPORT

Chamblee Senior Apartments

Effective Rent Date 5/11/2015
Location 3381 Malone Drive
Chamblee, GA 30341
DeKalb County
Distance 0.3 miles
Units 65
Vacant Units 0
Vacancy Rate 0.0%
Type Midrise (age-restricted) (4 stories)
Year Built/Renovated 2007 / N/A
Marketing Began 10/01/2007
Leasing Began 11/16/2007
Last Unit Leased N/A
Major Competitors Ashford Landing and Ashford Parkside
Tenant Characteristics Average age is 72
Contact Name Denise
Phone 770-451-8667



Market Information

Program @30%, @50%, @60%, @60% (Project)
Annual Turnover Rate 5%
Units/Month Absorbed 14
HCV Tenants 25%
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 included
Sewer included
Trash Collection included

Chamblee Senior Apartments, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	1	695	\$310	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	3	699	\$310	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	6	699	\$560	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	9	699	\$560	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	3	695	\$616	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	10	699	\$616	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	3	886	\$370	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	7	886	\$700	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	4	899	\$700	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	2	886	\$700	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	3	899	\$700	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	4	886	\$742	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	9	899	\$742	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	1	1,069	N/A	\$0	Non-Rental	None	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$310	\$0	\$310	-\$35	\$275	1BR / 1BA	\$560	\$0	\$560	-\$35	\$525
2BR / 1BA	\$370	\$0	\$370	-\$40	\$330	2BR / 1BA	\$700	\$0	\$700	-\$40	\$660
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$560 - \$616	\$0	\$560 - \$616	-\$35	\$525 - \$581	2BR / 2BA	N/A	\$0	N/A	-\$40	N/A
2BR / 1BA	\$700 - \$742	\$0	\$700 - \$742	-\$40	\$660 - \$702						

Chamblee Senior Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	Adult Education
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Hand Rails		
Microwave	Oven		
Pull Cords	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting	Medical Professional	None
Concierge	Courtyard		
Elevators	Exercise Facility		
Central Laundry	Non-shelter Services		
Off-Street Parking	On-Site Management		
Picnic Area	Service Coordination		

Comments

Management reported that the property currently maintains a waiting list of 90 households for one-bedroom floor plans and 60 households for two-bedroom floor plans. The property offers on-site health screenings once a month to all tenants.

Chamblee Senior Apartments, continued

Trend Report

Vacancy Rates

3Q14	4Q14	1Q15	2Q15
0.0%	0.0%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$305	\$0	\$305	\$270
2014	4	0.0%	\$305	\$0	\$305	\$270
2015	1	0.0%	\$310	\$0	\$310	\$275
2015	2	0.0%	\$310	\$0	\$310	\$275

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$374	\$0	\$374	\$334
2014	4	0.0%	\$374	\$0	\$374	\$334
2015	1	0.0%	\$370	\$0	\$370	\$330
2015	2	0.0%	\$370	\$0	\$370	\$330

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$415	\$0	\$415	\$380
2014	4	0.0%	\$415	\$0	\$415	\$380
2015	1	0.0%	\$560	\$0	\$560	\$525
2015	2	0.0%	\$560	\$0	\$560	\$525

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$570	\$0	\$570	\$530
2014	4	0.0%	\$570	\$0	\$570	\$530
2015	1	0.0%	\$700	\$0	\$700	\$660
2015	2	0.0%	\$700	\$0	\$700	\$660

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$420 - \$616	\$0	\$420 - \$616	\$385 - \$581
2014	4	0.0%	\$420 - \$616	\$0	\$420 - \$616	\$385 - \$581
2015	1	0.0%	\$560 - \$616	\$0	\$560 - \$616	\$525 - \$581
2015	2	0.0%	\$560 - \$616	\$0	\$560 - \$616	\$525 - \$581

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$575 - \$742	\$0	\$575 - \$742	\$535 - \$702
2014	4	0.0%	\$575 - \$742	\$0	\$575 - \$742	\$535 - \$702
2015	1	0.0%	\$700 - \$742	\$0	\$700 - \$742	\$660 - \$702
2015	2	0.0%	\$700 - \$742	\$0	\$700 - \$742	\$660 - \$702

Trend: Non-Rental

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
2014	3	0.0%	N/A	\$0	N/A	N/A
2014	4	0.0%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- 3Q14** Management does not accept Housing Choice Vouchers in addition to the PBRA units. The combined waiting list has 50 households at present. The average age of seniors at this property is approximately 72 years.
- 4Q14** Management does not accept Housing Choice Vouchers in addition to the PBRA units. The unsubsidized rents are below the maximum allowable as the non-profit owner strives to make rents as affordable as possible. The combined waiting list has 50 households at present. The average age of seniors at this property is approximately 72 years.
- 1Q15** Management reported that the property currently maintains a waiting list that is between three and five years in length. The contact reported that the property typically remains fully occupied year-round. Management reported that the demand for affordable housing for seniors in DeKalb County is strong. The contact was unable to comment on the parking utilization rate at the property. Since our last interview in 2014, rents have increased between three and 22 percent.
- 2Q15** Management reported that the property currently maintains a waiting list of 90 households for one-bedroom floor plans and 60 households for two-bedroom floor plans. The property offers on-site health screenings once a month to all tenants.

Chamblee Senior Apartments, continued

Photos



PROPERTY PROFILE REPORT

Hearthside Brookleigh

Effective Rent Date 5/05/2015

Location 2282 Johnson Ferry Road
Atlanta, GA 30319
DeKalb County

Distance 0.6 miles

Units 121

Vacant Units 0

Vacancy Rate 0.0%

Type Midrise (age-restricted) (3 stories)

Year Built/Renovated 2011 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Ashbury Parkside and Ashbury Landing

Tenant Characteristics Seniors age 62 and older.

Contact Name Brandy

Phone 770-452-7676



Market Information

Program @50% (Project Based Rental Assistance -

Annual Turnover Rate 10%

Units/Month Absorbed N/A

HCV Tenants 20%

Leasing Pace One to Three Weeks

Annual Chg. in Rent Increased three to five percent on all

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

Hearthside Brookleigh, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (3 stories)	2	752	\$760	\$0	@50% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Midrise (3 stories)	13	752	\$760	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (3 stories)	5	752	\$760	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Midrise (3 stories)	N/A	752	\$1,050	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise (3 stories)	6	752	\$1,000	\$0	Market	Yes	0	0.0%	N/A	LOW
2	1	Midrise (3 stories)	43	942	\$890	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (3 stories)	5	942	\$750	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	1	Midrise (3 stories)	N/A	942	\$1,250	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1	Midrise (3 stories)	12	942	\$1,100	\$0	Market	Yes	0	0.0%	N/A	LOW
2	1	Midrise (3 stories)	1	942	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
2	2	Midrise (3 stories)	21	1,015	\$900	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (3 stories)	5	1,015	\$750	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	2	Midrise (3 stories)	N/A	1,015	\$1,400	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Midrise (3 stories)	8	1,015	\$1,200	\$0	Market	Yes	N/A	N/A	N/A	LOW

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$760	\$0	\$760	-\$35	\$725	1BR / 1BA	\$760	\$0	\$760	-\$35	\$725
						2BR / 1BA	\$750 - \$890	\$0	\$750 - \$890	-\$40	\$710 - \$850
						2BR / 2BA	\$750 - \$900	\$0	\$750 - \$900	-\$40	\$710 - \$860
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,000 - \$1,050	\$0	\$1,000 - \$1,050	-\$35	\$965 - \$1,015	2BR / 1BA	N/A	\$0	N/A	-\$40	N/A
2BR / 1BA	\$1,100 - \$1,250	\$0	\$1,100 - \$1,250	-\$40	\$1,060 - \$1,210						
2BR / 2BA	\$1,200 - \$1,400	\$0	\$1,200 - \$1,400	-\$40	\$1,160 - \$1,360						

Hearthside Brookleigh, continued

Amenities

In-Unit

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

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

Security

Limited Access
Perimeter Fencing

Services

Shuttle Service

Property

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

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

Premium

Hairdresser / Barber

Other

Library, Walking Trails,

Comments

The contact reported that Housing Choice Voucher tenants are accepted. The contact reported that 34 units are public housing, 61 units are tax credit, and the rest of the units are market rate. The contact reported that the property maintains a waiting list that is six months to two year long with over 200 households in waiting. The property typically experiences a low turnover rate, as most move outs are due to deaths, emergencies, or lifestyle changes.

