



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

**PINEWOOD APARTMENTS  
288 BAILEY STREET  
ATHENS, CLARKE COUNTY, GEORGIA 30605**

**Effective Date: September 12, 2014  
Report Date: October 22, 2014**

*Prepared For*

**Mr. Michael Molinari  
Southport Financial Services, Inc.  
2430 Estancia Boulevard, Suite 101  
Clearwater, FL 33761**

*Assignment Code*

**SFS600V-017**

*Prepared By*

**Novogradac & Company LLP  
11044 Research Boulevard  
Bldg. C, Suite 400  
Austin, TX 78759  
512-340-0420**

October 22, 2014

Mr. Michael Molinari  
Southport Financial Services, Inc.  
2430 Estancia Boulevard, Suite 101  
Clearwater, FL 33761

Re: Market Study for Pinewood Apartments, located in Athens, Clarke County, Georgia 30605.

Dear Mr. Molinari:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Athens, Clarke County, Georgia area relative to the above-referenced Project-Based Section 8 project, the Pinewood Apartments (Subject). The purpose of this market study is to assess the viability of the renovation of Pinewood Apartments, an existing 90-unit multifamily development targeting families. Units will be restricted to family households earning 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

Mr. Mike Molinari  
Pinewoods Apartments Market Study  
October 2014

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,



---

John Cole  
Partner



---

Lilli Valdez  
Real Estate Analyst  
[Lilli.valdez@novoco.com](mailto:Lilli.valdez@novoco.com)



---

Harris Hoover  
Researcher

## **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.

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION ..... 1  
B. PROJECT DESCRIPTION ..... 9  
C. SITE EVALUATION ..... 14  
D. MARKET AREA ..... 23  
    Primary Market Area ..... 24  
E. COMMUNITY DEMOGRAPHIC DATA ..... 28  
F. EMPLOYMENT TRENDS ..... 34  
G. PROJECT-SPECIFIC DEMAND ANALYSIS ..... 43  
H. COMPETITIVE RENTAL ANALYSIS ..... 56  
I. ABSORPTION AND STABILIZATION RATES ..... 85  
J. INTERVIEWS ..... 86  
K. CONCLUSIONS AND RECOMMENDATIONS ..... 95  
L. SIGNED STATEMENT REQUIREMENTS ..... 98

Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSION**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Pinewood Apartments, the Subject, is an existing 90-unit Project-Based Section 8 multifamily property located at 288 Bailey Street in Athens, Clarke County, Georgia. The Subject consists of 14 one-bedroom units, 40 two-bedroom units, 30 three-bedroom units, and six four-bedroom units. The Subject currently operates with 90 Project-Based Section 8 vouchers under HAP Contract #GA060005005, which will expire December 31, 2014. The most recent Section 8 rent increase was in March 1, 2014. Based on a rent roll dated September 27, 2014, the Subject was 92.2 percent occupied.

The Subject was originally constructed in 1979 and consists of 21 one- and two-story townhouse-style residential buildings and a one-story community building.

The following table details the current rents for the Subject’s units according to information provided by the borrower. The most recent Section 8 rent increase was in March 1, 2014.

**CURRENT RENTS**

Unit Type	Number of Units	Contract Rent	Utility Allowance (1)	Gross Rent	HUD Fair Market Rents
<i>Section 8</i>					
1BR/1BA	14	\$526	\$98	\$624	\$590
2BR/1BA	40	\$579	\$116	\$695	\$721
3BR/1.5BA	30	\$709	\$163	\$872	\$978
4BR/1.5BA	6	\$810	\$140	\$950	\$1,101

Notes (1) Source of Utility Allowance provided by the HUD approved rent schedule, effective 3/1/2014

The following table illustrates the proposed unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance based on information supplied by the client. As discussed in this report, the proposed scope of renovation is approximately \$28,961 per unit in hard construction costs. The proposed LIHTC rents are at the maximum allowable levels for the one- and three-bedroom units but slightly below the maximum levels for the two- and four-bedroom units. It should be noted that

the Section 8 HAP contract will remain in place and overlay the proposed LIHTC rent and income restrictions.

**PROPOSED RENTS**

Unit Type	Number of Units	Size (SF)	Asking Rent	Utility	Gross Rent	2014 LIHTC	HUD Fair
				Allowance (1)		Maximum Allowable Gross Rent	Market Rents
<i>60% AMI</i>							
1BR	14	561	\$526	\$98	\$624	\$624	\$590
2BR	40	799	\$579	\$116	\$695	\$750	\$721
3BR	30	970	\$703	\$163	\$866	\$866	\$978
4BR	6	1,115	\$810	\$140	\$950	\$966	\$1,101
<b>Total</b>	<b>90</b>						

Notes (1) Source of Utility Allowance provided by the HUD Approved Rent Schedule, Eff. 3/1/2014

The Subject will offer the following amenities: blinds, cable/satellite/internet, carpeting, central air conditioning, microwave, dishwasher, oven, and refrigerator. Property amenities will include off-street parking, on-site management, central laundry, playground, Wi-Fi, and recreation areas. Overall, the Subject’s amenities will be competitive with those at the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is located in a primarily residential neighborhood in southeast Athens, and is proximate to many area amenities. Vacant wooded land and a single-family home in average condition are located adjacent to the north of the Subject; U.S. Route 29 is located further north. Single-family homes in fair to average condition are located east of the Subject, across Bailey Street; the Ikon at Athens, a student housing development, is located further east. The Ikon at Athens was not utilized as a rent comparable because it targets students. Vacant wooded land is located adjacent to the south of the Subject; a water treatment facility is located further south. Vacant wooded land is also located adjacent to the west of the Subject; U.S. Route 29 is located further west. Commercial and retail uses are concentrated along U.S. Route 78, a heavily trafficked four-lane north/south highway. The retail uses and commercial uses are appeared to be 90 to 95 percent occupied at the time of inspection and are in average to excellent condition.

**3. Market Area Definition:**

The PMA is generally defined as Georgia State Route 10, U.S. Route 29, and Hull Road, and Voyles Road to the north; Moores Grove Road, Cherokee Road, Cooper Road,

and Whit Davis Road to the east; the Oconee River and Athens-Clarke County line to the south; and Georgia State Route 10 to the west. This area was defined based on interviews with local market participants and local property managers, including the Subject's. Many of the local property managers indicated that most residents originated from the local area but stated that a small percentage of tenants also come from various points within Athens and surrounding communities. Therefore, we have estimated that 10 percent of the tenants come from outside the PMA boundaries. The Athens-Clarke County, GA MSA will serve as the Secondary Market Area (SMA). The north boundary of the PMA is approximately 2.4 miles from the Subject site; the eastern boundary of the PMA is approximately 2.7 miles from the Subject site; the southern boundary of the PMA is approximately 4.8 miles from the Subject site; and the western boundary of the PMA is approximately 5.7 miles from the Subject site.

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

The total population in the PMA in 2013 was 81,834. The number of households in the PMA increased annually by 0.8 percent from 2000 to 2013. This trend is anticipated to continue at a slightly slower rate of 0.6 percent annually through 2018. The populations in the MSA and nation are anticipated to grow at respective annual rates of 0.6 and 0.7 percent through 2018. The growth in population and households in the PMA will increase demand for housing of all types of housing in the area.

The general median household income in the PMA for 2013 was \$26,375, which is significantly lower than the household incomes in both the MSA and nation as a whole over the same time period. The median household income in the PMA is anticipated to grow at a rate of 2.8 percent annually through 2018, compared to respective annual growth rates of 3.5 and 3.2 percent for the MSA and nation over the same time period.

In 2013, approximately 31.2 percent of housing units in the PMA were owner-occupied, and 68.8 percent were renter-occupied. In the SMA 53.6 percent of the housing units were owner-occupied and 46.4 percent were renter-occupied in 2013. The percentage of renter-occupied units in both the PMA and MSA are anticipated to decrease 0.5 percentage points through 2018. However, the number of renter-occupied units in the PMA and MSA are anticipated to increase by 475 units and 610 units, respectively,

through 2018. According to a REIS Performance Monitor Futures report, asking rents in the Athens metro area increased 0.7 percent from the first to the second quarter 2014, compared to a 0.8 percent increase in the South Atlantic market as a whole over the same time period. The vacancy rate in the Athens metro decreased 20 basis points, from 6.3 to 6.5 percent, from the first to the second quarter of 2014; vacancy decreased 10 basis points, from 5.0 to 4.9 percent, in the South Atlantic market as a whole over the same time period. Overall, the Athens market indicators are positive, with increasing asking rents despite increasing vacancy in 2014 year-to-date.

According to RealtyTrac, one in every 2,097 housing units in Athens had received foreclosure filings as of August 2014. This compares to one in every 2,127 housing units in Clarke County, one in every 582 housing units in the state of Georgia, and one in every 1,126 housing units in the nation at the same time. It appears that the mortgage and foreclosure crisis has affected the local Athens area significantly less than the state of Georgia and the nation as a whole.

#### **5. Economic Data:**

The Athens-Clarke County, GA MSA has experienced employment growth for eight of the last 10 years. In 2009, the MSA experienced a 5.2 percent decrease in total employment, due in part to the recent national recession. Additionally, the MSA has experienced a marginal decrease in total employment in year-to-date 2014; this is due in part to the University of Georgia, as employment drops significantly during the school's summer session. It should be noted that total employment in the MSA surpassed pre-recessionary highs in 2011, which indicates that the local economy has recovered from the recent national recession. From July 2013 to July 2014, total employment in the MSA increased 0.3 percent, compared to the nation's total employment increase of 1.5 percent over the same time period. The unemployment rate in the MSA decreased 10 basis points, from 6.7 to 6.6 percent, from July 2013 to July 2014. The unemployment rate in the nation as a whole decreased 1.2 percentage points, from 7.7 to 6.5 percent, over the same time period. The Athens Economic Development department reported several recent employment expansions. Caterpillar opened a manufacturing facility in Athens in October 2013, which created 750 jobs in the area. Ethicon is currently constructing a research facility that will employ 85 people.

Additionally, Southern Brewing Company recently broke ground on a \$15 million facility that will employ 30 people upon completion. These expansions indicate a healthy economy and bode well for housing demand in the area

The largest proportion of the workforce in the PMA is employed in the educational services, accommodations/food services, and retail trade sectors, which together encompass 54.2 percent of employment in the PMA. The educational services, accommodations/food services, and arts/entertainment sectors are overrepresented in the PMA compared to the nation. The healthcare/social assistance, manufacturing, and construction sectors are underrepresented in the PMA compared to the nation. The relatively low representation of cyclical industries, such as manufacturing and construction, likely provides some stability to the local economy and decreases the cyclical nature its employment. This bodes well for the rental housing demand in the area.

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

Our demand analysis indicates that there are approximately 854 income qualified renter households in the PMA. The following table illustrates capture rates for the Subject’s units. As will be discussed, our demand analysis assumes that the Subject would hypothetically have to re-tenant all of its units.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR at 60% AMI	14	342	58	284	4.9%
2BR at 60% AMI	40	293	6	287	13.9%
3BR at 60% AMI	30	180	0	180	16.7%
4BR at 60% AMI	6	40	0	40	15.1%
<b>All Units</b>	<b>90</b>	<b>854</b>	<b>64</b>	<b>790</b>	<b>11.4%</b>

The overall capture rate is 11.4 percent. We believe that the capture rates are reasonable for the Subject based on its target population, and there is adequate demand based on our conclusions.

**7. Competitive Rental Analysis:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 1,543 units in nine rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The

comparable properties in our survey include a range of units targeting several different AMI levels and unrestricted units. The Subject will offer 60 percent AMI units. The Subject’s proposed rents offer an advantage over the average rents at the comparable properties.

Vacancy rates in the market range from zero to 50 percent, averaging 12.6 percent. The average weighted vacancy rate among the LIHTC comparables is 3.2 percent. The Bluffs at Epps Bridge reported the highest vacancy rate at 50 percent. However, according to management, the property is currently undergoing renovations, and all vacant units are being held offline. Not including this property, the average weighted vacancy rate of all of the stabilized comparables is low at 3.8 percent, while the Subject is currently 92 percent occupied. The Subject will be newly renovated and will be similar to superior to all of the comparables in terms of condition. The Subject’s proposed rents are similar to slightly below the comparables’ rents and will be achievable.

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 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.

**Subject Comparison to Market Rents**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR	\$526	\$515	\$662	\$597	12%
2 BR	\$579	\$600	\$785	\$700	17%
3 BR	\$703	\$735	\$924	\$832	16%
4 BR	\$810	\$923	\$923	\$923	12%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. This is considered reasonable given that there are very few newly constructed or substantially renovated market rate properties and the Subject will be superior to the majority of the market rate inventory. Overall, we believe that the

Subject's proposed rents are achievable in the market and will offer a substantial market rent advantage.

## **8. Absorption/Stabilization**

### **Estimate:**

We were able to obtain absorption information from one of the comparable properties. Fourth Street Village, a mixed-income property, opened in 2007 and offers 120 units. Management noted an absorption rate of 11 units per month, resulting in an absorption period of approximately 10 to 11 months. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 10 units per month, indicating an absorption period of just over eight months to reach a stabilized occupancy of 93 percent.

## **9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 1,153 units in nine rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The comparable properties in our survey include a range of units targeting several different AMI levels and unrestricted units. The Subject will offer 60 percent AMI units. The Subject's proposed rents offer an advantage over the average rents at the comparable properties.

Vacancy rates in the market range from zero to 50 percent, averaging 12.6 percent. The average weighted vacancy rate among the LIHTC comparables is 3.2 percent. The Bluffs at Epps Bridge reported the highest vacancy rate at 50 percent. However, according to management, the property is currently undergoing renovations, and all vacant units are being held offline. Not including this property, the average weighted vacancy rate of all of the stabilized comparables is low at 3.8 percent, while the Subject is currently 92 percent occupied. The Subject will be newly renovated and will be similar to superior to all of the comparables in terms of condition. The Subject's proposed rents are similar to slightly below the comparables' rents and will be achievable. The following table compares the Subject's rents to the market rents.

**Summary Table:**

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

Development Name:	<b>Pinewood Apartments</b>	Total # Units:	<b>90</b>
Location:	288 Bailey Street, Athens, GA 30605	# LIHTC Units:	<b>90</b>
	South of U.S. Route 29, West of Bailey Street		
PMA Boundary:	North: Georgia State Route 10, U.S. Route 29, and Hull Road, and Voyles Road; South: the Oconee River and Athens-Clarke County line; East: Moores Grove Road, Cherokee Road, Cooper Road, and Whit Davis Road; West – Georgia State Route 10		
	Farthest Boundary Distance to Subject:		<u>6.3 miles</u>

**Rental Housing Stock (found on pages 5, 6, and 85)**

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	1,933	195	89.9%
Market-Rate Housing	6	1,076	180	83.3%
<i>Assisted/Subsidized Family Housing not to include LIHTC</i>	3	390	N/Ap	N/Ap
<b>Family LIHTC</b>	3	467	15	96.8%
Stabilized Comps	11	1,639	48	97.1%
Properties in Construction & Lease Up	1	80	N/Ap	N/Ap

\*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
14	1BR at 60% AMI	1	561	\$526	\$597	\$1.06	12%	\$662	\$0.88
40	2BR at 60% AMI	1	799	\$579	\$700	\$0.88	17%	\$785	\$0.68
30	3BR at 60% AMI	1.5	970	\$703	\$836	\$0.86	16%	\$924	\$0.80
6	4BR at 60% AMI	1.5	1,115	\$810	\$923	\$0.83	12%	\$923	\$0.58

**Demographic Data (found on page 31)**

	2000		2013		2018	
Renter Households	3,968	27.80%	4,855	32.70%	4,875	32.30%
Income-Qualified Renter HHs (LIHTC)	2,817	71.00%	3,447	71.00%	3,453	71.00%

**Targeted Income-Qualified Renter Household Demand (found on pages 47-59)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	N/Ap	6	N/Ap	N/Ap	6
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	849	N/Ap	N/Ap	849
Homeowner conversion (Seniors)	N/Ap	N/Ap	0	N/Ap	N/Ap	0
<b>Total Primary Market Demand</b>	N/Ap	N/Ap	854	N/Ap	N/Ap	854
Less Comparable/Competitive Supply	N/Ap	N/Ap	64	N/Ap	N/Ap	64
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	N/Ap	790	N/Ap	N/Ap	<b>790</b>

**Capture Rates (found on page 62)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	N/Ap	11.40%	N/Ap	N/Ap	11.40%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

<b>Project Address and Development Location:</b>	The Subject site is located at 288 Bailey Street in Athens, Clarke County, Georgia 30605.
<b>Construction Type:</b>	The Subject consists of 21 one- and two-story townhome-style residential buildings and a one-story community building using stick frame construction with a brick façade and vinyl siding.
<b>Occupancy Type:</b>	The Subject will target family households who earn less than 60 percent of AMI.
<b>Special Population Target:</b>	None.
<b>Number of Units by Bedroom Type and AMI Level:</b>	See following property profile.
<b>Unit Size:</b>	See following property profile.
<b>Structure Type:</b>	See following property profile.
<b>Rents and Utility Allowances:</b>	See following property profile.
<b>Existing or Proposed Project Based Rental Assistance:</b>	All of the units will operate with Project-Based Rental Assistance overlay upon completion. The Subject’s current HAP Contract #GA060005005 will expire December 31, 2014. The most recent Section 8 rent increase was in March 1, 2014.
<b>Proposed Development Amenities:</b>	See following property profile.

# PROPERTY PROFILE REPORT

## Pinewood Apartments

<b>Effective Rent Date</b>	10/12/2014
<b>Location</b>	288 Bailey Street Athens, GA 30605 Clarke County County
<b>Distance</b>	N/A
<b>Units</b>	90
<b>Vacant Units</b>	N/A
<b>Vacancy Rate</b>	N/A
<b>Type</b>	Various (2 stories)
<b>Year Built/Renovated</b>	1979 / 2015
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	N/A
<b>Tenant Characteristics</b>	N/A
<b>Contact Name</b>	N/A
<b>Phone</b>	N/A



### Market Information

<b>Program</b>	@60% (Section 8)
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	N/A
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	N/A
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	14	561	\$526	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None
2	1	Townhouse (2 stories)	40	799	\$579	\$0	@60% (Section 8)	N/A	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	30	970	\$703	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None
4	1.5	Townhouse (2 stories)	6	1,115	\$810	\$0	@60% (Section 8)	N/A	N/A	N/A	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$526	\$0	\$526	\$0	\$526
2BR / 1BA	\$579	\$0	\$579	\$0	\$579
3BR / 1.5BA	\$703	\$0	\$703	\$0	\$703
4BR / 1.5BA	\$810	\$0	\$810	\$0	\$810

## Pinewood Apartments, continued

### Amenities

**In-Unit**

Blinds  
Carpeting  
Coat Closet  
Oven

Cable/Satellite/Internet  
Central A/C  
Dishwasher  
Refrigerator

**Security**

Patrol

**Services**

None

**Property**

Central Laundry  
On-Site Management  
Recreation Areas

Off-Street Parking  
Playground

**Premium**

None

**Other**

None

### Comments

This property is an existing Section 8 development that is proposing renovation with LIHTC. The renovation is expected to be complete in July 2015. This profile illustrates the proposed LIHTC rents. However, all units will continue to operate with a Section 8 overlay, post renovation.

## Pinewood Apartments, continued

### Trend Report

#### Vacancy Rates

2Q14	3Q14	4Q14
N/A	6.7%	N/A

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$526	\$0	\$526	\$526

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$579	\$0	\$579	\$579

#### 3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$703	\$0	\$703	\$703

#### 4BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$810	\$0	\$810	\$810

### Trend: Comments

- 2Q14** This property is an existing Section 8 development (HAP Contract GA060005005). The most recent rent increase was March 1, 2014.
- 3Q14** This property is an existing Section 8 development (HAP Contract GA060005005). The most recent rent increase was March 1, 2014. The vacancies are effective as of the site inspection, September 12, 2014.
- 4Q14** This property is an existing Section 8 development that is proposing renovation with LIHTC. The renovation is expected to be complete in July 2015. This profile illustrates the proposed LIHTC rents. However, all units will continue to operate with a Section 8 overlay, post renovation.

**Scope of Renovations:****Apartment Interiors:**

- Replace all cabinetry, appliances, interior doors, flooring, bath hardware, and blinds
- Paint all interior and repair drywall as needed; replace ceramic tile surrounding bathtub
- Replace all existing light fixtures, devices, and distribution panels
- Add light fixtures in bedrooms and living rooms
- Clean HVAC ducts; replace ventilation components and diffusers/registers
- Replace existing plumbing stops and fixtures, including tubs and water heaters
- Replace all stair rails and repair stairs as needed
- UFAS upgrades including framing modification to five units; miscellaneous framing repair
- Install draft stopping at party walls
- Install sight and hearing equipment in two units
- Miscellaneous ADA compliance upgrades and renovations

**Exterior/Common Areas:**

- Replace all roofs with 30-year architectural shingles, except for five recently replaced roofs
- Replace existing soffits and fascia with similar materials
- Replace all windows, siding, gutters, and downspouts
- Replace exterior doors and hardware; paint exterior doors and trim
- Replace existing cross-tie wall between buildings D & E
- Add modular-block retaining wall across drive from buildings L & K
- Clean, repair, and inspect existing drainage system
- Replace unit cut off valves
- Install six ADA-compliant handicapped parking spaces; install six adjacent curb ramps
- Asphalt repair, sealing, and striping
- Remove and replace damaged curb sections and sidewalks
- Add sidewalks to site amenities and areas where step stones are currently installed
- Replace/upgrade existing site lighting
- Install dumpster screens
- Prune trees around buildings and remove trees impacting sidewalks/asphalt; address erosion
- Replace existing entry sign and mailboxes; add handicapped accessible mailboxes
- Replace playground equipment and fence; install handicapped accessible route to playground
- Brick pointing/repair; replace existing meter base

According to the client, the proposed renovations are budgeted at \$2,606,465 or approximately \$28,961 per unit in hard costs. Renovations will be completed with little to no tenant displacement.