Hearthside Brookleigh, continued

Trend Report

Vacancy Rates

4Q10	4Q14	1Q15	2Q15
N/A	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$680	\$0	\$680	\$645
2014	4	N/A	\$680	\$0	\$680	\$645
2015	1	0.0%	\$750	\$0	\$750	\$715
2015	2	0.0%	\$760	\$0	\$760	\$725

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$760	\$0	\$760	\$720
2014	4	N/A	\$760	\$0	\$760	\$720

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$790	\$0	\$790	\$750
2014	4	N/A	\$790	\$0	\$790	\$750

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$680	\$0	\$680	\$645
2014	4	N/A	\$680 - \$730	\$0	\$680 - \$730	\$645 - \$695
2015	1	0.0%	\$750	\$0	\$750	\$715
2015	2	0.0%	\$760	\$0	\$760	\$725

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$760	\$0	\$760	\$720
2014	4	N/A	\$760 - \$875	\$0	\$760 - \$875	\$720 - \$835
2015	1	0.0%	\$750 - \$890	\$0	\$750 - \$890	\$710 - \$850
2015	2	0.0%	\$750 - \$890	\$0	\$750 - \$890	\$710 - \$850

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$790	\$0	\$790	\$750
2014	4	N/A	\$790 - \$900	\$0	\$790 - \$900	\$750 - \$860
2015	1	0.0%	\$750 - \$900	\$0	\$750 - \$900	\$710 - \$860
2015	2	0.0%	\$750 - \$900	\$0	\$750 - \$900	\$710 - \$860

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$750	\$0	\$750	\$715
2014	4	N/A	\$1,050 - \$1,100	\$0	\$1,050 - \$1,100	\$1,015 - \$1,065
2015	1	N/A	\$1,000 - \$1,050	\$0	\$1,000 - \$1,050	\$965 - \$1,015
2015	2	N/A	\$1,000 - \$1,050	\$0	\$1,000 - \$1,050	\$965 - \$1,015

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$850	\$0	\$850	\$810
2014	4	N/A	\$1,150 - \$1,200	\$0	\$1,150 - \$1,200	\$1,110 - \$1,160
2015	1	N/A	\$1,100 - \$1,250	\$0	\$1,100 - \$1,250	\$1,060 - \$1,210
2015	2	N/A	\$1,100 - \$1,250	\$0	\$1,100 - \$1,250	\$1,060 - \$1,210

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$950	\$0	\$950	\$910
2014	4	N/A	\$1,250 - \$1,300	\$0	\$1,250 - \$1,300	\$1,210 - \$1,260
2015	1	N/A	\$1,200 - \$1,400	\$0	\$1,200 - \$1,400	\$1,160 - \$1,360
2015	2	N/A	\$1,200 - \$1,400	\$0	\$1,200 - \$1,400	\$1,160 - \$1,360

Trend: Non-Rental

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	N/A	\$0	N/A	N/A
2014	4	N/A	N/A	\$0	N/A	N/A
2015	1	N/A	N/A	\$0	N/A	N/A
2015	2	N/A	N/A	\$0	N/A	N/A

Hearthside Brookleigh, continued

Trend: Comments

4Q10	N/A
4Q14	The contact reported that Housing Choice Voucher tenants are accepted, but was unable to report a percentage. The contact reported that 34 units are public housing, 61 units are tax credit, and the rest of the units are market rate. Information on turnover, rent trends, and a detailed tenant profile were not provided.
1Q15	The contact reported that Housing Choice Voucher tenants are accepted, but was unable to report a percentage. The contact reported that 34 units are public housing, 61 units are tax credit, and the rest of the units are market rate. The contact reported that the property maintains a waiting list that is six months to one year long. The property typically experiences a low turnover rate, as most move outs are due to deaths, emergencies, or lifestyle changes.
2Q15	The contact reported that Housing Choice Voucher tenants are accepted. The contact reported that 34 units are public housing, 61 units are tax credit, and the rest of the units are market rate. The contact reported that the property maintains a waiting list that is six months to two year long with over 200 households in waiting. The property typically experiences a low turnover rate, as most move outs are due to deaths, emergencies, or lifestyle changes.

Photos



PROPERTY PROFILE REPORT

Esquire Apartments

Effective Rent Date 4/28/2015
Location 3102 Buford Hwy NE
 Atlanta, GA 30329
 Dekalb County
Distance 3.6 miles
Units 52
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1975 / 2010
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None Identified
Tenant Characteristics Mixed tenancy with 5-10 percent seniors
Contact Name Heddy
Phone (404) 634-0074



Market Information

Program Market
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace N/A
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	820	\$790	\$0	Market	No	0	N/A	N/A	None
1.5	1	Garden (2 stories)	N/A	950	\$890	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	N/A	950	\$950	\$0	Market	No	0	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	1,200	\$990	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,400	\$1,100	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$790	\$0	\$790	-\$35	\$755
1.5BR / 1BA	\$890	\$0	\$890	-\$35	\$855
2BR / 1BA	\$950	\$0	\$950	-\$40	\$910
2BR / 1.5BA	\$990	\$0	\$990	-\$40	\$950
3BR / 2BA	\$1,100	\$0	\$1,100	-\$45	\$1,055

Esquire Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Cable/Satellite/Internet	Carpeting		
Central A/C	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Swimming Pool		

Comments

None

Esquire Apartments, continued

Trend Report

Vacancy Rates

4Q10	2Q15
23.1%	0.0%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$890	\$0	\$890	\$855

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$610	\$0	\$610	\$575
2015	2	N/A	\$790	\$0	\$790	\$755

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$990	\$0	\$990	\$950

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$750	\$0	\$750	\$710
2015	2	N/A	\$950	\$0	\$950	\$910

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$990	\$0	\$990	\$945
2015	2	N/A	\$1,100	\$0	\$1,100	\$1,055

Trend: Comments

4Q10 Contact stated that the 12 vacant units are in the process of being completely renovated.

2Q15 N/A

PROPERTY PROFILE REPORT

Metropolitan At Buckhead

Effective Rent Date	4/27/2015
Location	3200 Lenox Rd NE Atlanta, GA 30324 Fulton County
Distance	4 miles
Units	431
Vacant Units	22
Vacancy Rate	5.1%
Type	Midrise (3 stories)
Year Built/Renovated	1962 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy with approximately 10% seniors
Contact Name	Nate
Phone	404.261.3037



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-Week
Annual Chg. in Rent	None
Concession	Reduced app/admin fees

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (3 stories)	215	535	\$858	\$0	Market	No	9	4.2%	N/A	AVG*
1	1	Midrise (3 stories)	0	535	\$825	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Midrise (3 stories)	0	535	\$825	\$0	Market	No	0	N/A	N/A	LOW
2	2	Midrise (3 stories)	136	900	\$1,110	\$0	Market	No	9	6.6%	N/A	AVG*
2	2	Midrise (3 stories)	0	900	\$1,175	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Midrise (3 stories)	0	900	\$1,045	\$0	Market	No	0	N/A	N/A	LOW
3	2	Midrise (3 stories)	80	1,375	\$1,335	\$0	Market	No	4	5.0%	N/A	AVG*
3	2	Midrise (3 stories)	0	1,375	\$1,375	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Midrise (3 stories)	0	1,375	\$1,295	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$825 - \$858	\$0	\$825 - \$858	\$0	\$825 - \$858
2BR / 2BA	\$1,045 - \$1,175	\$0	\$1,045 - \$1,175	\$0	\$1,045 - \$1,175
3BR / 2BA	\$1,295 - \$1,375	\$0	\$1,295 - \$1,375	\$0	\$1,295 - \$1,375

Metropolitan At Buckhead, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Ceiling Fan
Oven
Walk-In Closet

Blinds
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Security

Limited Access

Services

None

Property

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

Clubhouse/Meeting
Elevators
Central Laundry
On-Site Management

Premium

View

Other

None

Comments

The property offers 17 different floor plans and the contact provided rent ranges for each unit type. Square footage was provided for the most common size for each unit type. The contact reported typical occupancy has ranged between 92 and 95 percent during the past year.

Metropolitan At Buckhead, continued

Trend Report

Vacancy Rates

4Q10	2Q15
10.9%	5.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$649	\$0	\$649	\$649
2015	2	4.2%	\$825 - \$858	\$0	\$825 - \$858	\$825 - \$858

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$900	\$0	\$900	\$900
2015	2	6.6%	\$1,045 - \$1,175	\$0	\$1,045 - \$1,175	\$1,045 - \$1,175

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	N/A	\$1,199	\$0	\$1,199	\$1,199
2015	2	5.0%	\$1,295 - \$1,375	\$0	\$1,295 - \$1,375	\$1,295 - \$1,375

Trend: Comments

4Q10 Contact indicated that 13 of the vacant units have pending applications.

2Q15 The property offers 17 different floor plans and the contact provided rent ranges for each unit type. Square footage was provided for the most common size for each unit type. The contact reported typical occupancy has ranged between 92 and 95 percent during the past year.