**Current Rents:**

The following table details the current rents for the Subject's units according to information provided by the borrower. The most recent Section 8 rent increase was in March 1, 2014.

**CURRENT RENTS**

Unit Type	Number of Units	Contract Rent	Utility Allowance (1)	Gross Rent	HUD Fair Market Rents
<i>Section 8</i>					
1BR/1BA	14	\$526	\$98	\$624	\$590
2BR/1BA	40	\$579	\$116	\$695	\$721
3BR/1.5BA	30	\$709	\$163	\$872	\$978
4BR/1.5BA	6	\$810	\$140	\$950	\$1,101

Notes (1) Source of Utility Allowance provided by the HUD approved rent schedule, effective 3/1/2014

- Current Occupancy:** According to a rent roll dated September 27, 2014, the Subject is 92.2 percent occupied.
- Current Tenant Income:** The Subject is currently a Section 8 development. Thus, tenants pay 30 percent of their income towards rent.
- Placed in Service Date:** The Subject's approximate market entry date is July 2015.
- Conclusion:** The Subject consists of 21 good quality one- and two-story townhouse-style residential buildings and a one-story community building. As a newly renovated property, the Subject will not suffer from deferred maintenance or functional obsolescence.

## **C. SITE EVALUATION**

**1. Date of Site Visit and**

**Name of Site Inspector:**

John Cole, an employee of Novogradac & Company LLP, visited the site on September 12, 2014.

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

The following illustrates the physical features of the site.

*Frontage:*

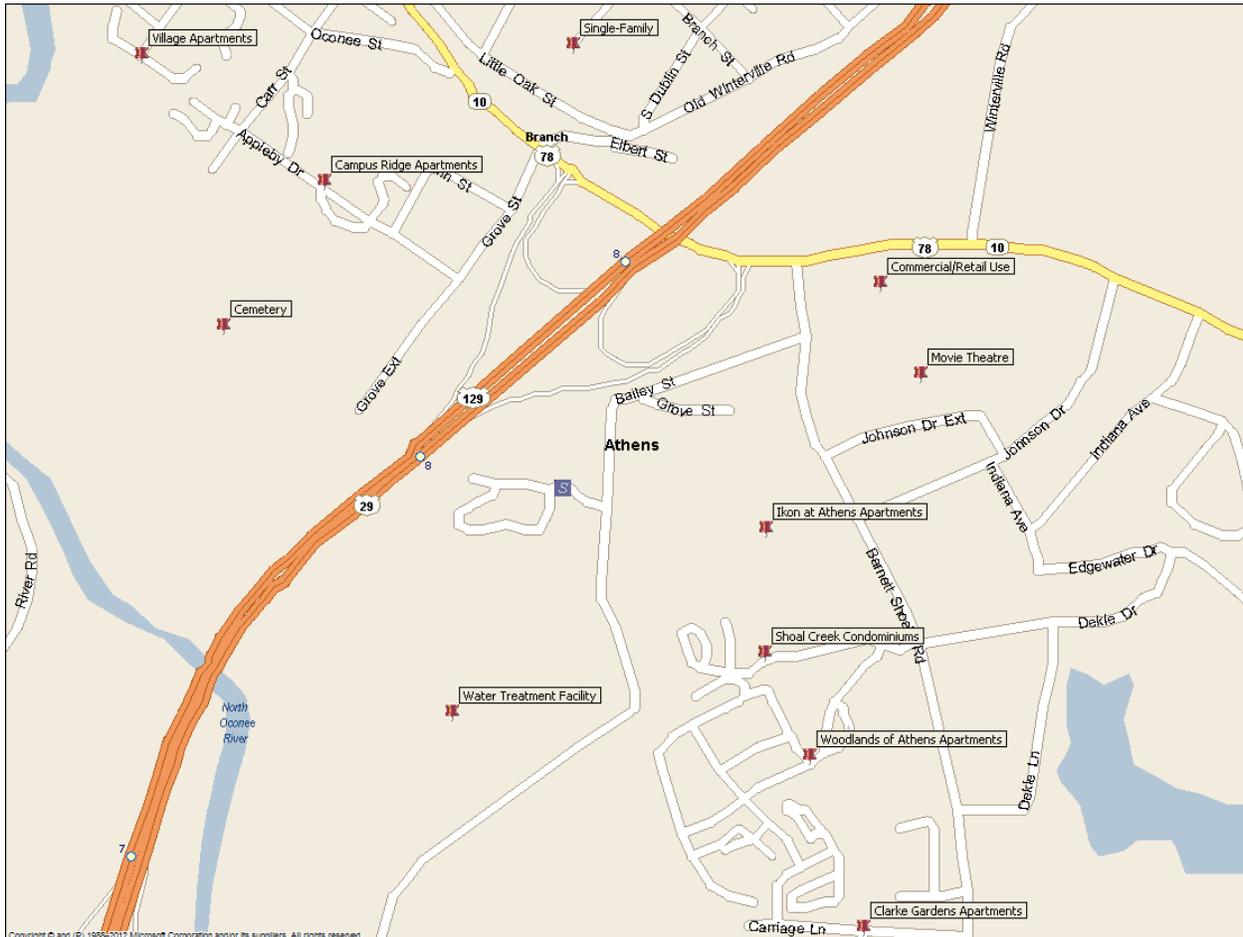
The Subject site has frontage along Bailey Street.

*Visibility/Views:*

The Subject is located in a primarily residential neighborhood in southeastern Athens. The Subject has good visibility from Bailey Street. Views from the Subject consist of single-family homes in fair to average condition to the east, and vacant wooded land to the north, south, and west. Overall, visibility and views are considered average.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject is located in a primarily residential neighborhood in southeastern Athens. Vacant wooded land and a single-family home in average condition are located

adjacent to the north of the Subject; U.S. Route 29 is located further north. Single-family homes in fair to average condition are located east of the Subject, across Bailey Street; the Ikon at Athens, a student housing development, is located further east. The Ikon at Athens was not utilized as a rent comparable because it targets students. Vacant wooded land is located adjacent to the south of the Subject; a water treatment facility is located further south. Vacant wooded land is also located adjacent to the west of the Subject; U.S. Route 29 is located further west. Commercial and retail uses are concentrated along U.S. Route 78, a heavily trafficked four-lane north/south highway. The retail uses and commercial uses are appeared to be 90 to 95 percent occupied at the time of inspection and are in average to excellent condition.

*Positive/Negative Attributes of Site:* There does not appear to be any negative attributes of the site. Positive attributes include proximity to downtown Athens.

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

The Subject site is located in Athens Georgia, in Clarke County. Most desirable locational amenities are located within 2.0 miles of the Subject property, including a grocery store, retail, public transportation, and public schools. The Subject is located in a primarily residential neighborhood, and is a compatible use within the existing neighborhood.

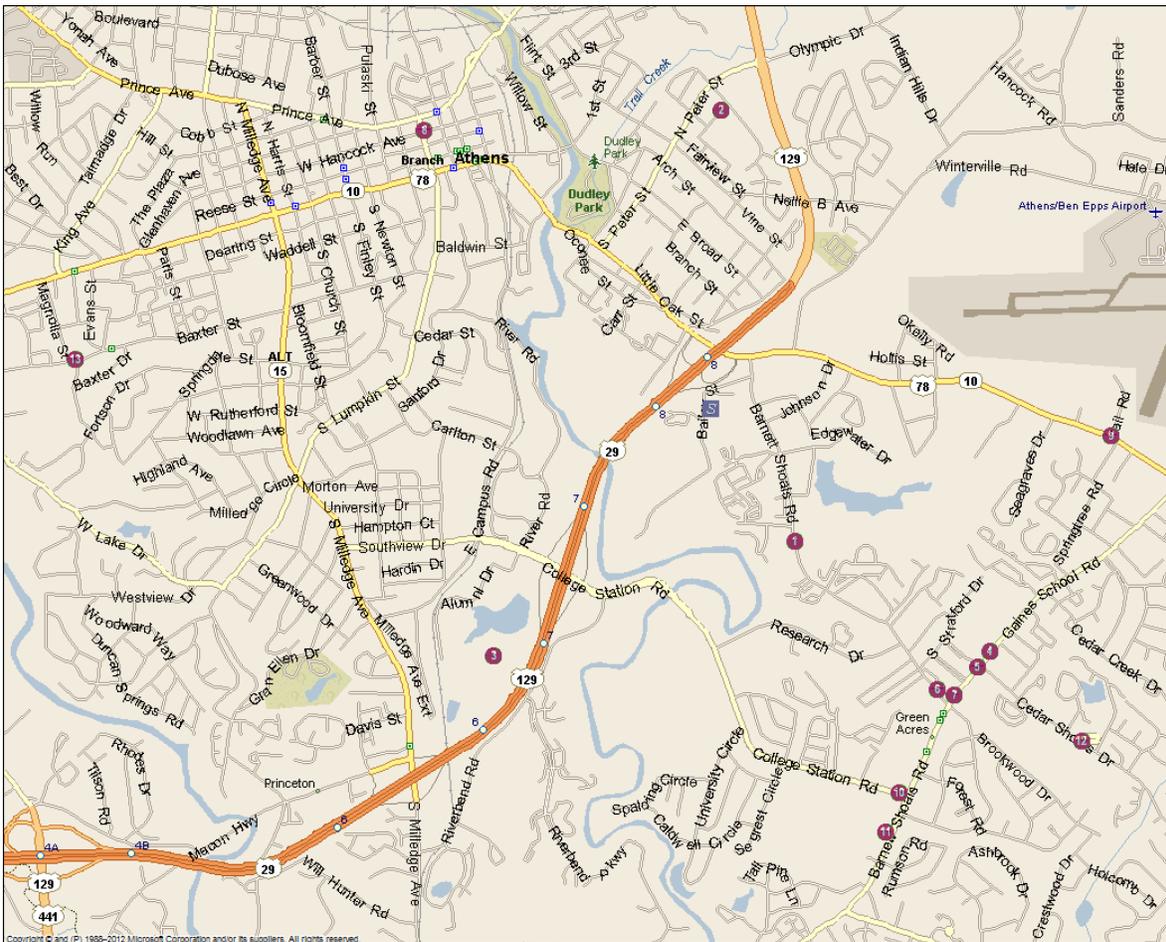
**4. Pictures of Site and Adjacent Uses:**

**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	Gas Station	0.6 Mile
2	Athens Neighborhood Health Center	1.2 Miles
3	Oconee Forest park	1.3 Miles
4	Hillsman Middle School	1.5 Miles
5	Gaines Elementary School	1.5 Miles
6	Public Supermarket	1.5 Miles
7	Bank	1.6 Miles
8	Post Office	1.7 Miles
9	Athens Police Department	1.7 Miles
10	Pharmacy	1.8 Miles
11	Fire Station	1.9 Miles
12	Cedar Shoals High School	2.1 Miles
13	Athens-Clarke County Library	2.7 Miles



**6. Description of Land Uses:**

The Subject is located in a primarily residential neighborhood in southeastern Athens. Vacant wooded land and a single-family home in average condition are located adjacent to the north of the Subject; U.S. Route 29 is located further north. Single-family homes in fair to average condition are located east of the Subject, across Bailey Street; the Ikon at Athens, a student housing development, is located further east. The Ikon at Athens was not utilized as a rent comparable because it targets students. Vacant wooded land is located adjacent to the south of the Subject; a water treatment facility is located further south. Vacant wooded land is also located adjacent to the west of the Subject; U.S. Route 29 is located further west. Commercial and retail uses are concentrated along U.S. Route 78, a heavily trafficked four-lane north/south highway. The retail uses and commercial uses are appeared to be 90 to 95 percent occupied at the time of inspection and are in average to excellent condition. Overall, the Subject site is considered a desirable site for multifamily housing and the Subject is a compatible within the existing neighborhood.

**7. Multifamily Residential within Two Miles:**

The following table illustrates multifamily rental properties located within two miles of the Subject site.

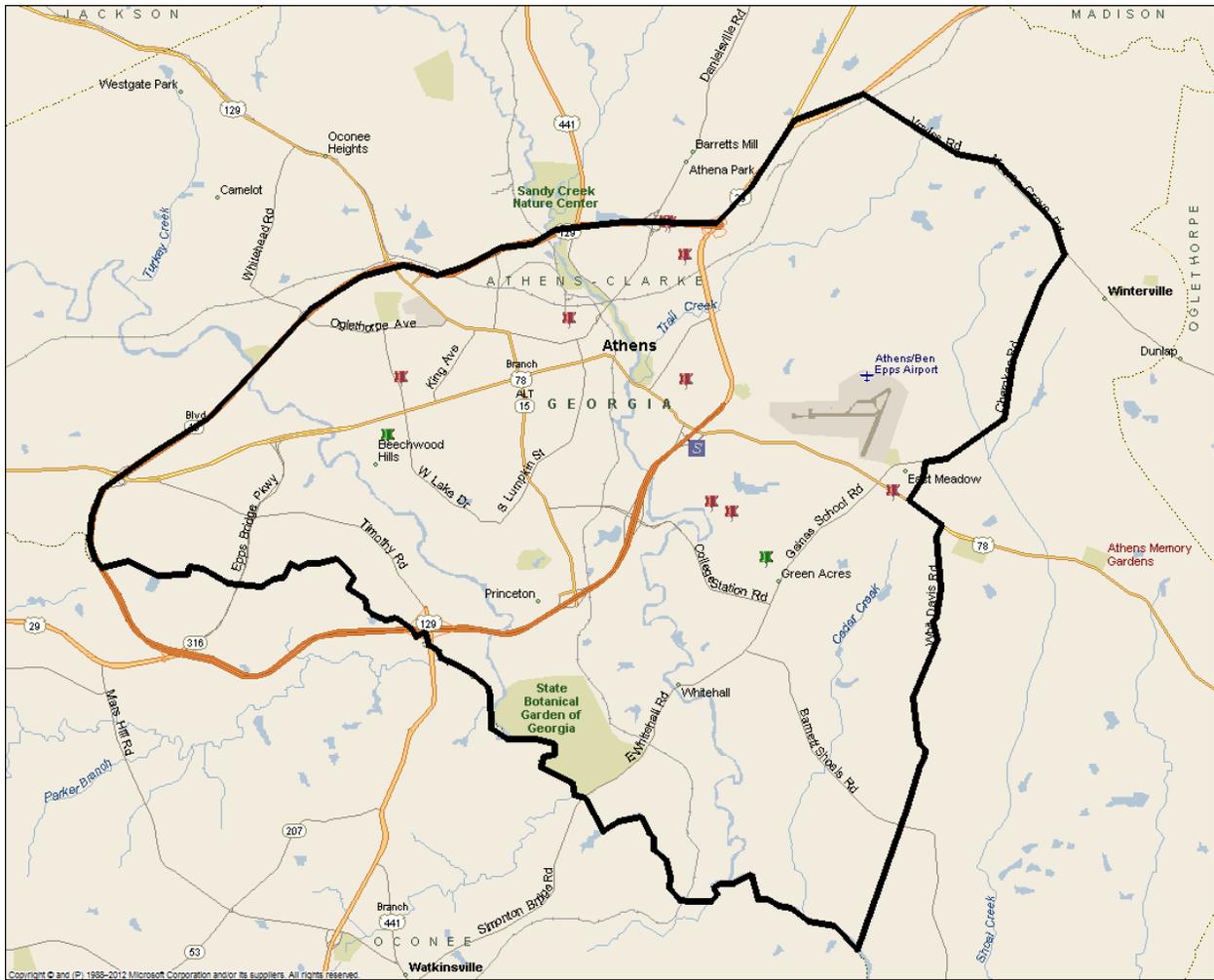
Property Name	Type	Tenancy	Distance
4th Street Village	Market	Family	2.0 Miles
755 Broad	Market	Family	1.3 Miles
909 Broad Street	Market	Student	1.3 Miles
Arbor Creek	Market	Family	1.4 Miles
Athena Gardens	Section 8	Senior	1.4 Miles
Athens Gardens	Section 8	Family	2.0 Miles
Athens Highland	Market	Family	1.9 Miles
Bethel Midtown Village	LIHTC/Section 8	Family	1.9 Miles
Bottleworks on Prince	Market	Family	2.0 Miles
Cambridge Apartments	Market	Family	1.4 Miles
Carousel Village	Market	Family	1.7 Miles
Cascades Classic City	Market	Family	2.0 Miles
Clarke Gardens	LIHTC/Section 8	Family	0.6 Mile
Dogwood Park Apartments	LIHTC	Family	2.0 Miles
Georgetown Village	Market	Family	1.5 Miles
Knollwood Manor	LIHTC	Family	2.0 Miles
Lakewood Hills Senior Village	LIHTC	Senior	0.8 Mile
Legacy of Athens	Market	Family	1.6 Miles
Lyons Apartments	Market	Student	1.3 Miles
Oak Hill Apartments	LIHTC	Family	2.0 Miles
Polo Club	Market	Student	1.6 Miles
Riverbend Club Apartments	Market	Family	1.5 Miles
Scarborough Place	Market	Family	1.1 Miles
Simmons Street Development	LIHTC/Section 8	Family	0.7 Mile
St. Andrews Townhomes	Market	Family	1.5 Miles
Stonecrest Apartments	Market	Family	1.9 Miles
Surrey Square Townhomes	Market	Family	1.5 Miles
The Ikon at Athens	Market	Student	0.3 Mile
The Lodge of Athens	Market	Student	2.0 Miles
The Pointe	Market	Family	1.6 Miles
The Reserve at Athens	Market	Student	1.4 Miles
The U	Market	Student	1.9 Miles
University Village	Market	Family	1.9 Miles

**8. Existing Assisted Rental Housing Property Map:**

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

Name	Address	City	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
<i>Pinewood Apartments</i>	<i>288 Bailey Street</i>	<i>Athens</i>	<i>GA</i>	<i>Section 8</i>	<i>Family</i>	-	<i>Subject</i>	-
Athena Gardens	175 Dennis Road	Athens	GA	Section 8	Senior	Edcluded	Subsidized rents	1.4 Miles
Athens Gardens/Ashton Gardens	135 Coleridge Court	Athens	GA	LIHTC/Section 8	Family	Excluded	Subsidized rents	2.0 Miles
Bethel Midtown Village/Church Home Apts	155 Hickman Drive	Athens	GA	LIHTC/Section 8	Family	Excluded	Subsidized rents	1.9 Miles
Clarke Gardens/Ashton Clarke Apts	110 Carriage Court	Athens	GA	LIHTC/Section 8	Family	Excluded	Subsidized rents	0.6 Mile
Dogwood Park Apartments *	198 Old Hull Road	Athens	GA	LIHTC	Family	Included	N/A	2.4 Miles
Fourt Street Village Apartments *	690 Fourth Street	Athens	GA	LIHTC	Family	Included	N/A	2.0 Miles
Lakewood Hills Senior Village	1025 Barnet Shoals Road	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	0.8 Mile
Lanier Gardens	801 Riverhill Drive	Athens	GA	Section 8	Senior	Excluded	Subsidized rents	3.3 Miles
Oak Hill Apartments *	210 Old Hull Road	Athens	GA	LIHTC	Family	Included	N/A	2.4 Miles
Pauldoe Redevelopment, Phase I	300 Hawthorne Avenue	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	3.2 Miles
Simmons Street Development	135 Simmons Street	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	0.7 Mile

\* Utilized as LIHTC comparable



**Map Legend**  
**LIHTC Property**  
**Section 8 Property**

**9. Road/Infrastructure**

**Proposed Improvements:**

The renovation will not include road or infrastructure improvements.

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

The Subject is accessible from Bailey Street, which is a lightly trafficked two-lane residential cul-de-sac. Bailey Street provides access to U.S. Routes 129 and 78 via Barnett Shoals Road, located 0.2 miles northeast of the Subject. The Subject has good visibility from Bailey Street. Views from the Subject consist of single-family homes in fair to average condition to the east, and vacant wooded land to the north, south, and west. Overall, visibility, access and ingress/egress are considered average.

**11. Environmental Concerns:**

We requested but were not provided with a Phase I environmental report for the Subject. No obvious environmental conditions were observed during our site inspection. Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report.

**Detrimental Influences:**

There were no significant detrimental off-site influences observed during the site inspection.