PROPERTY PROFILE REPORT

Miller Station At Peachtree

Effective Rent Date	5/05/2015
Location	3450 Miller Drive Atlanta, GA 30341 DeKalb County
Distance	0.4 miles
Units	192
Vacant Units	4
Vacancy Rate	2.1%
Type	Lowrise (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	9/15/2006
Last Unit Leased	9/30/2007
Major Competitors	Promenade, Heights at Clairmont
Tenant Characteristics	Less than five percent senior tenants.
Contact Name	Property Manager
Phone	678-547-1844



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	16
HCV Tenants	0%
Leasing Pace	Up to 5 days
Annual Chg. in Rent	Increase 1-3%
Concession	One month free

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	48	834	\$1,065	\$0	Market	No	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	48	930	\$1,115	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	48	1,208	\$1,435	\$0	Market	No	4	8.3%	N/A	None
2	2	Lowrise (3 stories)	48	1,302	\$1,470	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$1,065 - \$1,115	\$0	\$1,065 - \$1,115	\$0	\$1,065 - \$1,115
2BR / 2BA	\$1,435 - \$1,470	\$0	\$1,435 - \$1,470	\$0	\$1,435 - \$1,470

Miller Station At Peachtree, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer

Blinds
Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

In-Unit Alarm

Services

None

Property

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

Elevators
Off-Street Parking
Picnic Area

Premium

None

Other

Coffee/Tea Bar, Covered

Comments

The property was formerly known as The Battery At Chamblee Station. The contact stated the property does not accept Housing Choice Vouchers. The property offers exterior storage for an additional \$25 per month. Management maintains a waiting list of one household for the 930 SF one bedroom floorplan.

Miller Station At Peachtree, continued

Trend Report

Vacancy Rates

1Q10	2Q10	4Q10	2Q15
12.0%	11.5%	7.8%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	24.0%	\$850 - \$890	\$35 - \$37	\$815 - \$853	\$815 - \$853
2010	2	13.5%	\$850 - \$890	\$70 - \$74	\$780 - \$816	\$780 - \$816
2010	4	8.3%	\$875 - \$925	\$73 - \$77	\$802 - \$848	\$802 - \$848
2015	2	0.0%	\$1,065 - \$1,115	\$0	\$1,065 - \$1,115	\$1,065 - \$1,115

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$1,095 - \$1,150	\$46 - \$48	\$1,049 - \$1,102	\$1,049 - \$1,102
2010	2	9.4%	\$1,095 - \$1,150	\$91 - \$96	\$1,004 - \$1,054	\$1,004 - \$1,054
2010	4	7.3%	\$1,125 - \$1,205	\$94 - \$100	\$1,031 - \$1,105	\$1,031 - \$1,105
2015	2	4.2%	\$1,435 - \$1,470	\$0	\$1,435 - \$1,470	\$1,435 - \$1,470

Trend: Comments

- 1Q10** Management reported decreases of 10 percent on all unit types over the past year.
- 2Q10** N/A
- 4Q10** Management estimated the unit breakdown. Management reported that rents were increased in late 2010 after having been dropped in the early-summer months. Management stated that vacancy has decreased in 2010 due to stabilizing market conditions.
- 2Q15** The property was formerly known as The Battery At Chamblee Station. The contact stated the property does not accept Housing Choice Vouchers. The property offers exterior storage for an additional \$25 per month. Management maintains a waiting list of one household for the 930 SF one bedroom floorplan.

PROPERTY PROFILE REPORT

Rock Creek At Ashford

Effective Rent Date	5/05/2015
Location	3716 Ashford Dunwoody Road Atlanta, GA 30319 DeKalb County
Distance	1.6 miles
Units	222
Vacant Units	12
Vacancy Rate	5.4%
Type	Garden (3 stories)
Year Built/Renovated	1987 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Pointe @ Perimeter and Promenade @ Peachtree
Tenant Characteristics	Mixed families and singles, less than 10% are seniors
Contact Name	Delia
Phone	770-452-7040



Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Up to two weeks
Annual Chg. in Rent	Change daily
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	20	457	\$955	\$0	Market	None	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	557	\$990	\$0	Market	None	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	582	\$935	\$0	Market	None	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	830	\$1,260	\$0	Market	None	1	N/A	N/A	None
2	1	Garden (3 stories)	N/A	1,130	\$1,400	\$0	Market	None	1	N/A	N/A	HIGH
2	1	Garden (3 stories)	34	1,130	\$1,350	\$0	Market	None	0	0.0%	N/A	LOW
2	2	Garden (3 stories)	54	1,112	\$869	\$0	Market	None	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$955	\$0	\$955	\$0	\$955
1BR / 1BA	\$935 - \$1,260	\$0	\$935 - \$1,260	\$0	\$935 - \$1,260
2BR / 1BA	\$1,350 - \$1,400	\$0	\$1,350 - \$1,400	\$0	\$1,350 - \$1,400
2BR / 2BA	\$869	\$0	\$869	\$0	\$869

Rock Creek At Ashford, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Fireplace
Hand Rails
Refrigerator
Washer/Dryer

Security

Limited Access

Services

None

Property

Car Wash
Central Laundry
Swimming Pool

Garage
On-Site Management
Tennis Court

Premium

None

Other

None

Comments

Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. Contact stated the property does not accept Housing Choice Vouchers. The property offers a total of 114 one bedroom units across three floorplans. The price range associated with the two bedroom one bathroom floorplan is attributed to in-unit renovations such as new appliances, flooring, and general cosmetic upgrades. Exterior storage and garage units are available for an additional \$100 per month. Washer and dryer units are included in the 830 SF one bedroom floorplan and in all two bedroom floorplans. The property was recently renovated in 2014 with upgrades to interiors; parking lot, gate system, and other general renovations.

Rock Creek At Ashford, continued

Trend Report

Vacancy Rates

1Q10	2Q10	4Q10	2Q15
1.4%	3.6%	5.4%	5.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	1.8%	\$742	\$0	\$742	\$742
2010	2	2.6%	\$720	\$0	\$720	\$720
2010	4	N/A	\$698	\$0	\$698	\$698
2015	2	N/A	\$935 - \$1,260	\$0	\$935 - \$1,260	\$935 - \$1,260

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$828	\$0	\$828	\$828
2010	2	2.9%	\$840	\$0	\$840	\$840
2010	4	N/A	\$823	\$0	\$823	\$823
2015	2	N/A	\$1,350 - \$1,400	\$0	\$1,350 - \$1,400	\$1,350 - \$1,400

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$942	\$0	\$942	\$942
2010	2	5.6%	\$902	\$0	\$902	\$902
2010	4	N/A	\$869	\$0	\$869	\$869
2015	2	N/A	\$869	\$0	\$869	\$869

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	5.0%	\$567	\$0	\$567	\$567
2010	2	5.0%	\$650	\$0	\$650	\$650
2010	4	N/A	\$626	\$0	\$626	\$626
2015	2	N/A	\$955	\$0	\$955	\$955

Trend: Comments

- 1Q10** Contact stated that one of the vacancies have an application on file at the present time. There was a one percent increase on the studio and one-bedroom units, a four percent increase on the two-bedroom one-bath units, and a nine percent increase on the two-bedroom two-bath units. Rents range due to the Yieldstar rent system management uses, which adjusts rents daily based upon availability. Generally, rents have decreased. Water, sewer, and trash services are \$29 for the studio, \$37 for the one-bedroom, and \$43 for the two-bedroom units.
- 2Q10** Rents range due to the Yieldstar rent system management uses, which adjusts rents daily based upon availability. Generally, rents have decreased. Water, sewer, and trash services are \$29 for the studio, \$37 for the one-bedroom, and \$43 for the two-bedroom units.
- 4Q10** Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. Generally, rents have decreased over 2009 rents. Vacancy has also increased since 2009 due to job losses and families consolidating under one roof to pool strained incomes. Water, sewer, and trash services are \$29 for the studio, \$37 for the one-bedroom, and \$43 for the two-bedroom units. Management stated that most seniors at the property are retired and living on SS.
- 2Q15** Rents change daily due to the YieldStar rent system in use, which adjusts rents daily based upon availability and move-in date. Contact stated the property does not accept Housing Choice Vouchers. The property offers a total of 114 one bedroom units across three floorplans. The price range associated with the two bedroom one bathroom floorplan is attributed to in-unit renovations such as new appliances, flooring, and general cosmetic upgrades. Exterior storage and garage units are available for an additional \$100 per month. Washer and dryer units are included in the 830 SF one bedroom floorplan and in all two bedroom floorplans. The property was recently renovated in 2014 with upgrades to interiors, parking lot, gate system, and other general renovations.

PROPERTY PROFILE REPORT

The Stratford

Effective Rent Date 5/06/2015
Location 5479 Glenridge Drive
 Atlanta, GA 30342
 Fulton County, County
Distance 3.8 miles
Units 269
Vacant Units 11
Vacancy Rate 4.1%
Type Midrise (4 stories)
Year Built/Renovated 1990 / 2014
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Charleston Court
Tenant Characteristics Not provided
Contact Name Leasing Agent
Phone 404-255-1710



Market Information

Program Market
Annual Turnover Rate 20%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Pre-leased to two weeks
Annual Chg. in Rent Increase 5-10%
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	N/A	698	\$909	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Midrise (4 stories)	N/A	698	\$949	\$0	Market	No	N/A	N/A	N/A	HIGH*
1	1	Midrise (4 stories)	N/A	698	\$869	\$0	Market	No	N/A	N/A	N/A	LOW*
2	2	Midrise (4 stories)	N/A	1,038	\$1,239	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Midrise (4 stories)	N/A	1,038	\$1,299	\$0	Market	No	N/A	N/A	N/A	HIGH*
2	2	Midrise (4 stories)	N/A	1,038	\$1,179	\$0	Market	No	N/A	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$869 - \$949	\$0	\$869 - \$949	\$0	\$869 - \$949
2BR / 2BA	\$1,179 - \$1,299	\$0	\$1,179 - \$1,299	\$0	\$1,179 - \$1,299

The Stratford, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Dishwasher
Fireplace
Microwave
Refrigerator
Washer/Dryer

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings

Security

In-Unit Alarm
Perimeter Fencing
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Elevators
Garage
Central Laundry

Clubhouse/Meeting
Exercise Facility
Jacuzzi
Swimming Pool

Premium

None

Other

None

Comments

The contact stated that garage spaces are available from \$25 to \$50 per month based on location and other factors such as renewals. The property does not accept Section 8 housing choice vouchers.

The Stratford, continued

Trend Report

Vacancy Rates

4Q14	2Q15
3.0%	4.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$829 - \$899	\$0	\$829 - \$899	\$829 - \$899
2015	2	N/A	\$869 - \$949	\$0	\$869 - \$949	\$869 - \$949

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,149 - \$1,249	\$0	\$1,149 - \$1,249	\$1,149 - \$1,249
2015	2	N/A	\$1,179 - \$1,299	\$0	\$1,179 - \$1,299	\$1,179 - \$1,299

Trend: Comments

- 4Q14** The contact reported that renovations are currently occurring to the property that include the following: Jacuzzi repairs, replacing interior flooring, upgrading the elevators, refurbishing hallways, and repairing the parking garage. Information regarding turnover, rent trends, and tenant profile were not revealed by the manager.
- 2Q15** The contact stated that garage spaces are available from \$25 to \$50 per month based on location and other factors such as renewals. The property does not accept Section 8 housing choice vouchers.

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

Housing Choice Vouchers

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

HOUSING CHOICE VOUCHER TENANTS		
Property Name	Rent Structure	Turnover
Ashford Landing Senior Residences	Senior LIHTC/PBRA	5%
Ashford Parkside	Senior LIHTC	0%
Campbell Stone Apartments*	Senior PBRA/Market	15%
Chamblee Senior Apartments	Senior LIHTC/PBRA	25%
Hearthside Brookleigh	Senior LIHTC/PBRA/Market	20%
Esquire Apartments	Market	0%
Metropolitan At Buckhead	Market	0%
Miller Station At Peachtree	Market	0%
Rock Creek At Ashford	Market	0%
The Stratford	Market	0%

*Located outside PMA

The voucher usage at the comparable properties ranges from zero to 25 percent and six of the 10 comparables reported no voucher usage. Usage among the senior affordable properties ranges from zero to 25 percent. It should be noted that several of the affordable comparables offer some subsidized units and vouchers are not necessary for these units. The voucher usage in the local market appears to be low. We believe the Subject will have a relatively low voucher usage between 15 and 20 percent.

Lease Up History

We were able to obtain absorption information from three comparable senior properties and one market rate property. However, due to development timing, the majority of this data is relatively dated as all but one of the comparables below were completed prior to 2008.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Ashford Landing Senior Residences	LIHTC/PBRA	Senior	2009	117	10
Chamblee Senior Apartments	LIHTC/PBRA	Senior	2007	65	14
Miller Station at Peachtree	Market	Family	2007	192	16
Ashford Parkside	LIHTC	Senior	2007	151	75
Average				131	29

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Ashford Landing Senior Residences is the most recent senior affordable property for which absorption data is available. The absorption rates reported by the comparables range from 10 to 75 units per month, with an average of 29 units per month. The Subject's location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting

lists at the LIHTC comparables, and the strong demand for affordable senior housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of four to five months.

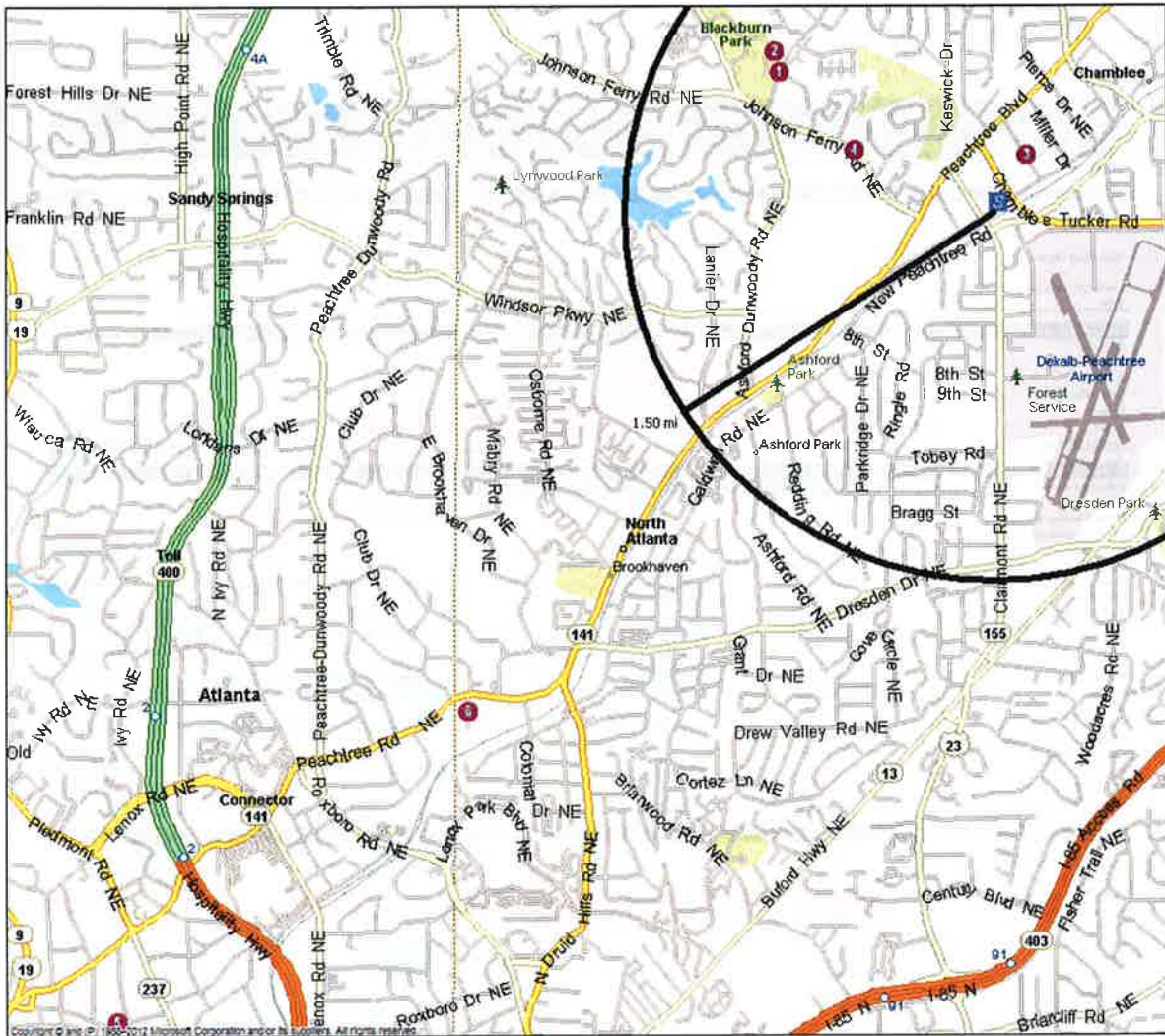
Phased Developments

No additional analysis is necessary as there will be no additional phases of the Subject.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map



COMPETITIVE PROJECTS IN PMA							
#	Property Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance	
8	Senior Residences at Mercy Park	LIHTC/HOME	Senior	N/A	N/A	N/A	
2	Ashford Parkside	LIHTC	Senior	Included	N/A	1.4 miles	
3	Ashford Landing Senior Residences	LIHTC/PBRA	Senior	Included	Under Construction	1.9 miles	
4	Chamblee Senior Apartments	LIHTC/PBRA	Senior	Included	Under Construction	1.1 miles	
5	Hearthside Brookleigh	LIHTC/PBRA/Market	Senior	Included	Under Construction	1.9 miles	
7	Calvin Court	Section 8/Market	Senior	Excluded	Unable to contact	0.9 miles	
8	Lenox Summit	Section 8	Senior	Excluded	Subsidized Rents	1.1 miles	

Senior Residences at Mercy Park, Chamblee, 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.