**12. Conclusion:**

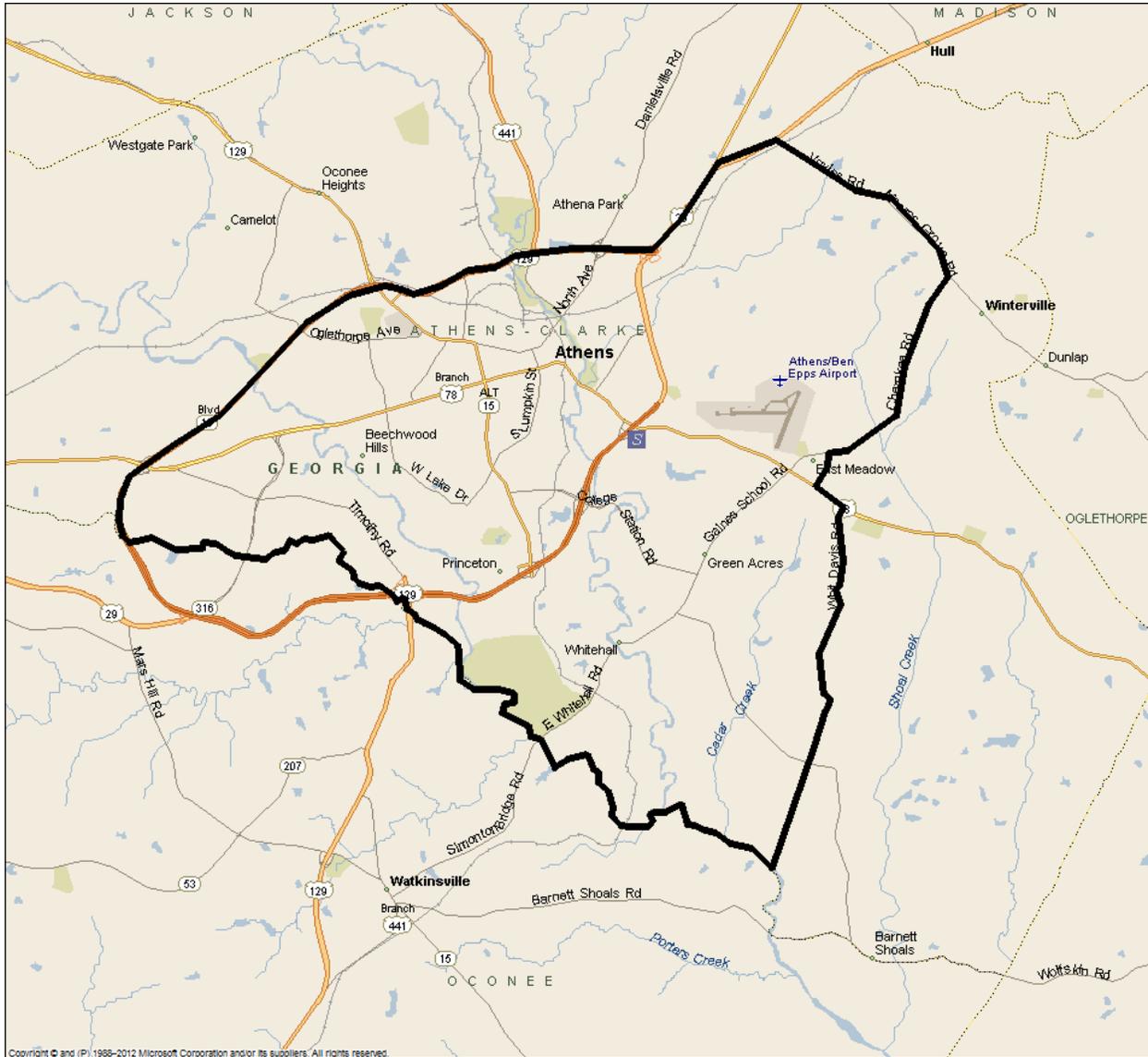
The Subject is accessible from Bailey Street, which is a lightly trafficked two-lane residential cul-de-sac. Bailey Street provides access to U.S. Routes 129 and 78 via Barnett Shoals Road, located 0.2 miles northeast of the Subject. Most desirable locational amenities are located within 2.0 miles of the Subject property, including a grocery store, retail, public transportation, and public schools. The Subject is located in a primarily residential neighborhood, and is a compatible use within the existing neighborhood. Additionally, renovation of the Subject will have a positive impact on the local neighborhood.

## **D. MARKET AREA**

### PRIMARY MARKET AREA

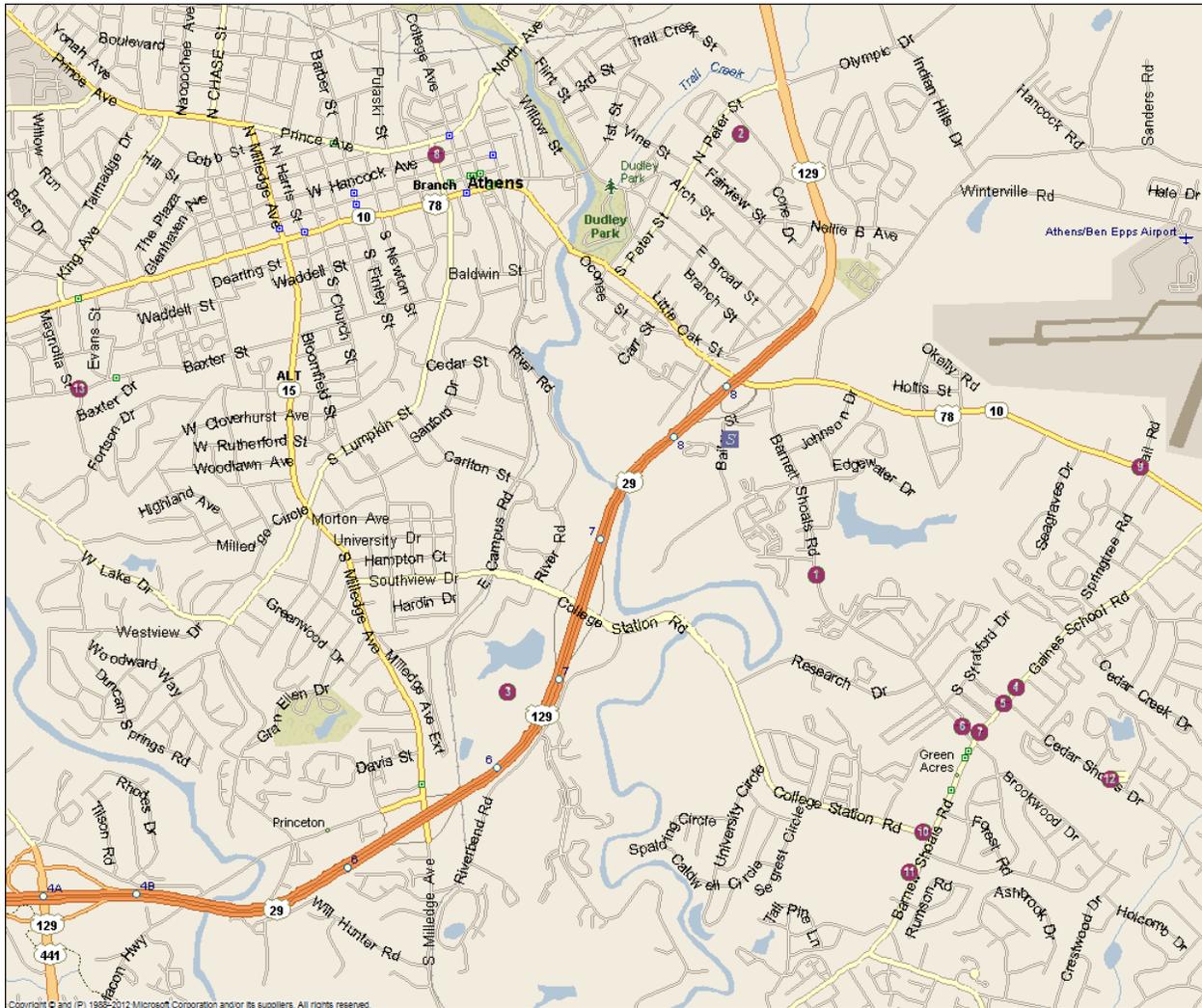
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In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

### Primary Market Area Map





**LOCALATIONAL AMENITY MAP**



**LOCALATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	Gas Station	0.6 Mile
2	Athens Neighborhood Health Center	1.2 Miles
3	Oconee Forest park	1.3 Miles
4	Hillsman Middle School	1.5 Miles
5	Gaines Elementary School	1.5 Miles
6	Public Supermarket	1.5 Miles
7	Bank	1.6 Miles
8	Post Office	1.7 Miles
9	Athens Police Department	1.7 Miles
10	Pharmacy	1.8 Miles
11	Fire Station	1.9 Miles
12	Cedar Shoals High School	2.1 Miles
13	Athens-Clarke County Library	2.7 Miles

The Athens Transit System (ATS) provides public transportation to the Athens-Clarke County area, which includes the Subject. The ATS operates 19 local bus routes seven days a week. The Barnett Shoals/Cedar Shoals route stops 0.3 mile northeast of the Subject along Barnett Shoals Road. Adult fare costs \$1.75; youth and senior citizens receive discounted fares which range from \$0.85 cents to \$1.75, depending on the time of day and whether or not the passenger has proof of age.

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 Athens-Clarke County, GA MSA are areas of growth or contraction.

The boundaries of the PMA are as follows:

North – Georgia State Route 10, U.S. Route 29, Hull Road, and Voyles Road

South – The Oconee River and the Athens-Clarke County Line

East – Moores Grove Road, Cherokee Road, Cooper Road, and Whit Davis Road

West – Georgia State Route 10

The PMA is generally defined as Georgia State Route 10, U.S. Route 29, and Hull Road, and Voyles Road to the north; Moores Grove Road, Cherokee Road, Cooper Road, and Whit Davis Road to the east; the Oconee River and Athens-Clarke County line to the south; and Georgia State Route 10 to the west. The north boundary of the PMA is approximately 4.2 miles from the Subject site; the eastern boundary of the PMA is approximately 4.4 miles from the Subject site; the southern boundary of the PMA is approximately 5.6 miles from the Subject site; and the western boundary of the PMA is approximately 6.4 miles from the Subject site. This area was defined based on interviews with local market participants and local property managers, including the Subject's. Many of the local property managers indicated that most residents originated from the local area but stated that a small percentage of tenants also come from various points within Athens and surrounding communities. Therefore, we have estimated that 10 percent of the tenants come from outside the PMA boundaries. The Athens-Clarke County, GA MSA will serve as the Secondary Market Area (SMA).

## **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 PMA and Athens-Clarke County, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population from 1990 through 2018 and (b) Population by Age Group within population in MSA, the PMA and nationally.

#### TOTAL POPULATION

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	31,052	-	42,382	-	248,709,873	-
2000	34,651	1.2%	49,014	1.6%	281,421,906	1.3%
2013	36,740	0.5%	53,242	0.7%	315,444,544	0.9%
Projected Mkt Entry July 2015	36,981	0.3%	53,653	0.4%	320,009,456	0.7%
2018	37,343	0.3%	54,269	0.4%	326,856,823	0.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

#### POPULATION BY AGE IN 2013

Age Cohort	PMA		SMA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,083	5.7%	2,969	5.6%	20,027,834	6.3%
5-9	2,121	5.8%	3,112	5.8%	20,305,969	6.4%
10-14	2,267	6.2%	3,361	6.3%	20,664,258	6.6%
15-19	2,315	6.3%	3,332	6.3%	21,217,478	6.7%
20-24	2,205	6.0%	3,114	5.8%	22,842,251	7.2%
25-29	2,067	5.6%	2,927	5.5%	21,494,659	6.8%
30-34	2,075	5.6%	3,031	5.7%	21,041,804	6.7%
35-39	2,077	5.7%	3,063	5.8%	19,423,837	6.2%
40-44	2,358	6.4%	3,524	6.6%	20,789,809	6.6%
45-49	2,527	6.9%	3,733	7.0%	21,274,128	6.7%
50-54	2,680	7.3%	3,980	7.5%	22,615,522	7.2%
55-59	2,637	7.2%	3,902	7.3%	21,155,463	6.7%
60-64	2,483	6.8%	3,677	6.9%	18,575,616	5.9%
65-69	2,117	5.8%	3,131	5.9%	14,286,322	4.5%
70-74	1,692	4.6%	2,415	4.5%	10,422,155	3.3%
75-79	1,283	3.5%	1,736	3.3%	7,612,501	2.4%
80-84	889	2.4%	1,170	2.2%	5,754,938	1.8%
85+	865	2.4%	1,065	2.0%	5,940,001	1.9%
<b>Total</b>	<b>36,741</b>	<b>100.0%</b>	<b>53,242</b>	<b>100.0%</b>	<b>315,444,545</b>	<b>100.0%</b>

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

The total population in the PMA in 2013 was 36,740. The total populations in the PMA and MSA grew at respective annual rates of 0.5 and 0.7 percent from 2000 to 2013, and are anticipated to increase at respective annual rates of 0.3 and 0.4 percent through both the projected market entry date and through 2018. The total population in the PMA is anticipated to increase by 603 through 2018. The projected population growth rate for general population should increase demand for all types of housing in the PMA.

## 2. Household Trends

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

#### TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	12,174	-	16,351	-	91,947,410	-
2000	14,256	1.7%	19,831	2.1%	105,991,193	1.5%
2013	14,853	0.3%	21,265	0.5%	119,423,008	1.0%
Projected Mkt Entry July 2015	14,948	0.3%	21,426	0.4%	121,224,502	0.8%
2018	15,091	0.3%	21,668	0.4%	123,926,744	0.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.38	-	2.44	-	2.58	-
2013	2.41	0.1%	2.46	0.1%	2.57	0.0%
Projected Mkt Entry July 2015	2.42	0.0%	2.46	0.0%	2.57	0.0%
2018	2.42	0.0%	2.46	0.0%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

General household growth in the PMA and MSA increased at respective annual rates of 0.3 and 0.5 percent from 2000 and 2013, slower than the nation's increase of 1.0 percent annually over the same time period. The PMA's household growth is anticipated to continue at the same rate through both the projected market entry date and 2018; household growth rates in the MSA and nation are anticipated to slow slightly, to respective rates of 0.4 and 0.8 percent over the same time period. The average household size in the PMA is 2.41, smaller than the SMA and nation's respective household sizes of 2.46 and 2.57. The average household size in the PMA is anticipated to increase to 2.42 through both the projected market entry date and through 2018, while the household sizes in the SMA and nation are anticipated to remain steady over the same time period. The anticipated household growth in the PMA will increase demand for housing of all types within Athens.

## 2b. Households by Tenure

The table below depicts general household growth by tenure from 2000 through 2018.

<b>TENURE PATTERNS PMA</b>				
<b>Year</b>	<b>Owner-Occupied</b>	<b>Percentage</b>	<b>Renter-Occupied</b>	<b>Percentage</b>
	<b>Units</b>	<b>Owner-Occupied</b>	<b>Units</b>	<b>Renter-Occupied</b>
2000	10,288	72.2%	3,968	27.8%
2013	9,998	67.3%	4,855	32.7%
Projected Mkt Entry July 2015	10,085	67.47%	4,863	32.53%
2018	10,216	67.7%	4,875	32.3%

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

In 2013, approximately 67.3 percent of households in the PMA were owner-occupied, while the remaining 32.7 percent are renter-occupied. The percentage of renter-occupied units in the PMA is expected to decrease slightly through both the market entry date and through 2018, although the total number of renter-occupied units is anticipated to grow slightly over the same time period. The percentage of renter households in the PMA is slightly lower than the national average of 36.4 percent (not shown).

## 2c. Households by Income

The following table depicts the income of the general population within the PMA in 2013, at market entry, and in 2018.

<b>Income Cohort</b>	<b>2013</b>		<b>Projected Mkt Entry July 2015</b>		<b>2018</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
\$0-9,999	1,432	9.6%	1,427	9.5%	1,419	9.4%
\$10,000-19,999	2,601	17.5%	2,588	17.3%	2,567	17.0%
\$20,000-29,999	2,277	15.3%	2,275	15.2%	2,272	15.1%
\$30,000-39,999	1,671	11.2%	1,690	11.3%	1,719	11.4%
\$40,000-49,999	1,509	10.2%	1,492	10.0%	1,467	9.7%
\$50,000-59,999	1,449	9.8%	1,461	9.8%	1,480	9.8%
\$60,000-74,999	1,334	9.0%	1,360	9.1%	1,400	9.3%
\$75,000-99,999	1,092	7.4%	1,116	7.5%	1,151	7.6%
\$100,000-124,999	816	5.5%	826	5.5%	840	5.6%
\$125,000-149,999	382	2.6%	404	2.7%	439	2.9%
\$150,000-199,999	151	1.0%	163	1.1%	181	1.2%
\$200,000+	139	0.9%	146	1.0%	156	1.0%
<b>Total</b>	<b>14,853</b>	<b>100.0%</b>	<b>14,948</b>	<b>100.0%</b>	<b>15,091</b>	<b>100.0%</b>

Source: Ribbon Demographics 2013, Novogradac & Company LLP, September 2014

According to the previous tables, 53.7 percent of the households in the PMA make less than \$40,000 per year, and 42.5 percent make less than \$30,000 per year. This data bodes well for affordable housing in the Subject's area.

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

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

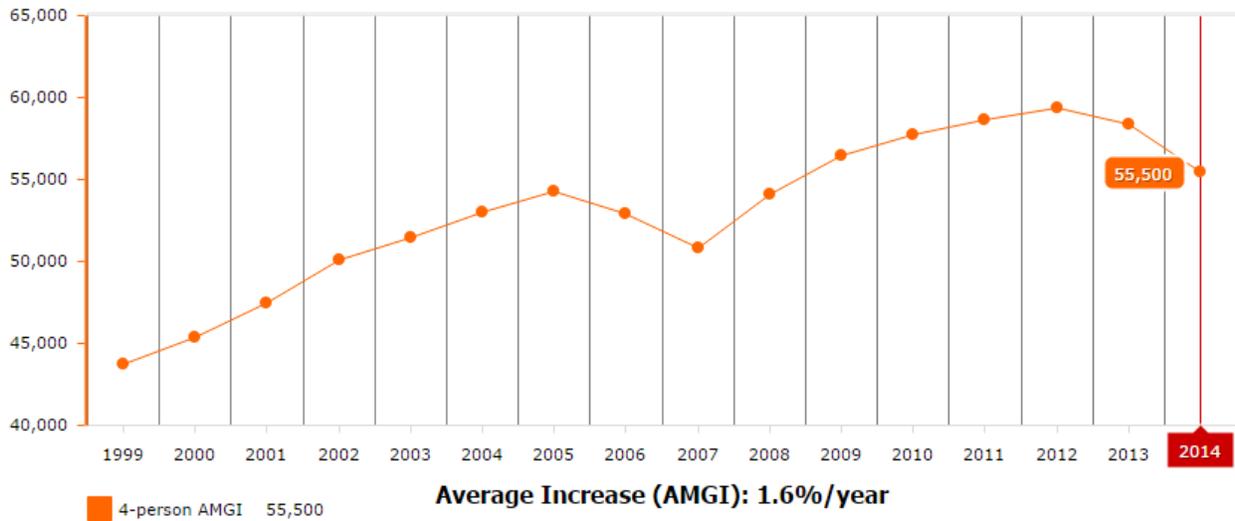
**RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA**

	2000		2013		Projected Mkt Entry July 2014:		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,455	36.7%	1,871	38.5%	1,882	38.7%	1,897	38.9%
With 2 Persons	1,142	28.8%	1,260	26.0%	1,260	25.9%	1,259	25.8%
With 3 Persons	698	17.6%	789	16.2%	788	16.2%	787	16.1%
With 4 Persons	420	10.6%	547	11.3%	545	11.2%	543	11.1%
With 5+ Persons	254	6.4%	388	8.0%	388	8.0%	389	8.0%
Total Renter Households	3,968	100.0%	4,855	100.0%	4,863	100.0%	4,875	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, September 2014

The Subject offers 14 one-bedroom, 40 two-bedroom, 30 three-bedroom, and six four-bedroom units. The Subject’s diverse unit mix it well suited for the various household sizes found within the PMA.

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Clarke County.



As illustrated in the table above, the AMI has increased at an average annual rate of 1.6 percent annually year since 1999. From 2006 to 2007, there was a change in the system and underlying data sources that HUD uses to establish income limits. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. As illustrated, Clarke County was affected by the change. Clarke County achieved its highest AMI level in 2012. Projects placed in service before 2012 will be subject to 2012 maximum allowable rent levels, while newer projects, such as the Subject, are subject to lower limits. As previously indicated, the Subject’s asking LIHTC rents are set at the maximum levels for the one- and three-bedroom units but below the maximum allowable levels for the remaining units. Thus, future rental increases will be dependent on AMI increases as well as market conditions.

## CONCLUSION

The Subject is located in Athens, Clarke County, GA. The total populations in the PMA and MSA grew at respective annual rates of 0.5 and 0.7 percent from 2000 to 2013, and are anticipated to increase at respective annual rates of 0.3 and 0.4 percent through both the projected market entry date and through 2018. Approximately 53.7 percent of households in the PMA earn less than \$40,000 per year, and 42.5 percent make less than \$30,000 per year. The Subject will target households earning between \$0 and \$38,640. Persons within these income cohorts are expected to create demand for the Subject. Additionally, the Subject offers 14 one-bedroom, 40 two-bedroom, 30 three-bedroom, and six four-bedroom units. The Subject's diverse unit mix is well suited for the various household sizes found within the PMA.

## **F. EMPLOYMENT TRENDS**

### Employment Trends

The Athens-Clarke County, GA MSA has experienced employment growth for eight of the last 10 years. In 2009, the MSA experienced a 5.2 percent decrease in total employment, due in part to the recent national recession. Additionally, the MSA has experienced a marginal decrease in total employment in year-to-date 2014; this is due in part to the University of Georgia, as employment drops significantly during the school's summer session. It should be noted that total employment in the MSA surpassed pre-recessionary highs in 2011, which indicates that the local economy has recovered from the recent national recession. From July 2013 to July 2014, total employment in the MSA increased 0.3 percent, compared to the nation's total employment increase of 1.5 percent over the same time period. The unemployment rate in the MSA decreased 10 basis points, from 6.7 to 6.6 percent, from July 2013 to July 2014. The unemployment rate in the nation as a whole decreased 1.2 percentage points, from 7.7 to 6.5 percent, over the same time period. The Athens Economic Development department reported several recent employment expansions. Caterpillar opened a manufacturing facility in Athens in October 2013, which created 750 jobs in the area. Ethicon is currently constructing a research facility that will employ 85 people. Additionally, Southern Brewing Company recently broke ground on a \$15 million facility that will employ 30 people upon completion. These expansions indicate a healthy economy and bode well for housing demand in the area.

The largest proportion of the workforce in the PMA is employed in the educational services, accommodations/ food services, and retail trade sectors, which together encompass 54.2 percent of employment in the PMA. The educational services, accommodations/food services, and arts/entertainment sectors are overrepresented in the PMA compared to the nation. The healthcare/social assistance, manufacturing, and construction sectors are under-represented in the PMA compared to the nation. The relatively low representation of cyclical industries, such as manufacturing and construction, likely provides some stability to the local economy and decreases the cyclical nature its employment. This bodes well for the rental housing demand in the area.

## 1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in the Athens-Clarke County, GA MSA.

ATHENS-CLARKE COUNTY, GA MSA		
Year	Total Employment	% Change
2004	92,602	-
2005	95,663	3.3%
2006	99,106	3.6%
2007	101,865	2.8%
2008	103,196	1.3%
2009	97,826	-5.2%
2010	100,832	3.1%
2011	103,387	2.5%
2012	105,046	1.6%
2013	106,323	1.2%
2014 YTD Average	106,264	-0.1%
Jul-2013	104,972	-
Jul-2014	105,276	0.3%

Source: U.S. Bureau of Labor Statistics, September 2014

From 2004 through 2008 and 2010 through 2013, total employment in the MSA increased each year. However, total employment decreased in 2009, due in part to the recent national recession; additionally, year-to-date employment levels indicate a marginal decrease in 2014. The job losses in the MSA in 2009 were greater than those experienced by the nation over the same time period. However, total employment levels in the MSA surpassed pre-recessionary highs in 2012, a milestone the nation as a whole did not surpass until 2014.

## 2. Total Jobs by Industry

The following table illustrates the annual total jobs by employment sectors within the PMA and USA as of 2013.

### 2013 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	9,286	25.9%	12,979,314	9.1%
Accommodation/Food Services	5,831	16.3%	10,849,114	7.6%
Retail Trade	4,293	12.0%	16,592,605	11.6%
Health Care/Social Assistance	3,519	9.8%	20,080,547	14.0%
Manufacturing	2,138	6.0%	15,162,651	10.6%
Prof/Scientific/Tech Services	1,758	4.9%	9,808,289	6.8%
Other Services (excl Publ Adm)	1,589	4.4%	7,850,739	5.5%
Construction	1,184	3.3%	8,291,595	5.8%
Arts/Entertainment/Recreation	1,144	3.2%	3,151,821	2.2%
Admin/Support/Waste Mgmt Svcs	1,106	3.1%	6,316,579	4.4%
Public Administration	1,062	3.0%	6,713,073	4.7%
Transportation/Warehousing	674	1.9%	5,898,791	4.1%
Finance/Insurance	549	1.5%	6,884,133	4.8%
Wholesale Trade	504	1.4%	3,628,118	2.5%
Real Estate/Rental/Leasing	420	1.2%	2,627,562	1.8%
Agric/Forestry/Fishing/Hunting	348	1.0%	1,800,354	1.3%
Information	309	0.9%	2,577,845	1.8%
Mgmt of Companies/Enterprises	70	0.2%	97,762	0.1%
Utilities	42	0.1%	1,107,105	0.8%
Mining	11	0.0%	868,282	0.6%
<b>Total Employment</b>	<b>35,837</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

The largest sector in the PMA is the educational services sector, which encompasses approximately 25.9 percent of total employment in the PMA. This is due in large part to the University of Georgia, which is located in Athens. The accommodations/food services, retail trade, and healthcare/social assistance sectors respectively encompass 16.3, 12.0, and 9.8 percent of employment in the PMA. Overall, the PMA's employment base seems to be fairly diversified.

### 3. Major Employers

The tables below illustrate the major employers in Athens, GA as provided by the Athens-Clarke County Economic Development Corporation.

<b>MAJOR EMPLOYERS – ATHENS, GA</b>			
<b>No.</b>	<b>Company</b>	<b>Industry</b>	<b>Employees</b>
1	The University of Georgia	Education	10,000
2	Athens Regional Medical Center	Healthcare	3,000
3	Athens-Clarke County	Government	1,520
4	St. Mary's Health Care System	Healthcare	1,400
5	Clarke County School District	Education	1,300
6	DialAmerica	Telemarketing	500
7	Power Partners, Inc.	Manufacturing	400
8	Baldor	Manufacturing	480
9	Carrier Transicold	Manufacturing	460
10	Merial	Animal Pharmaceuticals	450
11	Caterpillar	Manufacturing	400
12	Burton & Burton	Manufacturing	300
13	Skaps	Manufacturing	235
14	Noramco, Inc.	Manufacturing	210
15	CertainTeed	Manufacturing	198
16	Evergreen	Manufacturing	170
17	NKC	Manufacturing	141

Source: Athens-Clarke County Economic Development Department, City of Athens; 9/2014

The largest employer in Athens is the University of Georgia, with more than 10,000 employees, followed by the Athens Regional Medical Center, with 3,000 employees, and Athens-Clarke County itself, with 1,520 employees. The education, healthcare, and government sectors are typically stable, and a large percentage of employment in these sectors should decrease the cyclical nature of employment in the local economy. There appears to be a concentration of major employers within the manufacturing sector, which is typically more volatile during economic downturns. The top 10 major employers account for approximately 18.5 percent of the total employment within the MSA. Additionally, it appears that many of Athens' major employers employ people across a wide range of income cohorts, which bodes well for the Subject's affordable units.

*Expansions/Contractions*

According to Ryan Moore, Director of the Athens-Clarke County Economic Development Department, who provided the following information about recent employment expansions within Athens-Clarke County.

**BUSINESS EXPANSIONS - CLARKE COUNTY, GA**

Name	Industry	Employees Added	Amount Invested
Caterpillar	Manufacturing	750	N/Av
Ethicon	Healthcare	85	\$185 Million
Kroger	Retail Trade	150	N/Av
Southern Brewing Company	Manufacturing	30	\$15 Million

Source: Athens-Clarke County Economic Development Dept., 9/2014

While this announced job growth is notable, it does not reflect actual jobs added to the market in 2013. Additionally, this figure does not take into consideration closures and redundancies at other companies in the area. According to the Georgia Department of Economic Development, no Worker Adjustment and Retraining Notification (WARN) notices were filed during year-to-date 2014 within Clarke County.

**4. Employment and Unemployment Trends**

The following table details employment and unemployment trends for the Athens-Clarke County, GA MSA from 2004 through July 2014.

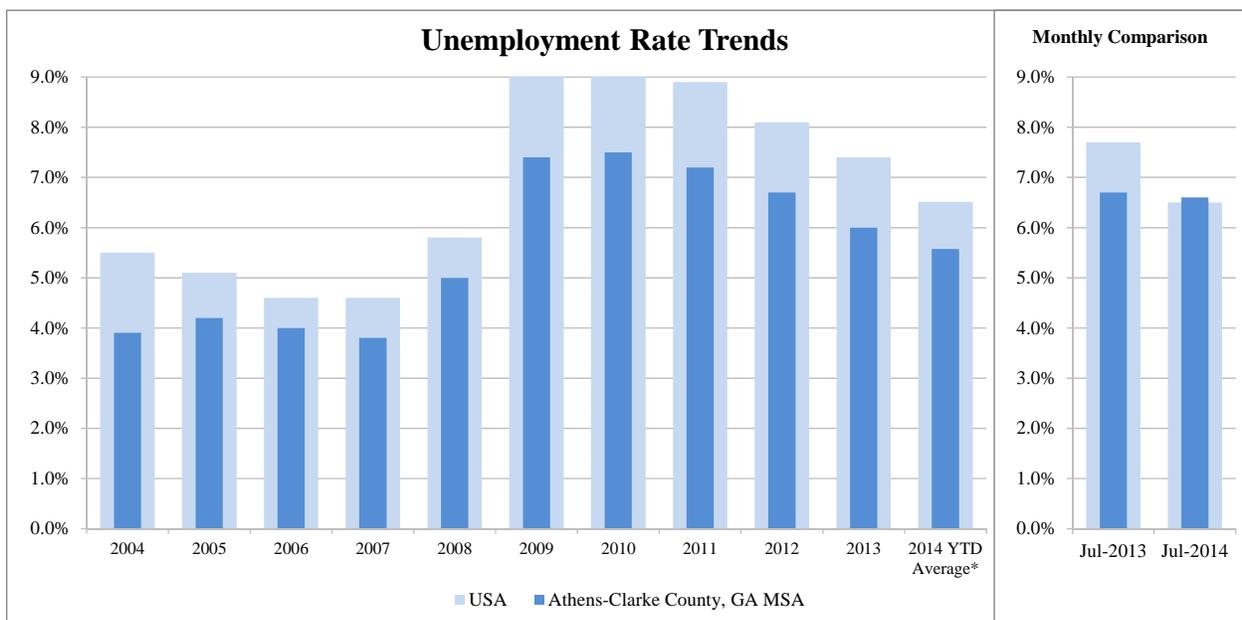
**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	Athens-Clarke County, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	92,602	-	3.9%	-	139,252,000	-	5.5%	-
2005	95,663	3.3%	4.2%	0.3%	141,730,000	1.8%	5.1%	-0.4%
2006	99,106	3.6%	4.0%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	101,865	2.8%	3.8%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	103,196	1.3%	5.0%	1.2%	145,362,000	-0.5%	5.8%	1.2%
2009	97,826	-5.2%	7.4%	2.4%	139,877,000	-3.8%	9.3%	3.5%
2010	100,832	3.1%	7.5%	0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	103,387	2.5%	7.2%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	105,046	1.6%	6.7%	-0.5%	142,469,000	1.9%	8.1%	-0.8%
2013	106,323	1.2%	6.0%	-0.7%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	106,264	-0.1%	5.6%	-1.1%	145,612,000	1.2%	6.5%	-1.6%
Jul-2013	104,972	-	6.7%	-	145,113,000	-	7.7%	-
Jul-2014	105,276	0.3%	6.6%	-0.1%	147,265,000	1.5%	6.5%	-1.2%

Source: U.S. Bureau of Labor Statistics September 2014

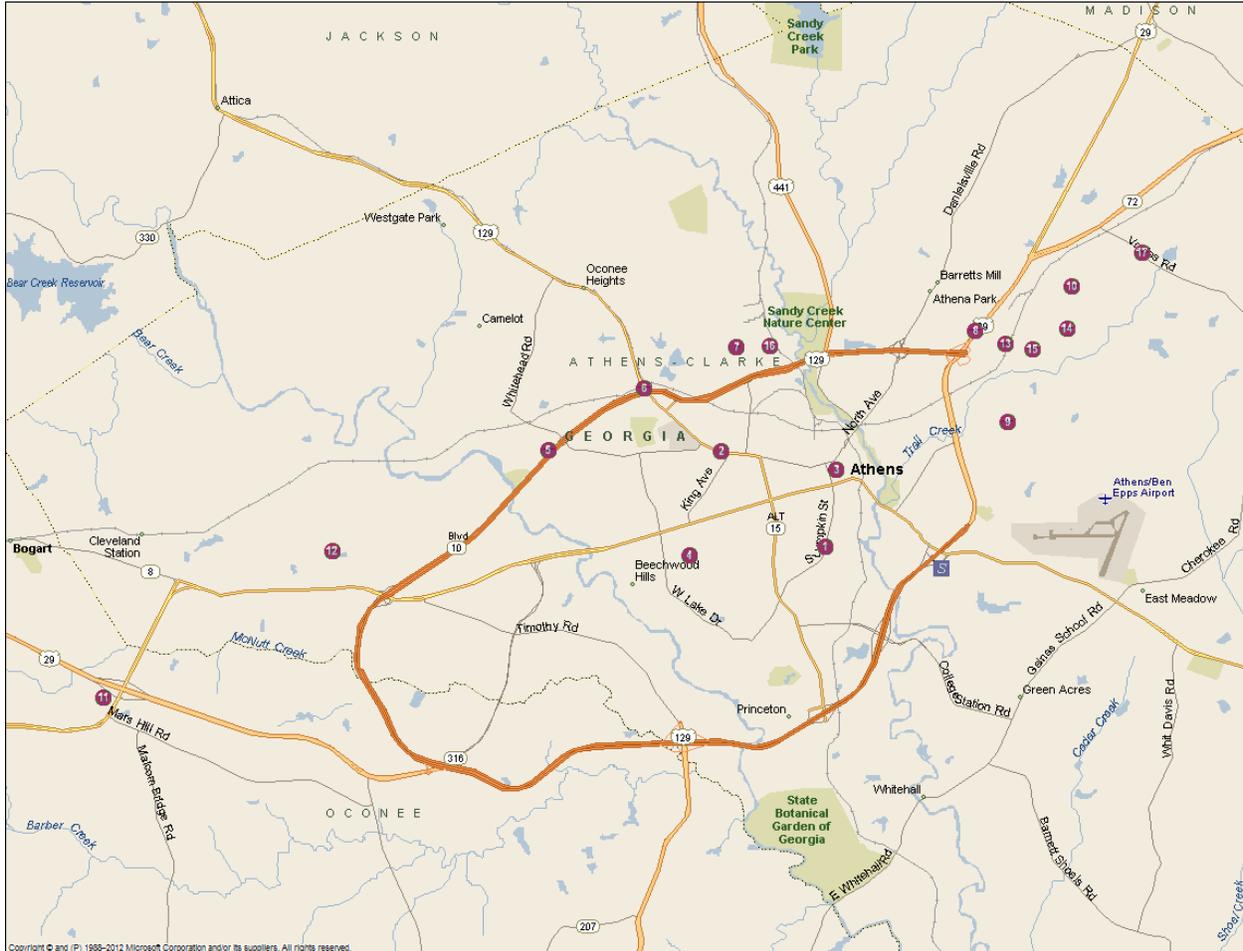
\*2014 data is through Jul

The Athens-Clarke County, GA MSA has experienced employment growth for eight of the last 10 years. From 2004 through 2008 and 2010 through 2013, total employment in the MSA increased each year. However, total employment decreased in 2009, due in part to the recent national recession; additionally, year-to-date employment levels indicate a marginal decrease in 2014. The job losses in the MSA in 2009 were greater than those experienced by the nation over the same time period. However, total employment levels in the MSA surpassed pre-recessionary highs in 2012, a milestone the nation as a whole did not surpass until 2014. From July 2013 to July 2014, total employment in the MSA increased 0.3 percent, while total employment in the nation as a whole increased 1.5 percent over the same time period. The unemployment rate in the MSA decreased 10 basis points, from 6.7 to 6.6 percent, from July 2013 to July 2014; the unemployment rate in the nation decreased 1.2 percentage points, from 7.7 to 6.5 percent, over the same time period. Recent total employment data and consecutive decrease in unemployment indicate that the MSA has recovered from the national recession.



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

The following map and table details the largest employers in Macon, GA and Clarke County.



MAJOR EMPLOYERS – ATHENS, GA			
No.	Company	Industry	Employees
1	The University of Georgia	Education	10,000
2	Athens Regional Medical Center	Healthcare	3,000
3	Athens-Clarke County	Government	1,520
4	St. Mary’s Health Care System	Healthcare	1,400
5	Clarke County School District	Education	1,300
6	DialAmerica	Telemarketing	500
7	Power Partners, Inc.	Manufacturing	400
8	Baldor	Manufacturing	480
9	Carrier Transicold	Manufacturing	460
10	Merial	Animal Pharmaceuticals	450
11	Caterpillar	Manufacturing	400
12	Burton & Burton	Manufacturing	300
13	Skaps	Manufacturing	235
14	Noramco, Inc.	Manufacturing	210
15	CertainTeed	Manufacturing	198
16	Evergreen	Manufacturing	170
17	NKC	Manufacturing	141

Source: Athens-Clarke County Economic Development Department, City of Athens; 9/2014

### **Conclusion**

The PMA includes various employment options for area residents. Employment is greatest in the educational services, accommodations/food services, and retail trade sectors, which is due to the presence of the University of Georgia. The MSA appears to have recovered from the recent national recession, as the current July 2014 unemployment rate is lower than the national average, and total employment is above pre-recession levels.

# **PROJECT-SPECIFIC DEMAND ANALYSIS**

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

### **1. INCOME RESTRICTIONS**

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

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

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

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

### **2. AFFORDABILITY**

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

### **3. DEMAND**

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

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

The number of new households entering the market is the first level of demand calculated. We have utilized 2015, the anticipated date of market entry, as the base year for the analysis. Therefore, 2013 household and population estimates are inflated to 2015 by interpolation of the difference between 2013 estimates and 2018 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 2015. This number takes the overall growth from 2013 to 2015 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 properties and is determined by interviews with property managers in the PMA.

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 2013 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 from 2011 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 2012 through 2014.
- Vacancies in projects placed in service prior to 2012 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 2012 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.

Based on DCA's allocation lists, two multifamily properties in the Subject's PMA have been allocated LIHTC funding from 2011 through 2014; however, only one of those properties was targeted towards families. The Pauldoe Redevelopment Phase I, located 3.2 miles northwest of the Subject, was allocated LIHTC funding in 2012. Pauldoe Redevelopment Phase I will offer 80 one- and two-bedroom units to families earning 50 or 60 percent of AMI or less, as well as 20 one- and two-bedroom market rate units. Of the 80 LIHTC units, 64 will be set aside at 60 percent of AMI. Pauldoe Redevelopment Phase I will directly compete with the Subject; thus, we will remove its 60 percent of AMI units from our demand analysis.

We spoke to Mark Beechuk, an Athens-Clarke County Planning Technician, to gather information on any multifamily apartments in the planning or construction stages within the city. According to Mr. Beechuk, three large multifamily apartments are currently under construction Athens. However, these three properties will target students, and thus, will not be directly competitive with the Subject upon completion.

It should be noted that the Subject's tenants will not be required to relocate during renovations and as such we do not believe the Subject will need to reabsorb units. Additionally, all of the comparable LIHTC developments reported a stabilized occupancy above 90 percent; thus, we have not deducted any of their units from our analysis.

#### **PMA OCCUPANCY**

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

GENERAL MARKET OVERVIEW

Map #	Name	Occupancy Rate	Address	City	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
5	<i>Pinewood Apartments</i>	92.2%	288 Bailey Street	Athens	GA	Section 8	Family	-	Subject	-
1	Dogwood Park Apartments *	95.3%	198 Old Hull Road	Athens	GA	LIHTC	Family	Included	N/A	2.4 Miles
2	Four Street Village Apartments *	100%	690 4th Street	Athens	GA	LIHTC	Family	Included	N/A	2.0 Miles
3	Lakewood Hills Senior Village	N/Av	1025 Barnet Shoals Road	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	0.8 Mile
4	Oak Hill Apartments *	95.9%	210 Old Hull Road	Athens	GA	LIHTC	Family	Included	N/A	2.4 Miles
5	Pauldoe Redevelopment, Phase I	N/Av	300 Hawthorne Avenue	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	3.2 Miles
6	Simmons Street Development	N/Av	135 Simmons Street	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	0.7 Mile
7	4th Street Village	N/Av	690 4th Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	2.0 Miles
8	755 Broad	100%	755 E. Broad Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.3 Miles
9	909 Broad Street	N/Av	909 E. Broad Street	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.3 Miles
10	Arbor Creek*	100%	155 International Drive	Athens	GA	Market	Family	Included	N/A	1.4 Miles
11	Athens Highland	100%	537 4th Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.9 Miles
12	Bottleworks on Prince	N/Av	367 Prince Avenue	Athens	GA	Market	Family	Excluded	Closer comparables utilized	2.0 Miles
13	Cambridge Apartments*	97.8%	360 Picadilly Square	Athens	GA	Market	Family	Included	N/A	1.4 Miles
14	Carousel Village	N/Av	1907 S. Milledge Avenue	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.7 Miles
15	Georgia Green (fka Cascades Classic City)	76.8%	700 4th Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	2.0 Miles
16	Georgetown Village	97%	400 Springdale Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.5 Miles
17	Laurel Oaks*	92.4%	175 Woodlake Place	Athens	GA	Market	Family	Included	N/A	2.1 Miles
18	Legacy of Athens	94%	100 Ashely Circle	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.6 Miles
19	Lyons Apartments	N/Av	1050 S. Lumpkin Street	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.3 Miles
20	Polo Club	N/Av	110 International Drive	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.6 Miles
21	Riverbend Club Apartments	76%	355 Riverbend Parkway	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.5 Miles
22	Scarborough Place	100%	345 Research Drive	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.1 Miles
23	St. Andrews Townhomes*	85.3%	825 Gaines School Road	Athens	GA	Market	Family	Included	N/A	1.5 Miles
24	Stoncrest Apartments	100%	145 North Avenue	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.9 Miles
25	Surrey Square Townhomes	100%	350 Riverbend Parkway	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.5 Miles
26	The Bluffs at Epps Ridge*	50%	195 Epps Bridge Road	Athens	GA	Market	Family	Included	N/A	4.2 Miles
27	The Ikon at Athens	N/Av	314 Barnett Shoals Road	Athens	GA	Market	Student	Excluded	Incomparable tenancy	0.3 Mile
28	The Lodge of Athens	N/Av	211 North Avenue	Athens	GA	Market	Student	Excluded	Incomparable tenancy	2.0 Miles
29	The Pointe*	99.4%	750 Gaines School Road	Athens	GA	Market	Family	Included	N/A	1.6 Miles
30	The Reserve at Athens	N/Av	175 International Drive	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.4 Miles
31	The U	N/Av	505 Riverbend Parkway	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.9 Miles
32	University Village	N/Av	270 Strickland	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.9 Miles
33	Westside Heights*	95.6%	205 Westchester Drive	Athens	GA	Market	Family	Included	N/A	4.7 Miles
<b>AVERAGE</b>		<b>92.4%</b>								

\*Utilized as comparable

As the previous table demonstrates, the overall occupancy rate in the PMA is stable at approximately 92.4 percent.