UNIT MATRIX REPORT											
	Senior Residences At Mercy Park	Ashford Landing Senior Residences	Ashford Parkside	Campbell Stone Apartments	Chamblee Senior Apartments	Hearthside Brookleigh	Espero Apartments	Metropolitan At Buckhead	Miller Station At Peachtree	Rock Creek At Ashford	The Stratford
Comp#	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Midrise (4 stories)	Midrise (age-restricted) (4 stories)	Midrise (age-restricted) (3 stories)	Highrise (age-restricted) (16 stories)	Midrise (age-restricted) (4 stories)	Midrise (age-restricted) (3 stories)	Garden (2 stories)	Midrise (3 stories)	Lowrise (3 stories)	Garden (3 stories)	Midrise (4 stories)
Year Built / Renovated	Proposed n/a	2009 n/a	2007 n/a	1964 n/a	2007 n/a	2011 n/a	1975-2010	1962-2008	2007 n/a	1987-2014	1990-2014
Market (Cont./Subdiv) Type											
	LHHC HOME	LHHC PBRA	LHHC	PBRA Market	LHHC/PBRA	Market	Market	Market	Market	Market	Market
Utilities/Adjustments											
Cooking	no	no	no	yes	no	no	no	no	no	no	no
Water Heat	no	no	no	yes	no	no	no	no	no	no	no
Heat	no	no	no	yes	no	no	no	no	no	no	no
Other Electric	no	no	no	yes	no	no	no	no	no	no	no
Water	no	yes	yes	yes	yes	yes	yes	no	no	no	no
Sewer	no	yes	yes	yes	yes	yes	yes	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	no	no	no	no
In-Unit Amenities											
Balcony/Patio	yes	no	no	no	no	no	yes	yes	yes	yes	yes
Blinks	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	yes	yes	yes	no	no
Carpet/Hardwood	no	no	no	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	no	yes	yes	no	no	no	yes	no
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no	no	no	no	yes	yes
Ceiling Fan	yes	no	yes	no	yes	yes	no	yes	yes	no	no
Fireplace	no	no	no	no	no	no	no	no	no	yes	yes
Garbage Disposal	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Hand Rails	yes	yes	yes	no	yes	yes	no	no	no	yes	no
Microwave	yes	no	yes	no	yes	yes	no	no	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	yes	no	yes	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	yes
Walk-In Closet	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no
Washer/Dryer	no	yes	no	no	no	no	no	no	yes	yes	yes
Washer/Dryer hookup	yes	yes	yes	no	yes	yes	yes	no	no	yes	no
Property Amenities											
Business Center/Computer Lab	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes
Car Wash	no	no	no	no	no	no	no	no	no	yes	no
Clubhouse/Meeting Room/Community Room	no	yes	yes	yes	yes	yes	no	yes	no	no	yes
Concierge	no	no	no	no	yes	no	no	no	no	no	no
Courtyard	yes	yes	yes	yes	yes	yes	no	yes	no	no	no
Elevators	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes
Exercise Facility	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes
Garage	no	no	no	no	no	no	no	no	no	yes	yes
Jacuzzi	no	no	no	no	no	no	no	no	no	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Non-shelter Services	no	yes	yes	no	yes	yes	no	no	no	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Picnic Area	yes	yes	yes	yes	yes	yes	no	no	yes	no	no
Recreation Areas	yes	no	no	yes	no	no	no	no	no	no	no
Service Coordination	yes	yes	no	no	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	no	no	no	no	yes	no
Wi-Fi	yes	no	no	no	no	no	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$125.00	\$23.00
Services											
Adult Education	no	yes	no	no	yes	no	no	no	no	no	no
Computer Tutoring	no	yes	yes	no	no	no	no	no	no	no	no
Shuttle Service	no	yes	yes	no	no	yes	no	no	no	no	no
Security											
In-Unit Alarm	no	yes	yes	no	no	no	no	no	yes	no	yes
Intercom (Buzzer)	no	no	no	no	yes	no	no	no	no	no	no
Intercom (Phone)	no	no	no	yes	no	no	no	no	no	no	no
Limited Access	no	yes	yes	yes	no	yes	yes	yes	no	yes	no
Patrol	yes	no	no	no	no	no	yes	yes	no	no	no
Perimeter Fencing	no	yes	yes	no	no	yes	no	no	no	no	yes
Viko Surveillance	yes	no	no	no	no	no	no	no	no	no	yes
Premium Amenities											
Hairdresser / Barber	no	yes	yes	yes	no	yes	no	no	no	no	no
Medical Professional	no	no	no	no	yes	no	no	no	no	no	no
View	no	no	no	no	no	no	no	yes	no	no	no
Other Amenities											
Other	Library, Adult day care		Library, garden, arts and crafts room	Thrift Store, Gift Store, Chapel, Cafeteria		Library, Walking Trails, Gazabo, Game Room			Coffee/Tea Bar, Covered Parking		

The Subject will offer similar to slightly superior in-unit amenities in comparison to the senior affordable comparables and slightly superior in-unit amenities compared to the market rate comparable properties that do not offer in-unit washer/dryers. The Subject’s common area amenities will be similar to the affordable senior comparables and slightly inferior to the market rate comparables. The Subject will offer patio/balconies, coat closets, ceiling fans, hand rails, microwaves, pull cords, recreation areas, service coordination, and free Wi-Fi in common areas, which are not offered at the majority of the comparables. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior rental market.

5. Senior Tenancy

The Subject will target senior households aged 55 and older. All of the affordable comparables target seniors exclusively. The following table illustrates the approximate percent of senior tenants at the surveyed properties.

SENIOR TENANCY		
Property Name	Rent Structure	Percent of Senior Tenants
Ashford Landing Senior Residences	Senior LIHTC/PBRA	100%
Ashford Parkside	Senior LIHTC	100%
Campbell Stone Apartments*	Senior PBRA/Market	100%
Chamblee Senior Apartments	Senior LIHTC/PBRA	100%
Hearthside Brookleigh	Senior LIHTC/PBRA/Market	100%
Esquire Apartments	Market	5-10%
Metropolitan At Buckhead	Market	10%
Miller Station At Peachtree	Market	Less than 5%
Rock Creek At Ashford	Market	10%
The Stratford	Market	N/Av

*Located outside PMA

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashford Landing Senior Residences	Senior LIHTC/PBRA	117	1	0.9%
Ashford Parkside	Senior LIHTC	151	3	2.0%
Campbell Stone Apartments*	Senior PBRA/Market	342	0	0.0%
Chamblee Senior Apartments	Senior LIHTC/PBRA	65	0	0.0%
Hearthside Brookleigh	Senior LIHTC/PBRA/Market	121	0	0.0%
Esquire Apartments	Market	52	0	0.0%
Metropolitan At Buckhead	Market	431	22	5.1%
Miller Station At Peachtree	Market	192	4	2.1%
Rock Creek At Ashford	Market	222	12	5.4%
The Stratford	Market	269	11	4.1%
Total		1,962	53	2.7%

*Located outside PMA

As illustrated, vacancy rates in the market range from zero to 5.4 percent, averaging 2.7 percent.

The affordable senior comparables reported vacancy rates ranging from zero to 2.0 percent with only four vacant units among them and an overall vacancy rate of 0.5 percent. These rates indicate strong demand for affordable senior housing. Additionally, several of the senior affordable properties and some of the market rate properties maintain waiting lists and all of the senior affordable comparables' property managers indicated strong demand for affordable senior housing in the market.

The market rate vacancy rate ranges from zero to 5.4 percent, averaging 3.3 percent, which is considered low. The majority of the market rate properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to the stabilized senior affordable comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable senior housing in the local market.

7. Properties Under Construction and Proposed

There have been no properties funded, placed in service, or under construction within the PMA since 2012. The most recently awarded LIHTC development in the PMA of which we are aware is Hearthside at Brookleigh, which received an allocation in 2009 and was completed in 2011 and is fully occupied.

We also contacted Adam Causey, Director of Economic Development at the City of Chamblee, in regards to proposed, under construction, or recently completed multifamily developments in Chamblee. According to Mr. Causey, there has been a slight uptick in mixed-use multifamily projects over the last year, which was preceded by a long period without any multifamily permits issued in the city.

The Olmsted, a 283-unit mixed-use development, recently broke ground in November of 2014. This project is the first multifamily project approved in Chamblee in nearly a decade. The site will feature one, two, and three-bedroom apartments and will target the general population. Upon completion the project will feature 11,000 square feet of retail space including two restaurants. This development will be located across the street from the Chamblee MARTA stations. The project is expected to be completed by January 2016. This development will not compete with the Subject directly given its target tenancy.

Parkview on Peachtree, a 597-unit luxury mixed-use development with 80,000 square feet office and retail space, is expected to begin construction in 2015. The project will be developed in two phases. This development will feature one, two, and three bedroom apartments and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road. This development will not compete with the Subject directly given its target tenancy.