**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.

As all of the Subject’s units will remain occupied by their current tenants upon completion of renovation and all units will operate with a project-based subsidy, the demand calculation is somewhat moot. However, we have illustrated capture rates for the Subject utilizing LIHTC maximum income limits.

**Capture Rates**

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

Renter Household Income Distribution 2013 to Projected Market Entry July 2015					
Pinewood Apartments					
PMA					
	2013		Projected Mkt Entry July 2015		Percent Growth
	#	%	#	%	
\$0-9,999	721	14.9%	713	14.7%	-1.1%
\$10,000-19,999	1,222	25.2%	1,210	24.9%	-1.0%
\$20,000-29,999	1,022	21.0%	1,018	20.9%	-0.4%
\$30,000-39,999	590	12.2%	593	12.2%	0.4%
\$40,000-49,999	492	10.1%	488	10.0%	-0.9%
\$50,000-59,999	246	5.1%	249	5.1%	1.3%
\$60,000-74,999	138	2.8%	148	3.0%	6.4%
\$75,000-99,999	109	2.2%	113	2.3%	3.9%
\$100,000-124,999	156	3.2%	160	3.3%	2.8%
\$125,000-149,999	106	2.2%	114	2.3%	6.9%
\$150,000-199,999	31	0.6%	33	0.7%	8.4%
\$200,000+	22	0.4%	24	0.5%	10.0%
Total	4,855	100.0%	4,863	100.0%	0.2%

Renter Household Income Distribution Projected Market Entry July 2015			
Pinewood Apartments			
PMA			
	Projected Mkt Entry July 2015		Change 2013 to Prj Mrkt Entry July 2015
	#	%	#
\$0-9,999	713	14.7%	1
\$10,000-19,999	1,210	24.9%	2
\$20,000-29,999	1,018	20.9%	2
\$30,000-39,999	593	12.2%	1
\$40,000-49,999	488	10.0%	1
\$50,000-59,999	249	5.1%	0
\$60,000-74,999	148	3.0%	0
\$75,000-99,999	113	2.3%	0
\$100,000-124,999	160	3.3%	0
\$125,000-149,999	114	2.3%	0
\$150,000-199,999	33	0.7%	0
\$200,000+	24	0.5%	0
Total	4,863	100.0%	8

Tenure Prj Mrkt Entry July 2015	
Renter	32.5%
Owner	67.5%
<b>Total</b>	<b>100.0%</b>

Renter Household Size for Prj Mrkt Entry July 2015		
Size	Number	Percentage
1 Person	1,882	38.7%
2 Person	1,260	25.9%
3 Person	788	16.2%
4 Person	545	11.2%
5+ Person	388	8.0%
<b>Total</b>	<b>4,863</b>	<b>100.0%</b>

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,455	36.7%
2 Person	1,142	28.8%
3 Person	698	17.6%
4 Person	420	10.6%
5+ Person	254	6.4%
<b>Total</b>	<b>3,968</b>	<b>100.0%</b>

60% AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$38,640	6 persons	
New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry July 2015			Income Brackets	Percent within Cohort	Renter Households within Bracket
Income Category					
\$0-9,999	1.17	14.7%	9,999	100.0%	1
\$10,000-19,999	1.99	24.9%	9,999	100.0%	2
\$20,000-29,999	1.67	20.9%	9,999	100.0%	2
\$30,000-39,999	0.98	12.2%	8,640	86.4%	1
\$40,000-49,999	0.80	10.0%		0.0%	0
\$50,000-59,999	0.41	5.1%		0.0%	0
\$60,000-74,999	0.24	3.0%		0.0%	0
\$75,000-99,999	0.19	2.3%		0.0%	0
\$100,000-124,999	0.26	3.3%		0.0%	0
\$125,000-149,999	0.19	2.3%		0.0%	0
\$150,000-199,999	0.05	0.7%		0.0%	0
\$200,000+	0.04	0.5%		0.0%	0
	8	100.0%			6
Percent of renter households within limits versus total number of renter households					71.00%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$0		
Maximum Income Limit			\$38,640	6 persons	
Total Renter Households PMA Prj Mrkt Entry July 2015			Income Brackets	Percent within Cohort	Households within Bracket
Income Category					
\$0-9,999	713	14.7%	\$9,999	100%	713
\$10,000-19,999	1,210	24.9%	\$9,999	100%	1,210
\$20,000-29,999	1,018	20.9%	\$9,999	100%	1,018
\$30,000-39,999	593	12.2%	\$8,640	86%	512
\$40,000-49,999	488	10.0%	\$0	0%	0
\$50,000-59,999	249	5.1%	\$0	0%	0
\$60,000-74,999	148	3.0%	\$0	0%	0
\$75,000-99,999	113	2.3%	\$0	0%	0
\$100,000-124,999	160	3.3%	\$0	0%	0
\$125,000-149,999	114	2.3%	\$0	0%	0
\$150,000-199,999	33	0.7%	\$0	0%	0
\$200,000+	24	0.5%	\$0	0%	0
	4,863	100.0%			3,453
Percent of renter households within limits versus total number of renter households					71.00%

Does the Project Benefit from Rent Subsidy? (Y/N)	Yes		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Urban		
Percent of Income for Housing	35%		
2000 Median Income	\$30,819		
2013 Median Income	\$36,379		
Change from 2013 to Prj Mrkt Entry July 2015	\$5,560		
Total Percent Change	15.3%		
Average Annual Change	1.2%		
Inflation Rate	1.2%	Two year adjustment	1.0000
Maximum Allowable Income	\$38,640		
Maximum Allowable Income Inflation Adjusted	\$38,640		
Maximum Number of Occupants	6		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$624		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$624		

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 2013 to Prj Mrkt Entry July 2015

Income Target Population	60%
New Renter Households PMA	8
Percent Income Qualified	71.0%
<b>New Renter Income Qualified Households</b>	<b>6</b>

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

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	4,863
Income Qualified	71.0%
Income Qualified Renter Households	3,453
Percent Rent Overburdened Prj Mrkt Entry July 2015	23.9%
<b>Rent Overburdened Households</b>	<b>824</b>

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,453
Percent Living in Substandard Housing	0.7%
<b>Households Living in Substandard Housing</b>	<b>25</b>

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

Senior Households Converting from Homeownership

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

**Total Demand**

Total Demand from Existing Households		849
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		849
Total New Demand		6
<b>Total Demand (New Plus Existing Households)</b>		<b>854</b>

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

By Bedroom Demand

One Person	38.7%	330
Two Persons	25.9%	221
Three Persons	16.2%	138
Four Persons	11.2%	96
Five Persons	8.0%	68
<b>Total</b>	<b>100.0%</b>	<b>854</b>

**To place Person Demand into Bedroom Type Units**

Of one-person households in 1BR units	90%	297
Of two-person households in 1BR units	20%	44
Of one-person households in 2BR units	10%	33
Of two-person households in 2BR units	80%	177
Of three-person households in 2BR units	60%	83
Of three-person households in 3BR units	40%	55
Of four-person households in 3BR units	80%	77
Of five-person households in 3BR units	70%	48
Of four-person households in 4BR units	20%	19
Of five-person households in 4BR units	30%	20
<b>Total Demand</b>		<b>854</b>

**Total Demand by Bedroom 60%**

1 BR	342
2 BR	293
3 BR	180
4 BR	40
<b>Total Demand</b>	<b>854</b>

**Additions To Supply 2013 to Prj Mrkt Entry July 2015 60%**

1 BR	58
2 BR	6
3 BR	0
4 BR	0
<b>Total</b>	<b>64</b>

**Net Demand 60%**

1 BR	284
2 BR	287
3 BR	180
4 BR	40
<b>Total</b>	<b>790</b>

**Developer's Unit Mix 60%**

1 BR	14
2 BR	40
3 BR	30
4 BR	6
<b>Total</b>	<b>90</b>

**Capture Rate Analysis 60%**

1 BR	4.9%
2 BR	13.9%
3 BR	16.7%
4 BR	15.1%
<b>Total</b>	<b>11.4%</b>

### **Conclusions**

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

- The number of households in the PMA is expected to increase 0.3 percent between 2013 and 2018.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
1BR at 60% AMI	14	342	58	284	4.9%	8 months	\$597	\$515-\$662	\$526
2BR at 60% AMI	40	293	6	287	13.9%	8 months	\$700	\$600-\$785	\$579
3BR at 60% AMI	30	180	0	180	16.7%	8 months	\$832	\$735-\$924	\$703
4BR at 60% AMI	6	40	0	40	15.1%	8 months	\$923	\$923-\$923	\$810
<b>All Units</b>	<b>90</b>	<b>854</b>	<b>64</b>	<b>790</b>	<b>11.4%</b>	<b>8 months</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Demand and Net Demand**

	HH at 60% AMI (\$0 to \$38,640)	All Tax Credit Households
Demand from New Households (age and income appropriate)	6	6
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Substandard Housing	25	25
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Rent Overburdened Households	824	824
<b>PLUS</b>	<b>+</b>	<b>+</b>
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>854</b>	<b>854</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
<b>Equals Total Demand</b>	<b>854</b>	<b>854</b>
<b>Less</b>	<b>-</b>	<b>-</b>
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	64	64
<b>Equals Net Demand</b>	<b>790</b>	<b>790</b>

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level will range from 4.9 to 16.7 percent, with an overall capture rate of 11.4 percent. It should be noted that these capture rates appear very reasonable and are also well supported by anecdotal evidence. Therefore, we believe there is adequate demand for the Subject. Further, as previously noted, the Subject is operating at a stabilized occupancy and limited turnover is anticipated as a result of the renovation; thus, this analysis is hypothetical.

## **H. COMPETITIVE RENTAL ANALYSIS**

**Survey of Comparable Project**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 1,543 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC is considered average. We have included the only three family LIHTC properties in Athens, all of which are located in the PMA. We have included six market rate properties located between 1.3 and 4.0 miles of the Subject. Therefore, we consider the availability of market data to be average as well. It should be noted that we have excluded any student properties in the area that charge rent by the bedroom. Additionally, there are a limited number of four-bedroom units in the area. Thus, we have included only one market rate comparable that offers this unit type.

**General Market Overview/Included/Excluded Properties**

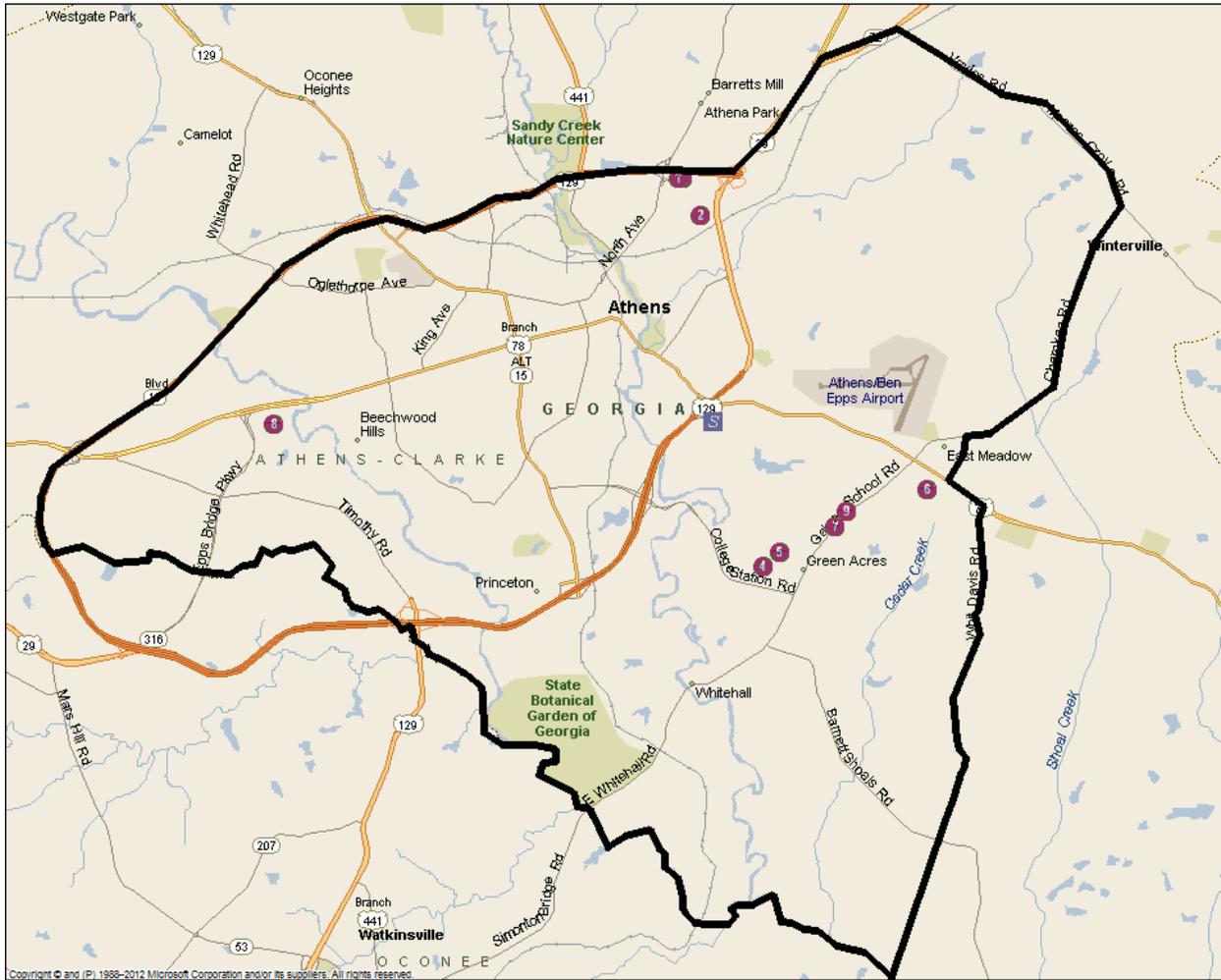
The following table illustrates properties that are within the PMA or a similar market area. The table highlights occupancy. Some of these properties have been included as “true comparables.”

## Pinewood Apartments, Athens, GA; Market Study

### GENERAL MARKET OVERVIEW

Map #	Name	Occupancy Rate	Address	City	State	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
<i>S</i>	<i>Pinewood Apartments</i>	<i>92.2%</i>	<i>288 Bailey Street</i>	<i>Athens</i>	<i>GA</i>	<i>Section 8</i>	<i>Family</i>	<i>-</i>	<i>Subject</i>	<i>-</i>
1	Dogwood Park Apartments *	95.3%	198 Old Hull Road	Athens	GA	LIHTC	Family	Included	N/A	2.4 Miles
2	Fourt Street Village Apartments *	100%	690 4th Street	Athens	GA	LIHTC	Family	Included	N/A	2.0 Miles
3	Lakewood Hills Senior Village	N/Av	1025 Barnett Shoals Road	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	0.8 Mile
4	Oak Hill Apartments *	95.9%	210 Old Hull Road	Athens	GA	LIHTC	Family	Included	N/A	2.4 Miles
5	Pauldoe Redevelopment, Phase I	N/Av	300 Hawthorne Avenue	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	3.2 Miles
6	Simmons Street Development	N/Av	135 Simmons Street	Athens	GA	LIHTC	Senior	Excluded	Incomparable tenancy	0.7 Mile
7	4th Street Village	N/Av	690 4th Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	2.0 Miles
8	755 Broad	100%	755 E. Broad Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.3 Miles
9	909 Broad Street	N/Av	909 E. Broad Street	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.3 Miles
10	Arbor Creek*	100%	155 International Drive	Athens	GA	Market	Family	Included	N/A	1.4 Miles
11	Athens Highland	100%	537 4th Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.9 Miles
12	Bottleworks on Prince	N/Av	367 Prince Avenue	Athens	GA	Market	Family	Excluded	Closer comparables utilized	2.0 Miles
13	Cambridge Apartments*	97.8%	360 Picadilly Square	Athens	GA	Market	Family	Included	N/A	1.4 Miles
14	Carousel Village	N/Av	1907 S. Milledge Avenue	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.7 Miles
15	Georgia Green (fka Cascades Classic City)	76.8%	700 4th Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	2.0 Miles
16	Georgetown Village	97%	400 Springdale Street	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.5 Miles
17	Laurel Oaks*	92.4%	175 Woodlake Place	Athens	GA	Market	Family	Included	N/A	2.1 Miles
18	Legacy of Athens	94%	100 Ashely Circle	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.6 Miles
19	Lyons Apartments	N/Av	1050 S. Lumpkin Street	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.3 Miles
20	Polo Club	N/Av	110 International Drive	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.6 Miles
21	Riverbend Club Apartments	76%	355 Riverbend Parkway	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.5 Miles
22	Scarborough Place	100%	345 Research Drive	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.1 Miles
23	St. Andrews Townhomes*	85.3%	825 Gaines School Road	Athens	GA	Market	Family	Included	N/A	1.5 Miles
24	Stoncrest Apartments	100%	145 North Avenue	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.9 Miles
25	Surrey Square Townhomes	100%	350 Riverbend Parkway	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.5 Miles
26	The Bluffs at Epps Ridge*	50%	195 Epps Bridge Road	Athens	GA	Market	Family	Included	N/A	4.2 Miles
27	The Ikon at Athens	N/Av	314 Barnett Shoals Road	Athens	GA	Market	Student	Excluded	Incomparable tenancy	0.3 Mile
28	The Lodge of Athens	N/Av	211 North Avenue	Athens	GA	Market	Student	Excluded	Incomparable tenancy	2.0 Miles
29	The Pointe*	99.4%	750 Gaines School Road	Athens	GA	Market	Family	Included	N/A	1.6 Miles
30	The Reserve at Athens	N/Av	175 International Drive	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.4 Miles
31	The U	N/Av	505 Riverbend Parkway	Athens	GA	Market	Student	Excluded	Incomparable tenancy	1.9 Miles
32	University Village	N/Av	270 Strickland	Athens	GA	Market	Family	Excluded	Closer comparables utilized	1.9 Miles
33	Westside Heights*	95.6%	205 Westchester Drive	Athens	GA	Market	Family	Included	N/A	4.7 Miles
<b>AVERAGE</b>		<b>92.4%</b>								
*Utilized as comparable										

### Comparable Rental Property Map



#### COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Dogwood Park Apartments	Athens	LIHTC	2.2 miles
2	Fourth Street Village Apartments	Athens	LIHTC	1.8 miles
3	Oak Hill Apartments	Athens	LIHTC	2.2 miles
4	Arbor Creek	Athens	Market	1.3 miles
5	Cambridge Apartments	Athens	Market	1.3 miles
6	Laurel Oaks	Athens	Market	2.0 miles
7	St. Andrews Townhomes	Athens	Market	1.4 miles
8	The Bluffs At Epps Bridge	Athens	Market	4.0 miles
9	The Pointe Apartments	Athens	Market	1.5 miles

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

**SUMMARY MATRIX**

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Pinewood Apartments 288 Bailey Street Athens, GA 30605 Clarke County	n/a	Various (2 stories) 1979 / 2015	@60% (Section 8)	1BR / 1BA (One-story)	14	15.60%	@60%	\$526	561	yes	N/A	N/A	N/A
					2BR / 1BA (Townhouse)	40	44.40%	@60%	\$579	799	no	N/A	N/A	N/A
					3BR / 1.5BA (Townhouse)	30	33.30%	@60%	\$703	970	yes	N/A	N/A	N/A
					4BR / 1.5BA (Townhouse)	6	6.70%	@60%	\$810	1,115	no	N/A	N/A	N/A
					90	100%						N/A	N/A	
1	Dogwood Park Apartments 198 Old Hull Road Athens, GA 30601 Clarke County	2.2 miles	Garden (2 stories) 1995 / n/a	@30%, @60%	1BR / 1BA	7	5.50%	@30%	\$234	650	yes	No	0	0.00%
					2BR / 2BA	34	26.80%	@60%	\$620	987	no	No	2	5.90%
					2BR / 2BA	34	26.80%	@60%	\$630	1,025	no	No	2	5.90%
					3BR / 2BA	26	20.50%	@60%	\$699	1,153	no	No	1	3.80%
					3BR / 2BA	26	20.50%	@60%	\$714	1,187	no	No	1	3.80%
					127	100%						6	4.70%	
2	Fourth Street Village Apartments 690 4th Street Athens, GA 30601 Clarke County	1.8 miles	Garden (3 stories) 2007 / n/a	@30%, @50%, Market	1BR / 1BA	2	1.70%	@30%	\$245	866	no	Yes	0	0.00%
					1BR / 1BA	13	10.80%	@50%	\$478	866	no	No	0	0.00%
					1BR / 1BA	5	4.20%	Market	\$580	866	n/a	No	0	0.00%
					2BR / 2BA	7	5.80%	@30%	\$304	1,074	no	Yes	0	0.00%
					2BR / 2BA	48	40.00%	@50%	\$575	1,074	no	No	0	0.00%
					2BR / 2BA	15	12.50%	Market	\$680	1,074	n/a	No	0	0.00%
					3BR / 2BA	3	2.50%	@30%	\$318	1,324	no	Yes	0	0.00%
					3BR / 2BA	21	17.50%	@50%	\$628	1,279	no	No	0	0.00%
					3BR / 2BA	6	5.00%	Market	\$780	1,279	n/a	No	0	0.00%
										120	100%			
3	Oak Hill Apartments 210 Old Hull Road Athens, GA 30601 Clarke County	2.2 miles	Garden (3 stories) 2002 / n/a	@60%	1BR / 1BA	84	38.20%	@60%	\$558	815	no	No	3	3.60%
					2BR / 2BA	128	58.20%	@60%	\$676	1,080	no	No	6	4.70%
					3BR / 2BA	8	3.60%	@60%	\$770	1,520	no	No	0	0.00%
						220	100%							
4	Arbor Creek 155 International Drive Athens, GA 30605 Athens-clarke County	1.3 miles	Various 1995 - 2000 / n/a	Market	1BR / 1BA (Garden)	32	25.00%	Market	\$583	475	n/a	No	0	0.00%
					2BR / 2BA (Garden)	9	7.00%	Market	\$765	1,100	n/a	No	0	0.00%
					2BR / 2.5BA (Townhouse)	87	68.00%	Market	\$765	1,100	n/a	No	0	0.00%
						128	100%							
5	Cambridge Apartments 360 Picadilly Square Athens, GA 30605 Athens-clarke County	1.3 miles	Garden 1979&1989 / n/a	Market	1BR / 1BA	60	33.30%	Market	\$648	650	n/a	No	0	0.00%
					1BR / 1BA	40	22.20%	Market	\$662	750	n/a	No	0	0.00%
					2BR / 2BA	64	35.60%	Market	\$770	1,025	n/a	No	1	1.60%
					3BR / 2BA	16	8.90%	Market	\$924	1,150	n/a	No	3	18.80%
						180	100%							
6	Laurel Oaks 175 Woodlake Place Athens, GA 30605 Clarke County	2 miles	Various 1970/1972 / n/a	Market	1BR / 1BA (Garden)	84	35.30%	Market	\$515	950	n/a	No	4	4.80%
					2BR / 2BA (Garden)	120	50.40%	Market	\$600	1,125	n/a	No	11	9.20%
					2BR / 2BA (Townhouse)	14	5.90%	Market	\$650	1,175	n/a	No	2	14.30%
					3BR / 2BA (Garden)	20	8.40%	Market	\$735	1,450	n/a	No	1	5.00%
						238	100%							
7	St. Andrews Townhomes 825 Gaines School Road Athens, GA 30605 Athens-clarke County	1.4 miles	Townhouse 1996 / n/a	Market	4BR / 3BA	68	100.00%	Market	\$923	1,600	n/a	No	10	14.70%
						68	100%							10
8	The Bluffs At Epps Bridge 195 Epps Bridge Road Athens, GA 30606 Clarke County	4 miles	Various (3 stories) 1968 / 2014	Market	1BR / 1BA (Garden)	40	13.60%	Market	\$638	692	n/a	No	N/A	N/A
					1BR / 1BA (Garden)	16	5.40%	Market	\$573	550	n/a	No	N/A	N/A
					2BR / 1.5BA (Townhouse)	36	12.20%	Market	\$785	1,148	n/a	No	N/A	N/A
					2BR / 2BA (Garden)	175	59.50%	Market	\$685	960	n/a	No	N/A	N/A
					3BR / 2BA (Garden)	27	9.20%	Market	\$859	1,147	n/a	No	N/A	N/A
	294	100%								147	50.00%			
9	The Pointe Apartments 750 Gaines School Road Athens, GA 30605 Athens-clarke County	1.5 miles	Garden (3 stories) 1972 / 2004, 2008	Market	1BR / 1BA	54	32.10%	Market	\$608	800	n/a	No	0	0.00%
					2BR / 2BA	90	53.60%	Market	\$720	1,200	n/a	No	1	1.10%
					3BR / 2BA	24	14.30%	Market	\$834	1,470	n/a	No	0	0.00%
	168	100%								1	0.60%			

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

Effective Rent Date:		Oct-14	Units Surveyed:		1543	Weighted Occupancy:		87.40%			
			Market Rate		1076	Market Rate		83.30%			
			Tax Credit		467	Tax Credit		96.80%			
One Bedroom One Bath			Two Bedrooms One Bath			Three Bedrooms One and a half Bath			Four Bedrooms One and a half Bath		
	Property	Average	Property	Average	Property	Average	Property	Average			
<b>RENT</b>	Cambridge Apartments	\$662	The Bluffs At Epps Bridge (1.5BA)	\$785	Cambridge Apartments (3BA)	\$924	St. Andrews Townhomes (4BA)	\$923			
	Cambridge Apartments	\$648	Cambridge Apartments (2BA)	\$770	The Bluffs At Epps Bridge (3BA)	\$859	<b>Pinewood Apartments * (60%)</b>	<b>\$810</b>			
	The Bluffs At Epps Bridge	\$638	Arbor Creek (2BA)	\$765	The Pointe Apartments (3BA)	\$834					
	The Pointe Apartments	\$608	The Pointe Apartments (2BA)	\$720	Fourth Street Village Apartments * (3BA M)	\$780					
	Arbor Creek	\$583	Fourth Street Village Apartments * (2BA M)	\$680	Oak Hill Apartments * (3BA 60%)	\$770					
	Fourth Street Village Apartments * (M)	\$580	Oak Hill Apartments * (2BA 60%)	\$676	Laurel Oaks (3BA)	\$735					
	The Bluffs At Epps Bridge	\$573	Laurel Oaks (2BA)	\$650	Dogwood Park Apartments * (3BA 60%)	\$714					
	Oak Hill Apartments * (60%)	\$558	Dogwood Park Apartments * (2BA 60%)	\$630	<b>Pinewood Apartments * (60%)</b>	<b>\$703</b>					
	<b>Pinewood Apartments * (60%)</b>	<b>\$526</b>	Dogwood Park Apartments * (2BA 60%)	\$620	Dogwood Park Apartments * (3BA 60%)	\$699					
	Laurel Oaks	\$515	Laurel Oaks (2BA)	\$600	Fourth Street Village Apartments * (3BA 50%)	\$628					
	Fourth Street Village Apartments * (50%)	\$478	<b>Pinewood Apartments * (60%)</b>	<b>\$579</b>	Fourth Street Village Apartments * (3BA 30%)	\$318					
	Fourth Street Village Apartments * (30%)	\$245	Fourth Street Village Apartments * (2BA 50%)	\$575							
	Dogwood Park Apartments * (30%)	\$234	Fourth Street Village Apartments * (2BA 30%)	\$304							
	<b>SQUARE FOOTAGE</b>	Laurel Oaks	950	The Pointe Apartments (2BA)	1,200	Oak Hill Apartments * (3BA 60%)	1,520	St. Andrews Townhomes (4BA)	1,600		
Fourth Street Village Apartments * (30%)		866	Laurel Oaks (2BA)	1,175	The Pointe Apartments (3BA)	1,470	<b>Pinewood Apartments * (60%)</b>	<b>1,115</b>			
Fourth Street Village Apartments * (50%)		866	The Bluffs At Epps Bridge (1.5BA)	1,148	Laurel Oaks (3BA)	1,450					
Fourth Street Village Apartments * (M)		866	Laurel Oaks (2BA)	1,125	Fourth Street Village Apartments * (3BA 50%)	1,324					
Oak Hill Apartments * (60%)		815	Arbor Creek (2BA)	1,100	Fourth Street Village Apartments * (3BA 30%)	1,279					
The Pointe Apartments		800	Oak Hill Apartments * (2BA 60%)	1,080	Fourth Street Village Apartments * (3BA M)	1,279					
Cambridge Apartments		750	Fourth Street Village Apartments * (2BA 30%)	1,074	Dogwood Park Apartments * (3BA 60%)	1,187					
The Bluffs At Epps Bridge		692	Fourth Street Village Apartments * (2BA 50%)	1,074	Dogwood Park Apartments * (3BA 60%)	1,153					
Dogwood Park Apartments * (30%)		650	Fourth Street Village Apartments * (2BA M)	1,074	Cambridge Apartments (3BA)	1,150					
Cambridge Apartments		650	Dogwood Park Apartments * (2BA 60%)	1,025	The Bluffs At Epps Bridge (3BA)	1,147					
<b>Pinewood Apartments * (60%)</b>		<b>561</b>	Cambridge Apartments (2BA)	1,025	<b>Pinewood Apartments * (60%)</b>	<b>970</b>					
The Bluffs At Epps Bridge		550	Dogwood Park Apartments * (2BA 60%)	987							
Arbor Creek		475	<b>Pinewood Apartments * (60%)</b>	<b>799</b>							
<b>RENT PER SQUARE FOOT</b>	Arbor Creek	\$1.23	Cambridge Apartments (2BA)	\$0.75	Cambridge Apartments (3BA)	\$0.80	<b>Pinewood Apartments * (60%)</b>	<b>\$0.73</b>			
	The Bluffs At Epps Bridge	\$1.04	<b>Pinewood Apartments * (60%)</b>	<b>\$0.72</b>	The Bluffs At Epps Bridge (3BA)	\$0.75	St. Andrews Townhomes (4BA)	\$0.58			
	Cambridge Apartments	\$1.00	Arbor Creek (2BA)	\$0.70	<b>Pinewood Apartments * (60%)</b>	<b>\$0.72</b>					
	<b>Pinewood Apartments * (60%)</b>	<b>\$0.94</b>	The Bluffs At Epps Bridge (1.5BA)	\$0.68	Fourth Street Village Apartments * (3BA M)	\$0.61					
	The Bluffs At Epps Bridge	\$0.92	Fourth Street Village Apartments * (2BA M)	\$0.63	Dogwood Park Apartments * (3BA 60%)	\$0.61					
	Cambridge Apartments	\$0.88	Dogwood Park Apartments * (2BA 60%)	\$0.63	Dogwood Park Apartments * (3BA 60%)	\$0.60					
	The Pointe Apartments	\$0.76	Oak Hill Apartments * (2BA 60%)	\$0.63	The Pointe Apartments (3BA)	\$0.57					
	Oak Hill Apartments * (60%)	\$0.68	Dogwood Park Apartments * (2BA 60%)	\$0.61	Laurel Oaks (3BA)	\$0.51					
	Fourth Street Village Apartments * (M)	\$0.67	The Pointe Apartments (2BA)	\$0.60	Oak Hill Apartments * (3BA 60%)	\$0.51					
	Fourth Street Village Apartments * (50%)	\$0.55	Laurel Oaks (2BA)	\$0.55	Fourth Street Village Apartments * (3BA 50%)	\$0.49					
	Laurel Oaks	\$0.54	Fourth Street Village Apartments * (2BA 50%)	\$0.54	Fourth Street Village Apartments * (3BA 30%)	\$0.24					
	Dogwood Park Apartments * (30%)	\$0.36	Laurel Oaks (2BA)	\$0.53							
	Fourth Street Village Apartments * (30%)	\$0.28	Fourth Street Village Apartments * (2BA 30%)	\$0.28							

# PROPERTY PROFILE REPORT

## Dogwood Park Apartments

<b>Effective Rent Date</b>	9/26/2014
<b>Location</b>	198 Old Hull Road Athens, GA 30601 Clarke County
<b>Distance</b>	2.2 miles
<b>Units</b>	127
<b>Vacant Units</b>	6
<b>Vacancy Rate</b>	4.7%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1995 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Nolewood Manor, Oak Hill
<b>Tenant Characteristics</b>	Primarily families with hh size 4, including many single parents; few seniors
<b>Contact Name</b>	Taquila
<b>Phone</b>	(706) 369-6992



### Market Information

<b>Program</b>	@30%, @60%
<b>Annual Turnover Rate</b>	32%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	Within one month
<b>Annual Chg. in Rent</b>	Increased 5 to 6 percent
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	7	650	\$171	\$0	@30%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	34	987	\$540	\$0	@60%	No	2	5.9%	no	None
2	2	Garden (2 stories)	34	1,025	\$550	\$0	@60%	No	2	5.9%	no	None
3	2	Garden (2 stories)	26	1,153	\$600	\$0	@60%	No	1	3.8%	no	None
3	2	Garden (2 stories)	26	1,187	\$615	\$0	@60%	No	1	3.8%	no	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
<b>1BR / 1BA</b>	\$171	\$0	\$171	\$63	\$234	<b>2BR / 2BA</b>	\$540 - \$550	\$0	\$540 - \$550	\$80	\$620 - \$630
						<b>3BR / 2BA</b>	\$600 - \$615	\$0	\$600 - \$615	\$99	\$699 - \$714

## Dogwood Park Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Volleyball Court

Exercise Facility  
Off-Street Parking  
Playground

**Premium**

None

**Other**

None

### Comments

None

# Dogwood Park Apartments, continued

## Trend Report

### Vacancy Rates

1Q13	2Q13	3Q13	3Q14
20.5%	18.9%	8.7%	4.7%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$174	\$0	\$174	\$237
2013	2	0.0%	\$174	\$0	\$174	\$237
2013	3	0.0%	\$171	\$0	\$171	\$234
2014	3	0.0%	\$171	\$0	\$171	\$234

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	20.6%	\$515	\$18	\$497	\$577
2013	2	16.2%	\$515	\$18	\$497	\$577
2013	3	8.8%	\$515	\$0	\$515	\$595
2014	3	5.9%	\$540 - \$550	\$0	\$540 - \$550	\$620 - \$630

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	23.1%	\$565	\$22	\$543	\$642
2013	2	25.0%	\$565	\$22	\$543	\$642
2013	3	9.6%	\$565	\$0	\$565	\$664
2014	3	3.8%	\$600 - \$615	\$0	\$600 - \$615	\$699 - \$714

### Trend: Comments

- 1Q13** The contact reported that occupancy has been consistently low in the past two to three years ranging between 75 and 85 percent during that time. She stated that the company has strict tenancy standards and most applicants are denied due to poor credit. Out of 20 applicants on a given month, the contact noted only 10 percent will get approved. The contact also said that there are many applicants that get denied due to a felony on their criminal record which automatically disqualifies them from tenancy. On the other end of the spectrum, there are applicants who work at Caterpillar or at Pilgrims Pride and are over income qualified and are not eligible to reside at the property. The contact reported that the standards at the nearby Oak Hill Apartments, another affordable community, are not as high and therefore they typically have a higher occupancy rate.
- 2Q13** N/A
- 3Q13** The property manager stated that recently a large number of tenants were evicted for non-payment which led to a large vacancy rate, but tenancy has since recovered modestly and vacancy is currently at 92 percent. The property formerly offered concessions but no longer does. All vacancies are in two and three bedroom units.
- The property currently has three total units offline for renovations, two two-bedroom units and one three-bedroom unit. These offline units are counted in the total number of vacancies.
- The property manager stated that he has only been working there for two weeks during the time of interview and could not provide insight into the relatively high vacancy rate for the property.
- 3Q14** N/A

# PROPERTY PROFILE REPORT

## Fourth Street Village Apartments

<b>Effective Rent Date</b>	9/09/2014
<b>Location</b>	690 4th Street Athens, GA 30601 Clarke County
<b>Distance</b>	1.8 miles
<b>Units</b>	120
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2007 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	11/01/2007
<b>Last Unit Leased</b>	9/01/2008
<b>Major Competitors</b>	Oak Hill and Dogwood Park
<b>Tenant Characteristics</b>	Families from the local Athens area, primarily employed in the service sector; few seniors
<b>Contact Name</b>	Cindy
<b>Phone</b>	706-543-5915



### Market Information

<b>Program</b>	@30%, @50%, Market
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	11
<b>HCV Tenants</b>	20%
<b>Leasing Pace</b>	One week
<b>Annual Chg. in Rent</b>	None since 2011
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	866	\$245	\$0	@30%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	13	866	\$478	\$0	@50%	No	0	0.0%	no	None
1	1	Garden (2 stories)	5	866	\$580	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	7	1,074	\$304	\$0	@30%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	48	1,074	\$575	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (2 stories)	15	1,074	\$680	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	3	1,324	\$318	\$0	@30%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	21	1,279	\$628	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,279	\$780	\$0	Market	No	0	0.0%	N/A	None

## Fourth Street Village Apartments, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$245	\$0	\$245	\$0	\$245	1BR / 1BA	\$478	\$0	\$478	\$0	\$478
2BR / 2BA	\$304	\$0	\$304	\$0	\$304	2BR / 2BA	\$575	\$0	\$575	\$0	\$575
3BR / 2BA	\$318	\$0	\$318	\$0	\$318	3BR / 2BA	\$628	\$0	\$628	\$0	\$628

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$580	\$0	\$580	\$0	\$580
2BR / 2BA	\$680	\$0	\$680	\$0	\$680
3BR / 2BA	\$780	\$0	\$780	\$0	\$780

### Amenities

#### In-Unit

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

Blinds  
 Central A/C  
 Ceiling Fan  
 Microwave  
 Refrigerator

#### Security

Limited Access  
 Perimeter Fencing

#### Services

None

#### Property

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

Clubhouse/Meeting  
 Central Laundry  
 On-Site Management  
 Playground

#### Premium

None

#### Other

None

### Comments

The contact reported a two year waiting list for the units restricted at 30 percent of AMI. The contact noted stable occupancy during the past year.

# Fourth Street Village Apartments, continued

## Trend Report

### Vacancy Rates

1Q13	2Q13	3Q13	3Q14
15.8%	14.2%	0.0%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$244	\$0	\$244	\$244
2013	2	0.0%	\$244	\$0	\$244	\$244
2013	3	0.0%	\$245	\$0	\$245	\$245
2014	3	0.0%	\$245	\$0	\$245	\$245

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$304	\$0	\$304	\$304
2013	2	0.0%	\$304	\$0	\$304	\$304
2013	3	0.0%	\$304	\$0	\$304	\$304
2014	3	0.0%	\$304	\$0	\$304	\$304

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$332	\$0	\$332	\$332
2013	2	0.0%	\$332	\$0	\$332	\$332
2013	3	0.0%	\$332	\$0	\$332	\$332
2014	3	0.0%	\$318	\$0	\$318	\$318

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$362	\$30	\$332	\$332
2013	2	N/A	\$362	\$30	\$332	\$332
2013	3	0.0%	\$478	\$0	\$478	\$478
2014	3	0.0%	\$478	\$0	\$478	\$478

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$568	\$47	\$521	\$521
2013	2	N/A	\$568	\$47	\$521	\$521
2013	3	0.0%	\$575	\$0	\$575	\$575
2014	3	0.0%	\$575	\$0	\$575	\$575

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$633	\$53	\$580	\$580
2013	2	N/A	\$633	\$53	\$580	\$580
2013	3	0.0%	\$628	\$0	\$628	\$628
2014	3	0.0%	\$628	\$0	\$628	\$628

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$580	\$48	\$532	\$532
2013	2	N/A	\$580	\$48	\$532	\$532
2013	3	0.0%	\$575	\$0	\$575	\$575
2014	3	0.0%	\$580	\$0	\$580	\$580

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$680	\$57	\$623	\$623
2013	2	N/A	\$680	\$57	\$623	\$623
2013	3	0.0%	\$680	\$0	\$680	\$680
2014	3	0.0%	\$680	\$0	\$680	\$680

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$780	\$65	\$715	\$715
2013	2	N/A	\$780	\$65	\$715	\$715
2013	3	0.0%	\$780	\$0	\$780	\$780
2014	3	0.0%	\$780	\$0	\$780	\$780

## Fourth Street Village Apartments, continued

### Trend: Comments

- 1Q13** The contact reported a two year waiting list for the units restricted at 30 percent of AMI. She noted the property has performed in the mid 80 percent range during the past 12 to 18 months. She noted many of the vacancies are in the income restricted units as applicants for those units are typically over income qualified. The current concession consists of residents spinning a wheel and having the prize taken off their rent which typically includes the first month free, but can be as low as two weeks free and as high as two free months.
- 2Q13** The contact reported a two year waiting list for the units restricted at 30 percent of AMI. She noted the property has performed in the mid 80 percent range during the past 12 to 18 months. She noted many of the vacancies are in the income restricted units as applicants for those units are typically over income qualified.
- 3Q13** In terms of concessions, management is currently offering specials in the form of a spinning wheel game. Prizes range from \$99 security deposit to one month free rent and are not guaranteed. As such, the profile does not reflect a concession value. The contact reported a two year waiting list for the units restricted at 30 percent of AMI. The property manager noted that the household on the waiting list are interested in the 50 percent units, as well, but do not qualify. Lastly, the contact noted that there have been occupancy issues in the past few years; however, demand is currently strong.
- 3Q14** The contact reported a two year waiting list for the units restricted at 30 percent of AMI. The contact noted stable occupancy during the past year.

# PROPERTY PROFILE REPORT

## Oak Hill Apartments

<b>Effective Rent Date</b>	9/26/2014
<b>Location</b>	210 Old Hull Road Athens, GA 30601 Clarke County
<b>Distance</b>	2.2 miles
<b>Units</b>	220
<b>Vacant Units</b>	9
<b>Vacancy Rate</b>	4.1%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2002 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Dogwood Apartments
<b>Tenant Characteristics</b>	Families, single parents, few seniors
<b>Contact Name</b>	Darnice
<b>Phone</b>	(706) 369-9936



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	8%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	Increased up to 11 percent
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	84	815	\$495	\$0	@60%	No	3	3.6%	no	None
2	2	Garden (3 stories)	128	1,080	\$596	\$0	@60%	No	6	4.7%	no	None
3	2	Garden (3 stories)	8	1,520	\$671	\$0	@60%	No	0	0.0%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	\$63	\$558
2BR / 2BA	\$596	\$0	\$596	\$80	\$676
3BR / 2BA	\$671	\$0	\$671	\$99	\$770

## Oak Hill Apartments, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Washer/Dryer hookup

#### Security

In-Unit Alarm

#### Services

None

#### Property

Car Wash  
Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

#### Premium

None

#### Other

None

### Comments

The contact noted two of the vacant units are preleased while two others have applications pending.