8. Rental Advantage

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

SIMILARITY MATRIX								
#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashford Landing Senior Residences	Senior LIHTC/PBRA	Similar	Slightly Superior	Slightly Superior	Slightly Inferior	Similar	5
2	Ashford Parkside	Senior LIHTC	Similar	Similar	Slightly Superior	Slightly Inferior	Similar	0
3	Campbell Stone Apartments	Senior PBRA/Market	Similar	Inferior	Slightly Superior	Inferior	Inferior	-25
4	Chamblee Senior Apartments	Senior LIHTC/PBRA	Similar	Similar	Similar	Slightly Inferior	Similar	-5
5	Hearthside Brookleigh	Senior LIHTC/PBRA/Market	Similar	Similar	Slightly Superior	Similar	Slightly Superior	10
6	Equite Apartments	Market	Inferior	Inferior	Slightly Inferior	Inferior	Slightly Superior	-25
7	Metropolitan At Buckhead	Market	Similar	Slightly Inferior	Slightly Superior	Inferior	Slightly Inferior	-15
8	Miller Station At Peachtree	Market	Similar	Slightly Superior	Similar	Slightly Inferior	Superior	10
9	Rock Creek At Ashford	Market	Slightly Inferior	Slightly Superior	Slightly Superior	Slightly Inferior	Superior	10
10	The Stratford	Market	Similar	Slightly Superior	Similar	Slightly Inferior	Slightly Superior	5

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

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

LIHTC RENT COMPARISON - @50%		
Property Name	1BR	2BR
Senior Residences At Mercy Park (Subject)	\$514	\$612
2015 HOME Maximum (Net)	\$526	\$625
2015 LIHTC Maximum (Net)	\$514	\$612
Hold Harmless LIHTC Maximum (Net)	\$569	\$677
Chamblee Senior Apartments	\$525	\$660
Average (excluding Subject)	\$525	\$660

LIHTC RENT COMPARISON - @60%		
Property Name	1BR	2BR
Senior Residences At Mercy Park (Subject)	\$574	\$625
2015 LIHTC Maximum (Net)	\$642	\$766
Hold Harmless LIHTC Maximum (Net)	\$708	\$844
Ashford Landing Senior Residences	\$679	\$835
Ashford Parkside	\$679	\$910
Chamblee Senior Apartments	\$581	\$702
Hearthside Brookleigh	\$725	\$860
Average (excluding Subject)	\$638	\$805

The Subject's proposed 50 percent AMI HOME rents are set at the lower of the 50 percent LIHTC and HOME maximum allowable levels, while the proposed 60 percent AMI LIHTC rents are set below maximum allowable levels.

Since most of the comparable properties were built prior to 2010, they have been "held harmless" to the recent decrease in AMI and have a higher maximum allowable gross rent level than the Subject, which will be completed in 2018. When rents are "held harmless" a property owner is not required to decrease rents in light of a decrease in the AMI. Instead, the property may continue operating with rent restrictions based upon the higher AMI level prior to the

decrease. Note that the 2015 AMI in DeKalb County increased 6.1 percent, but remains below the 2010 AMI level. Per the Georgia DCA 2015 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The HUD Utility Modeling provided by the client is effective June 1, 2015; therefore, we have utilized the 2015 maximum income and rent limits.

All of the comparable properties reported achieving maximum allowable rents. Chamblee Senior Apartments and Hearthside Brookleigh are considered the most comparable affordable properties. The Subject will be age-restricted, similar to both of these comparables and will offer a similar location relative to both of these comparables. The Subject will offer a similar in-unit and common area amenities package relative to both of these comparables. Chamblee Senior Apartments was constructed in 2007 and exhibits slightly inferior condition relative to the Subject as complete, while Hearthside Brookleigh was constructed in 2011 and exhibits similar condition relative to the Subject. Chamblee Senior Apartments offers similar unit sizes relative to those proposed for the Subject, while Hearthside Brookleigh offers slightly superior unit sizes relative to those proposed at the Subject. Both of these comparables are contained in elevator-serviced midrise designs, similar to the Subject. Overall, the Subject will be similar to slightly superior in comparison to both comparables based largely on the newly constructed condition of the proposed Subject.

The comparable senior affordable properties are exhibiting a weighted average vacancy rate of 0.5 percent with only four vacant units, which is considered excellent. Further, the majority of the affordable senior comparables and one of the market rate comparables maintain waiting lists. We believe the low vacancy rate and existence of waiting lists at the comparable properties demonstrates demand for affordable senior housing in the market. We believe the Subject is feasible as proposed, particularly given its location within close proximity to a MARTA station and the proposed Mercy Care Health and Wellness Center.

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
<i>Low HOME (50% AMI)</i>					
1BR/1BA	\$514	\$578	\$1,260	\$946	-45.7%
2BR/1BA	\$612	\$608	\$1,470	\$1,185	-48.3%
<i>60% AMI</i>					
1BR/1BA	\$574	\$578	\$1,260	\$946	-39.3%
2BR/1BA	\$625	\$608	\$1,470	\$1,185	-47.2%

The Subject's proposed one and two-bedroom HOME rents will offer a 45.7 to 48.3 percent advantage over the average market rents, while the proposed one and two-bedroom LIHTC rents will offer a 39.3 to 47.2 percent advantage over the average market rents.

9. LIHTC Competition – DCA Funded Properties within the PMA

There have been no properties funded, placed in service, or under construction within the PMA since 2012. The most recently awarded LIHTC development in the PMA of which we are aware is Hearthside at Brookleigh, which received an allocation in 2009 and was completed in 2011 and is fully occupied. This development has been utilized as a comparable in this report. Further, according to the Chamblee Planning Department, there have been no permitted multifamily developments in the city over the last two years.

10. Rental Trends in the PMA

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

PMA TENURE PATTERNS OF SENIORS 55+				
Year	Renter-Occupied Units	Percentage Owner-Occupied	Owner-Occupied Units	Percentage Renter-Occupied
2000	7,394	65.1%	3,958	34.9%
2010	9,737	64.7%	5,309	35.3%
2015	10,433	66.7%	5,213	33.3%
Projected Mkt Entry	11,782	66.1%	6,056	33.9%
2019	12,457	65.8%	6,478	34.2%

Source: ESRI Demographics 2014, Novogradac & Company LLP, 5/2015

Owner-occupied senior housing units dominate the PMA with 66.7 percent of senior housing units being renter-occupied, which is similar to the MSA. However, a healthy renter population exists and both the number and percentage of senior renter-occupied housing units are projected to increase through the projected market entry date and through 2019.

Historical Vacancy

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

HISTORICAL VACANCY									
Comparable Property	Type	Total Units	1QTR 2008	1QTR 2010	4QTR 2010	4QTR 2011	4QTR 2014	1QTR 2015	2QTR 2015
Ashford Landing Senior Residences	Senior LIHTC/PBRA	117	N/A	0.0%	0.0%	0.0%	0.0%	N/A	0.9%
Ashford Parkside	Senior LIHTC	151	7.3%	0.0%	0.0%	0.0%	1.3%	N/A	2.0%
Campbell Stone Apartments	Senior PBRA/Market	342	N/A	N/A	N/A	N/A	N/A	0.0%	0.0%
Chamblee Senior Apartments	Senior LIHTC/PBRA	65	29.2%	1.5%	0.0%	N/A	0.0%	0.0%	0.0%
Hearthside Brookleigh	Senior LIHTC/PBRA/Market	121	N/A	N/A	N/A	N/A	0.0%	0.0%	0.0%
Esquire Apartments	Market	52	N/A	N/A	23.1%	N/A	N/A	N/A	0.0%
Metropolitan At Buckhead	Market	431	N/A	N/A	10.9%	N/A	N/A	N/A	5.1%
Miller Station At Peachtree	Market	192	18.8%	12.0%	7.8%	N/A	N/A	N/A	2.1%
Rock Creek At Ashford	Market	222	6.8%	1.4%	5.4%	N/A	N/A	N/A	5.4%
The Stratford	Market	269	N/A	N/A	N/A	N/A	3.0%	N/A	4.1%
Total		2,035	15.5%	3.0%	6.7%	0.0%	0.9%	0.0%	2.0%

As illustrated in the table, we were able to obtain the historical vacancy rates at several of the comparable properties over the last eight years. However, we were not able to obtain all the historical vacancy rates for each individual year. In general, the comparable properties have maintained low vacancy rates. The comparable properties are generally similar to previous years of analysis.

Change in Rental Rates

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

RENT GROWTH		
Property Name	Rent Structure	Rent Growth
Ashford Landing Senior Residences	Senior LIHTC/PBRA	No change
Ashford Parkside	Senior LIHTC	No change
Campbell Stone Apartments*	Senior PBRA/Market	Incr. 7% for 1BR since 1Q15
Chamblee Senior Apartments	Senior LIHTC/PBRA	No change
Hearthside Brookleigh	Senior LIHTC/PBRA/Market	Increased 3-5% percent
Esquire Apartments	Market	No change
Metropolitan At Buckhead	Market	No change
Miller Station At Peachtree	Market	Increase 1-3%
Rock Creek At Ashford	Market	Change daily
The Stratford	Market	Increase 5-10%

*Located outside PMA

Four of the comparable properties reported rent increases, while five reported no change, and one reported that rents have fluctuated.

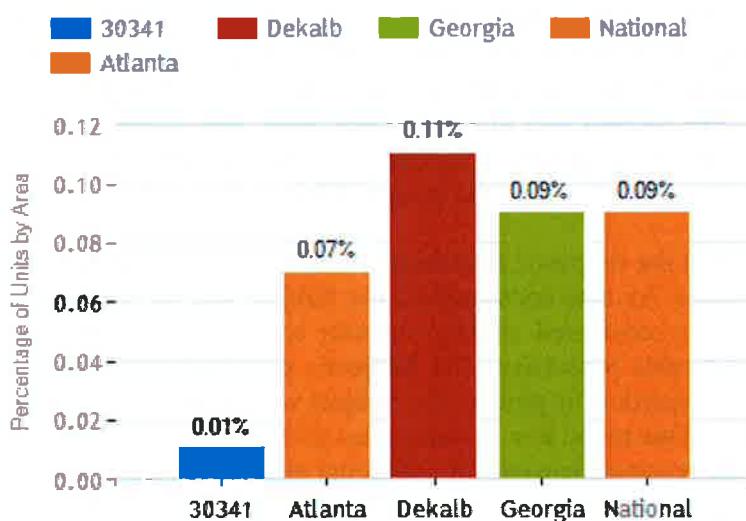
11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.RealtyTrac.com, “there are currently 47 properties in the Subject’s zip code (30341) that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 66.

In March 2015, the number of properties that received a foreclosure filing in the Subject's zip code was 50 percent lower than the previous month and 71 percent lower than the same time last year.

Home sales for February 2015 were down 30 percent compared with the previous month, and down 42 percent compared with a year ago. The median sales price of a non-distressed home was \$248,000. The median sales price of a foreclosure home was \$144,150, or 42 percent lower than non-distressed home sales."

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



Source: Realtytrac.com, 5/2015

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

12. Primary Housing Void

According to Natasha Brown with the Housing Authority of DeKalb County, the authority currently maintains an extensive waiting list for Section 8 applicants, and the waiting list is currently closed. Further, the property manager at the senior comparables both within and just outside the PMA reported strong demand for affordable senior housing in this area.

13. Effect of Subject on Other Affordable Units in Market

We are not aware of any proposed multifamily developments within the PMA, competitive or otherwise. Given the strong demand for senior affordable developments within the PMA, the low vacancy rates and waiting lists reported at the senior comparables, and the indications of the *Project Specified Demand Analysis*, we do not believe the construction of the Subject will hinder the other existing affordable units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior affordable and the market rate comparables are performing well, with a weighted vacancy rate of 2.7 percent. The affordable senior comparables reported vacancy rates ranging from zero to 2.0 percent with only four vacant units among them and an overall vacancy rate of 0.5 percent. These rates indicate strong demand for affordable senior housing. Additionally, several of the senior affordable properties and one of the market rate properties maintain waiting lists and all of the senior affordable comparables' property managers indicated strong demand for affordable senior housing in the market.

The Subject will offer similar to slightly superior in-unit amenities in comparison to the senior affordable comparables and slightly superior in-unit amenities compared to the market rate comparable properties that do not offer in-unit washer/dryers. The Subject's common area amenities will be similar to the affordable senior comparables and slightly inferior to the market rate comparables. The Subject will offer patio/balconies, coat closets, ceiling fans, hand rails, microwaves, pull cords, recreation areas, service coordination, and free Wi-Fi in common areas, which are not offered at the majority of the comparables.

Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior rental market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable senior housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from three comparable senior properties and one market rate property. However, due to development timing, the majority of this data is relatively dated as all but one of the comparables below were completed prior to 2008.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Ashford Landing Senior Residences	LIHTC/PBRA	Senior	2009	117	10
Chamblee Senior Apartments	LIHTC/PBRA	Senior	2007	65	14
Miller Station at Peachtree	Market	Family	2007	192	16
Ashford Parkside	LIHTC	Senior	2007	151	75
Average				131	29

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Ashford Landing Senior Residences is the most recent senior affordable property for which absorption data is available. The absorption rates reported by the comparables range from 10 to 75 units per month, with an average of 29 units per month. The Subject's location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of four to five months.

J. INTERVIEWS

Housing Authority of DeKalb County

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

Gross Payment Standards	
1BR	\$757
2BR	\$874

Source: Housing Authority of DeKalb County, 5/2015

The Subject's rents are below the current payment standards, indicating that voucher tenants will be eligible to reside at the Subject.

Planning and Economic Development

We contacted Adam Causey, Director of Economic Development at the City of Chamblee, in regards to proposed, under construction, or recently completed multifamily developments in Chamblee. According to Mr. Causey, there has been a slight uptick in mixed-use multifamily projects over the last year, which was preceded by a long period without any multifamily permits issued in the city.

The Olmsted, a 283-unit mixed-use development, recently broke ground in November of 2014. This project is the first multifamily project approved in Chamblee in nearly a decade. The site will feature one, two, and three-bedroom apartments and will target the general population. Upon completion the project will feature 11,000 square feet of retail space including two restaurants. This development will be located across the street from the Chamblee MARTA station, within 0.3 miles of the Subject. The project is expected to be completed by January 2016. This development will not compete with the Subject directly given its target tenancy.

Parkview on Peachtree, a 597-unit luxury mixed-use development with 80,000 square feet office and retail space, is expected to begin construction in 2015. The project will be developed in two phases. This development will feature one, two, and three bedroom apartments and will target the general population. In addition the site will feature ground floor office and retail space with the possibility of a hotel. This development will be located at Peachtree Boulevard and Clairmont Road, approximately 0.2 miles north of the Subject. This development will not compete with the Subject directly given its target tenancy.

Mr. Causey also provided details regarding employment expansions and contraction, which were previously detailed in this report.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The senior population in the PMA increased from 2010 to 2015, while the senior population in the MSA and nation also experienced growth over this same time period. This trend is expected to continue over the next five years and the senior population in the PMA is expected to increase at a similar rate compared to that of the MSA and a greater rate compared to the nation through 2019. We believe the sustained growth of the senior population in the PMA is a positive indication of demand for the Subject's proposed age-restricted units. Approximately 19.5 percent of the population in the PMA will be age 55 and older by the projected market entry date of March 2018. The total number of senior households in the PMA increased 0.8 percent from 2010 to 2015. Over the same period of time, the total number of senior households in the MSA increased 2.2 percent. The total number of senior households in the PMA is expected to increase at a faster annual rate of 5.3 percent, while the total number of households in the MSA is projected to increase at an annual rate of 5.1 percent over the next five years.

Senior renter households earning under \$30,000 in the PMA comprise 48.3 percent of all income cohorts. The Subject will target senior households 55 and older earning between \$19,200 and \$40,920; therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in DeKalb County declined in 2013 and 2014 but increased in 2015.

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

- Professional/scientific/technical services, accommodation/food services, and construction are the largest industries within the PMA. Combined they represent approximately 35.5 percent of total employment within the PMA. These industries have all experienced growth over the past decade. The MSA appears to be recovering well as total employment has increased each year from 2011 to 2015 year-to-date and has surpassed pre-recessionary levels as of February 2015. Total employment in the nation exceeded pre-recessionary levels as of 2014. From February 2014 to February 2015, total employment has increased by 4.3 percent in the MSA compared to an increase of 2.1 percent nationally. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.1 percentage points, compared to a decrease of 1.2 percentage points nationally. The unemployment rate in the MSA as of February 2015 was 6.1 percent, which was 0.3 percentage points above the national rate of 5.8 percent. The current unemployment rate in the MSA represents a significant decrease from recessionary levels but has yet to reach pre-recessionary levels, indicating that the local economy is still in a state of recovery.
- The Subject's capture rates range from 3.0 to 15.0 percent, with an overall capture rate of 14.9 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from three comparable senior properties and one market rate property. However, due to development timing, the majority of this

data is relatively dated as all but one of the comparables below were completed prior to 2008.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
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Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Ashford Landing Senior Residences is the most recent senior affordable property for which absorption data is available. The absorption rates reported by the comparables range from 10 to 75 units per month, with an average of 29 units per month. The Subject’s location is similar to all of these comparables. Based on the absorption pace reported by the comparable properties, the waiting lists at the LIHTC comparables, and the strong demand for affordable senior housing in Chamblee, we anticipate that the Subject will absorb at 15 units per month, for an absorption period of four to five months.

- Vacancy rates in the market range from zero to 5.4 percent, averaging 2.7 percent. The affordable senior comparables reported vacancy rates ranging from zero to 2.0 percent with only four vacant units among them and an overall vacancy rate of 0.5 percent. These rates indicate strong demand for affordable senior housing. Additionally, several of the senior affordable properties and some of the market rate properties maintain waiting lists and all of the senior affordable comparables’ property managers indicated strong demand for affordable senior housing in the market.