## Oak Hill Apartments, continued

### Trend Report

#### Vacancy Rates

1Q11	1Q13	2Q13	3Q14
33.2%	8.2%	7.3%	4.1%

#### Trend: @60%

##### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$479	\$28	\$451	\$514
2013	1	10.7%	\$507	\$0	\$507	\$570
2013	2	9.5%	\$507	\$0	\$507	\$570
2014	3	3.6%	\$495	\$0	\$495	\$558

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$550	\$33	\$517	\$597
2013	1	7.0%	\$535	\$0	\$535	\$615
2013	2	6.2%	\$535	\$0	\$535	\$615
2014	3	4.7%	\$596	\$0	\$596	\$676

##### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$644	\$41	\$603	\$702
2013	1	0.0%	\$671	\$0	\$671	\$770
2013	2	0.0%	\$671	\$0	\$671	\$770
2014	3	0.0%	\$671	\$0	\$671	\$770

### Trend: Comments

- 1Q11** Our contact was new to the property and therefore could not contact on annual data. She stated that the low occupancy was due to recent evictions due to non-payment of rent and job losses. Two-bedroom units on the second and third floor rent for \$525 and \$499, respectively.
- 1Q13** The contact reported a significant improvement in the occupancy rate since we last surveyed the property in January of 2011 when the vacancy rate was reported at 33.2 percent. The property has been under new management since that time which the contact attributes to a higher occupancy rate. Majority of vacancies are located on the third floor which rent for \$515 per month or \$20 less than units located on the first and second floor.
- 2Q13** The property manager stated that rents had increased slightly since last year but were unchanged since the last interview in February. Occupancy remains above 92 percent.
- 3Q14** The contact noted two of the vacant units are released while two others have applications pending.



## **Arbor Creek, continued**

### **Comments**

The contact reported leases run from August through July and will typically experience about 33 percent turnover at the end of July.

## Arbor Creek, continued

### Trend Report

#### Vacancy Rates

1Q05	2Q09	2Q14	3Q14
0.0%	0.0%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	N/A	\$525	\$0	\$525	\$588
2009	2	0.0%	\$520	\$0	\$520	\$583
2014	2	0.0%	\$520	\$0	\$520	\$583
2014	3	0.0%	\$520	\$0	\$520	\$583

#### 2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	0.0%	\$695	\$0	\$695	\$775
2009	2	0.0%	\$655	\$0	\$655	\$735
2014	2	0.0%	\$685	\$0	\$685	\$765
2014	3	0.0%	\$685	\$0	\$685	\$765

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	N/A	\$695	\$0	\$695	\$775
2009	2	0.0%	\$655	\$0	\$655	\$735
2014	2	0.0%	\$685	\$0	\$685	\$765
2014	3	0.0%	\$685	\$0	\$685	\$765

### Trend: Comments

1Q05	Arbor Creek is a townhome/garden market rate property with a total of 128 units. The property is currently 100% occupied. There have been no changes in rents over the past year. A unit can be leased out before it is even vacant. The tenant profile is mostly students.
2Q09	The leasing agent stated that the market is doing very well. Rents have increased and decreased over the past year, based on unit type. She could not provide a turnover rate.
2Q14	The contact reported leases run from August through July and will typically experience about 33 percent turnover at the end of July.
3Q14	N/A

# PROPERTY PROFILE REPORT

## Cambridge Apartments

<b>Effective Rent Date</b>	9/03/2014
<b>Location</b>	360 Picadilly Square Athens, GA 30605 Athens-clarke County
<b>Distance</b>	1.3 miles
<b>Units</b>	180
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	2.2%
<b>Type</b>	Garden
<b>Year Built/Renovated</b>	1979&1989 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Terra Apartments
<b>Tenant Characteristics</b>	Majority are students at UGA and other local area colleges
<b>Contact Name</b>	Cary
<b>Phone</b>	706-548-1199



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	One to seven days
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	60	650	\$585	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden	40	750	\$599	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden	64	1,025	\$690	\$0	Market	No	1	1.6%	N/A	None
3	2	Garden	16	1,150	\$825	\$0	Market	No	3	18.8%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$585 - \$599	\$0	\$585 - \$599	\$63	\$648 - \$662
2BR / 2BA	\$690	\$0	\$690	\$80	\$770
3BR / 2BA	\$825	\$0	\$825	\$99	\$924

## Cambridge Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Oven  
Walk-In Closet

Blinds  
Central A/C  
Dishwasher  
Hand Rails  
Refrigerator

**Security**

Patrol

**Services**

None

**Property**

Basketball Court  
Central Laundry  
Swimming Pool  
Volleyball Court

Exercise Facility  
Off-Street Parking  
Tennis Court

**Premium**

None

**Other**

None

### Comments

Rents for the limited number of units with washer/dryer connections is \$30 higher than the listed price. The contact noted that occupancy is currently stabilized, which is typical this time of the year as the fall semester has just started.

# Cambridge Apartments, continued

## Trend Report

### Vacancy Rates

4Q08	2Q09	2Q14	3Q14
2.2%	5.0%	10.0%	2.2%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	N/A	\$485 - \$500	\$0	\$0 - \$500	\$0 - \$563
2009	2	N/A	\$540 - \$560	\$45 - \$47	\$495 - \$513	\$558 - \$576
2014	2	N/A	\$570 - \$595	\$0	\$570 - \$595	\$633 - \$658
2014	3	0.0%	\$585 - \$599	\$0	\$585 - \$599	\$648 - \$662

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	3.1%	\$589	\$0	\$589	\$669
2009	2	N/A	\$639	\$53	\$586	\$666
2014	2	N/A	\$690	\$0	\$690	\$770
2014	3	1.6%	\$690	\$0	\$690	\$770

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	N/A	\$689	\$0	\$689	\$788
2009	2	N/A	\$739	\$62	\$677	\$776
2014	2	N/A	\$825	\$0	\$825	\$924
2014	3	18.8%	\$825	\$0	\$825	\$924

## Trend: Comments

4Q08 N/A

2Q09 The manager stated that the market as a whole is struggling but they normally stay around 95-97 percent occupied. She attributes this to the staff and the fact that even though the property is old, it is well maintained. Rent for the few units with washer/dryer connections is \$30 higher. The concessions above are for 12 month leases on pre-leased units for the fall. The manager knows how the property is doing several months out because they pre-lease their units. Most of the units that will come vacant in the summer have already been pre-leased. Their biggest turnover occurs May 31st and July 31st.

2Q14 Rents for the limited number of units with washer/dryer connections is \$30 higher than the listed price. Most of the units that will become vacant in the summer have already been pre-leased. She expects a few more move outs in the next couple days and several more throughout the summer. She expects occupancy to stabilize through August right before the fall semester begins.

3Q14 Rents for the limited number of units with washer/dryer connections is \$30 higher than the listed price. The contact noted that occupancy is currently stabilized, which is typical this time of the year as the fall semester has just started.

# PROPERTY PROFILE REPORT

## Laurel Oaks

<b>Effective Rent Date</b>	9/03/2014
<b>Location</b>	175 Woodlake Place Athens, GA 30605 Clarke County
<b>Distance</b>	2 miles
<b>Units</b>	238
<b>Vacant Units</b>	18
<b>Vacancy Rate</b>	7.6%
<b>Type</b>	Various
<b>Year Built/Renovated</b>	1970/1972 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	The Woodlands
<b>Tenant Characteristics</b>	Majority are students at UGA and nearby colleges
<b>Contact Name</b>	Laura
<b>Phone</b>	706-549-6254



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	44%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	N/A
<b>Leasing Pace</b>	1-2 weeks
<b>Annual Chg. in Rent</b>	Increase 4%-16%
<b>Concession</b>	Reduced rates on 2 and 3BR

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	84	950	\$515	\$0	Market	No	4	4.8%	N/A	None
2	2	Garden	120	1,125	\$600	\$0	Market	No	11	9.2%	N/A	None
2	2	Townhouse	14	1,175	\$650	\$0	Market	No	2	14.3%	N/A	None
3	2	Garden	20	1,450	\$735	\$0	Market	No	1	5.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$515	\$0	\$515	\$0	\$515
2BR / 2BA	\$600 - \$650	\$0	\$600 - \$650	\$0	\$600 - \$650
3BR / 2BA	\$735	\$0	\$735	\$0	\$735

## Laurel Oaks, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Hand Rails  
Refrigerator  
Walk-In Closet

Blinds  
Central A/C  
Dishwasher  
Fireplace  
Oven  
Trash Compactor  
Washer/Dryer hookup

#### Security

Patrol  
Perimeter Fencing

#### Services

None

#### Property

Basketball Court  
Concierge  
Central Laundry  
On-Site Management  
Swimming Pool

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Playground  
Tennis Court

#### Premium

None

#### Other

None

### Comments

The contact noted that the property is under new ownership, and 10 units are currently offline for a gut rehab. The property is formerly known as "The Oaks Apartments".

## Laurel Oaks, continued

### Trend Report

#### Vacancy Rates

3Q09	2Q13	2Q14	3Q14
2.9%	21.8%	21.8%	7.6%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$510	\$43	\$467	\$467
2013	2	N/A	\$465	\$0	\$465	\$465
2014	2	N/A	\$540	\$0	\$540	\$540
2014	3	4.8%	\$515	\$0	\$515	\$515

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$590 - \$635	\$83	\$507 - \$552	\$507 - \$552
2013	2	N/A	\$540 - \$640	\$0	\$540 - \$640	\$540 - \$640
2014	2	N/A	\$650 - \$685	\$29 - \$32	\$621 - \$653	\$621 - \$653
2014	3	9.7%	\$600 - \$650	\$0	\$600 - \$650	\$600 - \$650

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$750	\$63	\$687	\$687
2013	2	N/A	\$750	\$0	\$750	\$750
2014	2	N/A	\$780	\$32	\$748	\$748
2014	3	5.0%	\$735	\$0	\$735	\$735

### Trend: Comments

3Q09	The property is offering one free month's rent on the one and three bedroom units and is taking \$1,000 off the first month on the two bedroom units. We shopped the property as a potential tenant to get the current rental and occupancy information. The difference between the two 1,175 square feet two-bedroom units is the higher priced unit offers washer/dryer connections and a fireplace.
2Q13	Property manager reported a high vacancy rate and said that the last time tenancy was over 90 percent was in September of 2012. The property manager attributed this to a high proportion of student tenants leaving in the summer. However, the property manager also stated that demand is not as high as it has been in the past and the property has lowered rents five to ten percent in the past two years to try to attract more tenants.
2Q14	The contact reported the high vacancy rate is the result of the end of the spring semester at the UGA and the other nearby colleges. She noted occupancy will typically stabilize at the end of August through early September but did note a competitive rental market for students.
3Q14	The contact noted that the property is under new ownership, and 10 units are currently offline for a gut rehab. The property is formerly known as "The Oaks Apartments".



## St. Andrews Townhomes, continued

### Comments

The contact estimated the current number of vacant units noting most leases are staggered but there was a few move outs during the past week. The property leases by the unit and not by the bedroom so all tenants are responsible for the entire lease. The contact noted that prices have remained stable during the past few years as the property does not offer common amenities such as a clubhouse, pool, and exercise facilities.

## St. Andrews Townhomes, continued

### Trend Report

#### Vacancy Rates

3Q04	2Q09	2Q14	3Q14
0.0%	N/A	14.7%	14.7%

### Trend: Market

#### 4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	N/A	\$1,000	\$0	N/A	N/A
2009	2	N/A	\$1,000	\$200	\$800	\$923
2014	2	14.7%	\$1,000	\$200	\$800	\$923
2014	3	14.7%	\$800	\$0	\$800	\$923

### Trend: Comments

3Q04 N/A

2Q09 The contact would not disclose their occupancy rate but said that they are doing well.

2Q14 The contact estimated the current number of vacant units noting most leases are staggered but there was a few move outs during the past week. The property leases by the unit and not by the bedroom so all tenants are responsible for the entire lease. The contact noted that prices have remained stable during the past few years as the property does not offer common amenities such as a clubhouse, pool, exercise facilities that many competitors offers.

3Q14 The contact estimated the current number of vacant units noting most leases are staggered but there was a few move outs during the past week. The property leases by the unit and not by the bedroom so all tenants are responsible for the entire lease. The contact noted that prices have remained stable during the past few years as the property does not offer common amenities such as a clubhouse, pool, and exercise facilities.

# PROPERTY PROFILE REPORT

## The Bluffs At Epps Bridge

<b>Effective Rent Date</b>	9/03/2014
<b>Location</b>	195 Epps Bridge Road Athens, GA 30606 Clarke County
<b>Distance</b>	4 miles
<b>Units</b>	294
<b>Vacant Units</b>	147
<b>Vacancy Rate</b>	50.0%
<b>Type</b>	Various (3 stories)
<b>Year Built/Renovated</b>	1968 / 2014
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None identified
<b>Tenant Characteristics</b>	Varied tenancy including college students
<b>Contact Name</b>	Helen
<b>Phone</b>	706-546-9000



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	17%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	N/A
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	692	\$555	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	16	550	\$490	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse (2 stories)	36	1,148	\$685	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	175	960	\$585	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	27	1,147	\$740	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$490 - \$555	\$0	\$490 - \$555	\$83	\$573 - \$638
2BR / 1.5BA	\$685	\$0	\$685	\$100	\$785
2BR / 2BA	\$585	\$0	\$585	\$100	\$685
3BR / 2BA	\$740	\$0	\$740	\$119	\$859

## The Bluffs At Epps Bridge, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Oven

Blinds  
Central A/C  
Dishwasher  
Refrigerator

**Security**

None

**Services**

None

**Property**

Exercise Facility  
Off-Street Parking  
Swimming Pool

Central Laundry  
On-Site Management  
Tennis Court

**Premium**

None

**Other**

None

### Comments

The contact reported that the property has just changed ownership in mid May 2014. The property is currently undergoing a gut rehab on all vacant units, which is why occupancy rate is currently 50 percent. The contact noted the full renovation will not be complete until August 2015, although some renovated units will be delivered in Winter 2014. The renovated units will be leasing for \$75 to \$100 more than the current price. The property is formerly known as "Laurel Ridge".

# The Bluffs At Epps Bridge, continued

## Trend Report

### Vacancy Rates

1Q11	2Q14	3Q14
12.9%	15.0%	50.0%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$490 - \$555	\$65 - \$80	\$425 - \$475	\$508 - \$558
2014	2	N/A	\$490 - \$555	\$0	\$490 - \$555	\$573 - \$638
2014	3	N/A	\$490 - \$555	\$0	\$490 - \$555	\$573 - \$638

### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$685	\$85	\$600	\$700
2014	2	N/A	\$685	\$0	\$685	\$785
2014	3	N/A	\$685	\$0	\$685	\$785

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$585	\$86	\$499	\$599
2014	2	N/A	\$585	\$0	\$585	\$685
2014	3	N/A	\$585	\$0	\$585	\$685

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$740	\$100	\$640	\$759
2014	2	N/A	\$740	\$0	\$740	\$859
2014	3	N/A	\$740	\$0	\$740	\$859

## Trend: Comments

- 1Q11** The agent we spoke with indicated that current management took over the property in November 2010. At that time, occupancy was 70 percent. Occupancy has risen due to the offered specials. Although our contact could not provide the exact unit count or vacancies by bedroom types, she indicated that three-bedrooms are in the least demand while two-bedroom apartments are in the most demand. Water, sewer and trash is \$25, \$35, \$40 and \$45 per month for one and two-bedroom garden-style units, two-bedroom townhomes, and three-bedroom garden style-units, respectively. Although there were none currently on the property, tenants utilizing housing choice vouchers are accepted. Some units have washer and dryer connections.
- 2Q14** The contact reported that the property has just changed ownership in mid May 2014. The property was f.k.a. Laurel Ridge. The property is not leasing units at this time as a complete renovation is planned. The property is trying to reduced the occupancy in order to be able to start the renovations and complete them as quickly as possible. She expects to keep at least half of the property leased while work is being done on the vacant units. The contact noted the work will probably not be completed until next year but expects several buildings to be renovated by October of 2014. The renovated units will be leasing for \$75 to \$100 more than the current price.
- 3Q14** The contact reported that the property has just changed ownership in mid May 2014. The property is currently undergoing a gut rehab on all vacant units, which is why occupancy rate is currently 50 percent. The contact noted the full renovation will not be complete until August 2015, although some renovated units will be delivered in Winter 2014. The renovated units will be leasing for \$75 to \$100 more than the current price. The property is formerly known as "Laurel Ridge".

# PROPERTY PROFILE REPORT

## The Pointe Apartments

<b>Effective Rent Date</b>	9/03/2014
<b>Location</b>	750 Gaines School Road Athens, GA 30605 Athens-clarke County
<b>Distance</b>	1.5 miles
<b>Units</b>	168
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	0.6%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1972 / 2004, 2008
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None Identified
<b>Tenant Characteristics</b>	Mixed tenancy; some students from the area
<b>Contact Name</b>	Jennifer
<b>Phone</b>	706-353-3033



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	1-2 weeks
<b>Annual Chg. in Rent</b>	N/A
<b>Concession</b>	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	54	800	\$545	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	90	1,200	\$640	\$0	Market	No	1	1.1%	N/A	None
3	2	Garden (3 stories)	24	1,470	\$735	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$545	\$0	\$545	\$63	\$608
2BR / 2BA	\$640	\$0	\$640	\$80	\$720
3BR / 2BA	\$735	\$0	\$735	\$99	\$834

## The Pointe Apartments, continued

### Amenities

#### In-Unit

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

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Refrigerator

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Swimming Pool

Exercise Facility  
Off-Street Parking  
Playground  
Tennis Court

#### Premium

None

#### Other

None

### Comments

The contact noted a turnover rate of about 40 percent, due largely to the student population, which tends to move out between May and August.

# The Pointe Apartments, continued

## Trend Report

### Vacancy Rates

3Q09	2Q13	2Q14	3Q14
7.1%	2.4%	4.2%	0.6%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	3.7%	\$545	\$70	\$475	\$538
2013	2	N/A	\$545	\$0	\$545	\$608
2014	2	5.6%	\$545	\$17	\$528	\$591
2014	3	0.0%	\$545	\$0	\$545	\$608

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	11.1%	\$640	\$85	\$555	\$635
2013	2	N/A	\$620	\$0	\$620	\$700
2014	2	3.3%	\$640	\$17	\$623	\$703
2014	3	1.1%	\$640	\$0	\$640	\$720

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	0.0%	\$750	\$0	\$750	\$849
2013	2	0.0%	\$750	\$0	\$750	\$849
2014	2	4.2%	\$735	\$17	\$718	\$817
2014	3	0.0%	\$735	\$0	\$735	\$834

## Trend: Comments

- 3Q09** This property is f.k.a. Laurel Pointe and was sold in March of 2008. The contact reported overall occupancy has shown improvement during the past month. Demand has been strong for the three bedroom units.
- 2Q13** This property is f.k.a. Laurel Pointe and was sold in March of 2008. Property manager stated that she believed the area was overdeveloped but that they are able to retain high occupancy due to outperforming rivals in customer service. Rents have remained unchanged over the past year and the property currently offers no concessions. Property manager stated that there are about 40 vacancies per year, but these are typically filled within one to two weeks. Rents are unchanged over the past year.
- 2Q14** The contact reported most of the leases are staggered and do not end at the same time in order to avoid large number of move outs all at once. This is especially true during the end of the spring semester at the nearby colleges. The contact stated rates for the one-bedroom units remained the same over last year while rents for the two-bedroom units increased 3.2 percent. The rents for the three-bedroom units decreased by 2.0 percent since last summer but may increase again before August.
- 3Q14** The contact noted a turnover rate of about 40 percent, due largely to the student population, which tends to move out between May and August.

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

### Housing Choice Vouchers

#### TENANTS WITH VOUCHERS

Comparable Property	Type	HCV Tenants
Dogwood Park Apartments	LIHTC	10%
Fourth Street Village Apartments	LIHTC	20%
Oak Hill Apartments	LIHTC	8%
Arbor Creek	Market	0%
Cambridge Apartments	Market	0%
Laurel Oaks	Market	0%
St. Andrews Townhomes	Market	0%
The Bluffs At Epps Bridge	Market	0%
The Pointe Apartments	Market	0%
<b>Average</b>		<b>4%</b>

As illustrated in the table, all three of the LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 13 percent. None of the market rate properties reported to currently have tenants utilizing housing choice vouchers. The local market does not appear to be dependent on voucher tenants.

### Lease Up History

We were able to obtain absorption information from one of the comparable properties. Fourth Street Village, a mixed-income property, opened in 2007 and offers 120 units. Management noted an absorption rate of 11 units per month, resulting in an absorption period of approximately 10 to 11 months. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 10 units per month, indicating an absorption period of just over eight months to reach a stabilized occupancy of 93 percent.