The market rate vacancy rate ranges from zero to 5.4 percent, averaging 3.3 percent, which is considered low. The majority of the market rate properties reported strong demand for rental housing in the market. Overall, we believe the conventional market is strong based on the low average vacancy rate.

We anticipate that the Subject will perform similarly to the stabilized senior affordable comparables and will maintain a vacancy rate of three percent or less. If allocated, we do not believe that the Subject will impact the performance of the existing LIHTC properties, as they reported significant demand for affordable senior housing in the local market.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior affordable and the market rate comparables are performing well, with a weighted vacancy rate of 2.7 percent. The affordable senior comparables reported vacancy rates ranging from zero to 2.0 percent with only four vacant units among them and an overall vacancy rate of 0.5 percent. These rates indicate strong demand for affordable senior housing. Additionally,

several of the senior affordable properties and one of the market rate properties maintain waiting lists and all of the senior affordable comparables' property managers indicated strong demand for affordable senior housing in the market.

The Subject will offer similar to slightly superior in-unit amenities in comparison to the senior affordable comparables and slightly superior in-unit amenities compared to the market rate comparable properties that do not offer in-unit washer/dryers. The Subject's common area amenities will be similar to the affordable senior comparables and slightly inferior to the market rate comparables. The Subject will offer patio/balconies, coat closets, ceiling fans, hand rails, microwaves, pull cords, recreation areas, service coordination, and free Wi-Fi in common areas, which are not offered at the majority of the comparables.

Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior rental market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be slightly superior to superior to the comparable properties. Due to the low vacancy rates at the comparables, the waiting lists present in the market, and the reported demand for additional affordable senior housing in the Subject's market area, we believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



H. Blair Kincer, MAI, CRE
Partner
Novogradac & Company LLP
May 26, 2015
Date



Edward R. Mitchell
Senior Real Estate Analyst
Novogradac & Company LLP
May 26, 2015
Date



Lawson Short
Real Estate Analyst
Novogradac & Company LLP
May 26, 2015
Date

M. MARKET STUDY REPRESENTATION

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



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N. QUALIFICATIONS



Background Information

Novogradac & Company LLP is an accounting and valuation-consulting firm that maintains its headquarters in San Francisco, California. NOVOCO has additional offices in Washington, DC; Atlanta, GA; Overland Park, KS; Austin, TX; Dover, OH; Long Beach, CA; and Boston, MA. The headquarters of the valuation and market analysis department is in Washington, DC, with additional valuation staff located in the Austin, Atlanta, Long Beach, and Kansas City offices. The firm works extensively in the affordable housing arena. NOVOCO provides a range of specialized services designed to meet the needs of government agencies, lenders, investors, asset managers, military services, advisors, and developers. These services include an array of valuation consulting services; investment analysis/due diligence support; and litigation support; consulting services include market supply and demand surveys; demographic and income profiles; alternative use and adaptive re-use scenarios, and market share and absorption studies. In addition, NOVOCO provides consulting and valuation services regarding government-owned or government-subsidized real estate, including Military Family Housing, Section 8, Public Housing, and Low-Income Housing Tax Credit ("LIHTC") projects. At NOVOCO, we are experienced in dealing with the myriad of rules, regulations, and procedures that may impact the valuation of real estate assets affected by various government regulations and the vagaries of federal and local bureaucracies. Our national presence and our wealth of experience allow us to be familiar with a variety of senior housing markets, in many different project types. Our wealth of experience encompasses the intricacies of rural, urban, and suburban markets.

Qualifications

The NOVOCO Valuation Group has provided market research and appraisals for over 200,000 housing units, preparing over 1,000 feasibility/market studies and appraisals across the United States. This ability and experience is a tremendous asset to our clients. Brad Weinberg, the Managing Partner of the Valuation Group, holds both MAI and CCIM designations. H. Blair Kincer is a member of the Appraisal Institute with the MAI designation. In addition, the partners and managers hold current appraiser licenses in over 15 states, and have prepared market studies or appraisals for developments in more than 25 states. NOVOCO has additional staff on hand to provide support and assistance, as needed.

Furthermore, NOVOCO furnishes consulting services for a diverse range of projects, including new construction, acquisition rehabilitation, adaptive re-use of commercial properties, garden-style family projects, single-family rental housing, and housing for the elderly, handicapped, and households affected by HIV. We recognize that the needs of a rental property's specific clientele, as well as the project's ability to meet those needs, are as vital to the success of the project as the current health of any particular rental market.

Novogradac & Co. LLP was recently designated a “Best of the Best” firm by Bowman’s Accounting Report for 2004. Bowman’s Accounting Report analyzed 327 firms, and only the top 25 achieve the “Best of the Best” status. This honor means that NOVOCO has outperformed other firms in its category, with respect to fiscal measurement and wise management. This is the second time that NOVOCO has been recognized with this designation by Bowman’s.

Partners with Novogradac & Company LLP have published numerous affordable housing industry-related articles in national newspapers, as well as in highly regarded trade journals. In addition, the Partners are the authors of the Low-Income Housing Tax Credit Handbook, the nation's leading authoritative guide to affordable housing development. The Partners also write and publish *The Low-Income Housing Tax-Exempt Bond Handbook*; *The Building Owners Income Tax Manual*; *The On-Site Tax Credit Property Management Guidebook*; *The LIHTC Monthly Report*, a monthly journal offering news, features and commentary on the Low-Income Housing Tax Credit industry; the *Housing Bond Report*, a monthly publication on the Low-Income Housing Tax-Exempt bond industry; and the *Property Compliance Report*, a monthly publication on Low-Income Housing Tax Credit compliance.

Novogradac & Company LLP sponsors affordable housing and real-estate-related workshops at locations all over the country. The conferences attract hundreds of the industry's leading experts and participants nationwide. The firm also conducts workshops and seminars throughout the year on a variety of affordable housing-related subjects. Many of the professionals at Novogradac & Company LLP were formerly associated with international accounting and appraisal firms. This association provides an excellent training and educational opportunity.

Our state-of-the-art website (www.taxcredithousing.com) is a widely used resource for the affordable housing community. In fact, several state housing agencies refer audience members to it, when these agencies conduct industry seminars. The website provides rent and income levels for every community in the United States, as well as links to State Housing Agencies. Visitors can view monthly bond factors and applicable federal rates, as well as learn about recent legislation and industry events.

Many of NOVOCO’s projects include public and private partnerships, mixed-use components, demolition and reductions in density, combinations of funding sources, (such as LIHTC with Hope VI), ownership components, new construction, and set-asides for the elderly. We believe that all forms of funding that result in innovative approaches to providing an improved quality of life are important. Additional information and/or sample reports can be provided upon request. NOVOCO’s experience includes recent projects that study populations in broad geographic areas and assess the market feasibility of properties.

Capacity and Turnaround Time

Novogradac & Company offers a team of 40 consultants with the experience, capacity, and availability to provide market-consulting services at an economical price. The entire firm, including both the Accounting and the Valuation teams, boasts a staff of more than 185. Our team of analysts has experience ranging from three to twenty-five years, in both market research and appraisals on rental housing. Our firm specializes in affordable housing, and our Principals

each have an average of 15 years' worth of experience. This team is assisted by junior-level analysts and support staff, who possess significant experience and training in affordable rental-housing market study research. We have additional support staff on hand to assist in the general data collection and production of the required deliverables.

Additional Capabilities

As discussed earlier, the firm provides both Accounting and Valuation Services. Not only do we have extensive experience in the affordable housing industry, but we specialize in this market niche.

Another service provided by NOVOCO, which sets us apart from our competitors, is our GIS capability. Novogradac & Company, LLP is a licensed user of the ArcView Business Analyst GIS system. The software allows us to do in-house GIS and data analysis of locations nationwide. By creating custom study areas, NOVOCO can analyze locations by state, metropolitan area, county, zip code, Census tract, and block group, as well as by a specified radius from an identified point or custom-drawn polygon.

Data included in GIS analysis encompasses Census data for 2000, as well as estimated numbers for 2004 and forecasted projections for 2009. The GIS software allows us to find pockets of demand for housing and consumer needs by mapping Census tracts or block groups with low incomes, high renter tenure, large households, or other key demand elements, such as elderly rental population. In addition to the Census data and updates, we can import data about existing housing options to the system, in order to add additional layers of information to our analysis. Moreover, our Microsoft Streets & Trips program affords us significant mapping capabilities.

Our access and experience with this data allows us to perform detailed demographic and economic analyses on any custom-specified area. This is an invaluable asset to our clients, as it helps them understand the market segments they serve.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

V. Real Estate Assignments – Examples

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

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

H. Blair Kincer

Qualifications

Page 3

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

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

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

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

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

II. Professional Experience

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

III. Assignments

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

IV. Licensure

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

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STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

EDWARD ROGERS MITCHELL

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CERTIFIED GENERAL REAL PROPERTY APPRAISER

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

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

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04/30/2016



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

23466666

EDWARD ROGERS MITCHELL

4649
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WILLIAM L. ROGERS, JR.
Real Estate Commissioner

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