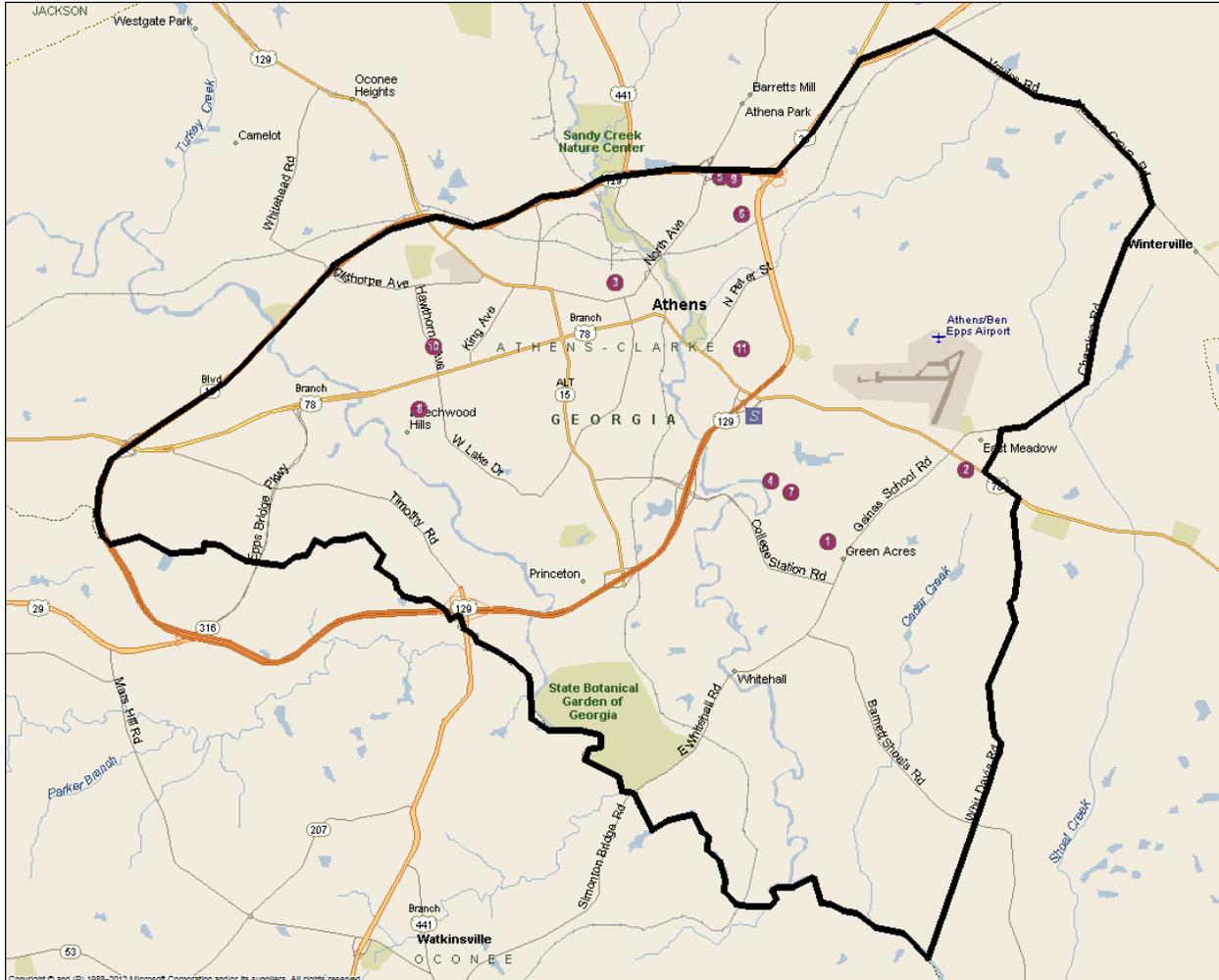
### Phased Developments

The Subject is not part of a phased development.

### Rural Areas

The Subject is not located in a rural area.

3. COMPETITIVE PROJECT MAP



Map #	Name	Address	Type	Tenancy	Distance from Subject
S	Pinewood Apartments	288 Bailey Street	Section 8	Family	-
1	Athena Gardens	175 Dennis Road	Section 8	Senior	1.4 Miles
2	Athens Gardens/Ashton Gardens	135 Coleridge Court	LIHTC/Section 8	Family	2.0 Miles
3	Bethel Midtown Village/Church Home Apts	155 Hickman Drive	LIHTC/Section 8	Family	1.9 Miles
4	Clarke Gardens/Ashton Clarke Apts	110 Carriage Court	LIHTC/Section 8	Family	0.6 Mile
5	Dogwood Park Apartments *	198 Old Hull Road	LIHTC	Family	2.4 Miles
6	Fourt Street Village Apartments *	690 Fourth Street	LIHTC	Family	2.0 Miles
7	Lakewood Hills Senior Village	1025 Barnet Shoals Road	LIHTC	Senior	0.8 Mile
8	Lanier Gardens	801 Riverhill Drive	Section 8	Senior	3.3 Miles
9	Oak Hill Apartments *	210 Old Hull Road	LIHTC	Family	2.4 Miles
10	Pauldoe Redevelopment, Phase I	300 Hawthorne Avenue	LIHTC	Senior	3.2 Miles
11	Simmons Street Development	135 Simmons Street	LIHTC	Senior	0.7 Mile

\* Utilized as LIHTC comparable

#### 4. Amenities

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

#### UNIT MATRIX REPORT

	Pinewood Apartments	Dogwood Park Apartments	Fourth Street Village Apartments	Oak Hill Apartments	Arbor Creek	Cambridge Apartments	Laurel Oaks	St. Andrews Townhomes	The Bluffs At Epps Bridge	The Pointe Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9
<b>Property Information</b>										
Property Type	Various	Garden	Garden	Garden	Various	Garden	Various	Townhouse	Various	Garden
Year Built / Renovated	1979 / 2015	1995 / n/a	2007 / n/a	2002 / n/a	1995 - 2000/n/a	1979&1989/n/a	1970/1972/n/a	1996 / n/a	1968 / 2014	1972/2004, 2008
Market (Conv./Subsidy Type)	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	no	no	no	yes	no	no	no
Sewer	yes	no	yes	no	no	no	yes	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
<b>In-Unit Amenities</b>										
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	no	no	yes	no	no	yes
Ceiling Fan	no	yes	yes	yes	yes	no	no	yes	no	yes
Fireplace	no	no	no	no	no	no	yes	no	no	no
Garbage Disposal	no	yes	yes	yes	no	yes	no	yes	no	no
Hand Rails	no	no	no	no	yes	yes	yes	yes	no	no
Microwave	yes	no	yes	no	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Trash Compactor	no	no	no	no	no	no	yes	no	no	no
Walk-In Closet	no	no	no	no	no	yes	yes	yes	no	no
Washer/Dryer	no	no	no	no	yes	no	no	yes	no	no
Washer/Dryer hookup	no	yes	yes	yes	yes	no	yes	yes	no	yes
<b>Property Amenities</b>										
Basketball Court	no	no	no	no	yes	yes	yes	no	no	no
Business Center/Computer Lab	no	no	yes	no	no	no	no	no	no	no
Car Wash	no	no	no	yes	no	no	no	no	no	no
Clubhouse/Community Room	no	yes	yes	yes	no	no	yes	no	no	yes
Concierge	no	no	no	no	no	no	no	no	no	no
Exercise Facility	no	yes	yes	yes	no	yes	yes	no	yes	yes
Central Laundry	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Picnic Area	no	no	yes	yes	no	no	no	no	no	no
Playground	yes	yes	yes	yes	no	no	yes	no	no	yes
Recreation Areas	yes	no	no	no	no	no	no	no	no	no
Swimming Pool	no	no	yes	yes	yes	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	no	yes	yes
Volleyball Court	no	yes	no	no	no	yes	no	no	no	no
Wi-Fi	yes	no	no	no	no	no	no	no	no	no
<b>Services</b>										
<b>Security</b>										
In-Unit Alarm	no	no	no	yes	no	no	no	no	no	no
Limited Access	no	no	yes	no	no	no	no	no	no	no
Patrol	yes	no	no	no	no	yes	yes	yes	no	no
Perimeter Fencing	no	no	yes	no	no	no	yes	no	no	no

The Subject will generally offer slightly inferior to inferior amenities relative to the majority of the comparables.

5. The Subject will target family households. Therefore, per DCA’s guidelines, family properties were included.

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

<b>OVERALL VACANCY</b>				
<b>Property name</b>	<b>Rent Structure</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Dogwood Park Apartments	LIHTC	127	6	4.7%
Fourth Street Village Apartments	LIHTC	120	0	0.0%
Oak Hill Apartments	LIHTC	220	9	4.1%
Arbor Creek	Market	128	0	0.0%
Cambridge Apartments	Market	180	4	2.2%
Laurel Oaks	Market	238	18	7.6%
St. Andrews Townhomes	Market	68	10	14.7%
The Bluffs At Epps Bridge	Market	294	147	50.0%
The Pointe Apartments	Market	<u>168</u>	<u>1</u>	<u>0.6%</u>
<b>Total</b>		<b>1543</b>	<b>195</b>	<b>12.6%</b>
<b>Total for Stabilized Comparables</b>				<b>3.8%</b>

As illustrated, vacancy rates in the market range from zero to 50 percent, averaging 12.6 percent. The average weighted vacancy rate among the LIHTC comparables is 3.2 percent. The Bluffs at Epps Bridge reported the highest vacancy rate at 50 percent. However, according to management, the property is currently undergoing renovations, and all vacant units are being held offline. Not including this property, the average weighted vacancy rate of all of the stabilized comparables is low at 3.8 percent.

The Subject will be similar to superior to the market rate and tax credit properties in terms of age and condition. Currently, the Subject is 92 percent occupied and has historically performed well. Overall, we believe that the Subject will have a vacancy rate at five percent or less.

**7. Properties Under Construction and Proposed**

Based on DCA’s allocation lists, two multifamily properties in the Subject’s PMA have been allocated LIHTC funding from 2011 through 2014; however, only one of those properties was targeted towards families. The Pauldoe Redevelopment Phase I, located 3.2 miles northwest of the Subject, was allocated LIHTC funding in 2012. Pauldoe Redevelopment Phase I will offer 80 one- and two-bedroom units to families earning 50 or 60 percent of AMI or less, as well as 20 one- and two-bedroom market rate units. Pauldoe Redevelopment Phase I will directly compete with the Subject; thus, its units have been removed from the demand analysis.

**8. Rental Advantage**

The following table illustrates the Subject’s similarity to the comparable properties. Following the table is a LIHTC rental analysis. 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	Age / Condition	Unit Size	Overall Comparison
1	Dogwood Park Apartments	LIHTC	Slightly Superior	Superior	Slightly Inferior	Slightly Superior	15
2	Fourth Street Village	LIHTC	Superior	Superior	Similar	Superior	30
3	Oak Hill Apartments	LIHTC	Superior	Superior	Slightly Inferior	Superior	25
4	Arbor Creek	Market	Similar	Superior	Slightly Inferior	Slightly Superior	10
5	Cambridge Apartments	Market	Similar	Slightly Superior	Inferior	Similar	-5
6	Laurel Oaks	Market	Superior	Superior	Slightly	Superior	25
7	St. Andrews Townhomes	Market	Inferior	Superior	Slightly Inferior	Superior	5
8	The Bluffs At Epps Bridge	Market	Slightly Superior	Similar	Similar	Similar	5
9	The Pointe Apartments	Market	Slightly Superior	Slightly Superior	Slightly Inferior	Superior	15

\*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 60 percent AMI rents in the following table. It should be noted that Fourth Street Village does not offer units at 60 percent of AMI and thus, was not included in the following analysis. Additionally, all of the comparable LIHTC properties are held harmless at the higher 2012 maximum allowable levels, while the Subject is restricted at the lower 2014 maximum levels.

**LIHTC Rent Comparison - @60%**

Property Name	1BR	2BR	3BR	4BR
Pinewood Apartments (Subject)	\$526	\$579	\$703	\$810
<b>2014 LIHTC Maximum (Net)</b>	<b>\$526</b>	<b>\$634</b>	<b>\$703</b>	<b>\$826</b>
<b>2012 LIHTC Maximum (Net)</b>	<b>\$573</b>	<b>\$689</b>	<b>\$767</b>	<b>\$898</b>
Oak Hill Apartments	\$558	\$676	\$770	N/A
Dogwood Park Apartments	N/A	\$620-\$630	\$699-\$714	N/A
<b>Average (excluding Subject)</b>	<b>\$558</b>	<b>\$642</b>	<b>\$728</b>	<b>N/A</b>

As illustrated, the Subject’s one- and three-bedroom units have proposed rents at the 2014 maximum allowable levels, while the remaining unit types have proposed rents slightly below the maximum levels. None of the comparables reported to be achieving maximum allowable rents at the 60 percent of AMI level. However, it appears that Oak Hill’s three-bedroom units are achieving rents slightly above the 2012 maximum level, but this is likely attributed to a different utility allowance. The Subject will be in good condition upon completion or the renovation and will offer a similar to slightly superior condition relative to the LIHTC comparables. Further, the Subject offers a relatively similar location, as all of the comparables are located in Athens.

However, the Subject’s amenities and unit sizes are slightly inferior to the majority of the comparables. The Subject’s proposed rents are similar to slightly below the current rents achieved at all of the comparable LIHTC properties. As previously noted, the weighted average vacancy rate at the LIHTC comparables is very low at 3.2 percent. Thus, based on the overall performance of the comparables, as well as the Subject’s rent advantage based on hold harmless provisions, we believe the Subject’s proposed rents at 60 percent of AMI appear reasonable and achievable.

**Analysis of “Market Rents”**

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

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

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

**Subject Comparison to Market Rents**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR	\$526	\$515	\$662	\$597	12%
2 BR	\$579	\$600	\$785	\$700	17%
3 BR	\$703	\$735	\$924	\$832	16%
4 BR	\$810	\$923	\$923	\$923	12%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average when compared to the comparables, both LIHTC and market rate. This is considered reasonable given that there are very few newly constructed or substantially renovated market rate properties and the Subject will be superior to the majority of the market rate inventory.

The most similar market rate property is The Bluffs at Epps Bridge, which is reporting higher rents than the Subject’s proposed rents. This property is also reporting rents slightly above the surveyed average of the comparables. The Subject is also similar to Cambridge Apartments, which is located 1.3 miles from the Subject but will offer a slightly inferior condition. Cambridge Apartments also reporting rents above the Subject’s proposed rents and slightly

above the surveyed average. This property reported a vacancy rate of 2.2 percent, indicating its rents are well-accepted in the market.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer a substantial market rent advantage.

**9. LIHTC Competition – Recent Allocations within Two Miles**

Based on DCA’s allocation lists, no multifamily properties within two miles of the Subject have been awarded LIHTC funding from 2011 through year-to-date 2014.

**10. Rental Trends in the PMA**

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

**TENURE PATTERNS PMA**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	10,288	72.2%	3,968	27.8%
2013	9,998	67.3%	4,855	32.7%
Projected Mkt Entry				
July 2015	10,085	67.47%	4,863	32.53%
2018	10,216	67.7%	4,875	32.3%

Source: ESRI Demographics 2013, Novogradac & Company LLP, September 2014

In 2013, approximately 67.3 percent of households in the PMA were owner-occupied, while the remaining 32.7 percent are renter-occupied. The percentage of renter-occupied households in the PMA is expected to decrease slightly through both the market entry date and through 2018. However, the number of renter-occupied households will increase by 20 households from 2013 to 2018, which supports demand for new rental housing.

*Historical Vacancy*

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

**HISTORICAL VACANCY**

Comparable Property	Type	Total Units	3QTR 2009	1QTR 2010	1QTR 2011	1QTR 2013	2QTR 2013	2QTR 2014	3QTR 2014
Dogwood Park Apartments	LIHTC	127	8.70%	7.90%	26.00%	20.50%	18.90%	N/A	4.70%
Fourth Street Village Apartments	LIHTC	120	5.00%	9.20%	9.20%	15.80%	14.20%	N/A	0.00%
Oak Hill Apartments	LIHTC	220	15.00%	12.70%	33.20%	8.20%	7.30%	N/A	4.10%
Arbor Creek	Market	128	N/A	N/A	N/A	N/A	N/A	0.00%	0.00%
Cambridge Apartments	Market	180	N/A	N/A	N/A	N/A	N/A	10.00%	2.20%
Laurel Oaks	Market	238	2.90%	N/A	N/A	N/A	21.80%	21.80%	7.60%
St. Andrews Townhomes	Market	68	N/A	N/A	N/A	N/A	N/A	14.70%	14.70%
The Bluffs At Epps Bridge	Market	294	N/A	N/A	12.90%	N/A	N/A	15.00%	50.00%
The Pointe Apartments	Market	168	7.10%	N/A	N/A	N/A	2.40%	4.20%	0.60%

As illustrated in the table, we have limited historical occupancy information for the comparables properties. However, it appears that the LIHTC properties have shown an improvement in vacancy rates over the past several years.

*Change in Rental Rates*

The following table illustrates changes in rent at the comparable properties over the past year.

**RENT GROWTH**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Dogwood Park Apartments	LIHTC	Increased 5% to 6%
Fourth Street Village Apartments	LIHTC	None
Oak Hill Apartments	LIHTC	Increased up to 11%
Arbor Creek	Market	None
Cambridge Apartments	Market	None
Laurel Oaks	Market	Increased 4% to 16%
St. Andrews Townhomes	Market	None
The Bluffs At Epps Bridge	Market	None
The Pointe Apartments	Market	None

Two of the LIHTC comparables reported rent increases over the past year, as did one of the market rate properties. The remaining comparables reported no change in rents over the past 12 months. The Subject's rents at 60 percent of AMI are set at maximum allowable levels for the one- and three-bedroom units but slightly below the maximum levels for the remaining units. Therefore, we anticipate that the Subject will experience rent growth in the future that is in line with the market and AMI growth.

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

According to RealtyTrac, one in every 2,097 housing units in Athens/Clarke County had received foreclosure filings in August 2014. This compares to one in every 582 housing units in the state of Georgia, and one in every 1,126 housing units in the nation at the same time. It appears that the mortgage and foreclosure crisis has had a less significant effect on Athens than on the State of Georgia or the nation as a whole. Additionally, during our site inspection, there did not appear to be any vacant or abandoned homes in the Subject's neighborhood.

**12. Primary Housing Void**

Although several comparables reported a relatively low vacancy rate, it should be noted, that the majority of the housing stock is older construction. There is a void of newly constructed or renovated housing in the market, which the Subject will help fill. The Subject will be superior to the majority of the comparables in the area and thus, provide good quality affordable housing.

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

The Subject will be similar to slightly superior to all of the LIHTC comparables. All of the LIHTC comparables maintain low vacancy levels, indicating demand for good quality affordable units. Based on the low capture rates, which indicates strong demand for affordable housing, it is anticipated that the Subject will not have a negative long-term impact on affordable units in the market. Further, as previously noted, the Subject is already stabilized and very limited turnover is expected during renovation. Thus, there will be a negligible impact on the market.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be similar to superior in terms of condition to all of the comparables. The Subject's proposed rents are similar to slightly below the range of the comparables, due to the comparables being held harmless at the higher 2012

maximum allowable rent levels. Overall, we believe there is demand for the Subject given its good condition, post renovation, and low capture rates.

## **I. ABSORPTION & STABILIZATION RATES**

### **Stabilization/Absorption Rate**

We were able to obtain absorption information from one of the comparable properties. Fourth Street Village, a mixed-income property, opened in 2007 and offers 120 units. Management noted an absorption rate of 11 units per month, resulting in an absorption period of approximately 10 to 11 months. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 10 units per month, indicating an absorption period of just over eight months to reach a stabilized occupancy of 93 percent.

## **J. INTERVIEWS**

### Clarke County Housing Authority

We spoke with Nancy Dove, an Office Director for the Georgia Department of Community Affairs, which administers the Section 8 Housing Choice Voucher program within Clarke County. According to Ms. Dove, 498 Section 8 vouchers are currently in use within Clarke County. The DCA does not offer a waiting list for Section 8 vouchers for Clarke County. Instead, Section 8 applications are accepted only when the anticipated wait time for a voucher is less than one year. Preferences are given for Section 8 applicants who live and/or work in Athens-Clarke County. Additionally, Ms. Dove noted that the DCA does not typically have issued vouchers returned to them because applicants were unable to find appropriate affordable housing. The payment standards for one- through four-bedroom units are listed in the chart below:

PAYMENT STANDARDS			
One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$614	\$770	\$1,026	\$1,185

The Subject's current one-, two-, three- and four-bedroom HAP contract rents are below the payment standards, as are the proposed LIHTC rents.

### Planning

We spoke to Mark Beechuk, an Athens-Clarke County Planning Technician, to gather information on any multifamily apartments in the planning or construction stages within the city. According to Mr. Beechuk, three large multifamily apartments are currently under construction Athens. The Standard is a 190-unit student-targeted multifamily apartment located 1.7 miles northwest of the Subject. The Standard will offer one- through five-bedroom apartments and will complete construction for student move-in by August 2014. The 909 Broad Street Apartments are under construction at 150 W. Broad Street, approximately 1.5 miles northwest of the Subject. The project will offer 255 one- through four-bedroom apartments targeted to students and is anticipated to complete construction for student move-in by August 2014. Additionally, a third project located 1.1 miles northwest of the Subject at 315 Oconee Street, is currently under site review. This project will also target students. No structural plans have been submitted to indicate the proposed number of units. We do not believe either of the aforementioned projects will compete directly with the Subject due to their targeted student tenancy.

### Business Expansions

We spoke to Ryan Moore, Director of the Athens Economic Development department, to gather information about recent employment expansions. Mr. Moore detailed the following:

- Caterpillar opened a manufacturing facility in Athens in October 2013, which created 750 new jobs in Athens.
- Ethicono is currently constructing a research facility that will employ 85 people.
- Southern Brewing Company recently broke ground on a \$15 million facility that will employ 30 people upon completion.

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- The Subject is located in Athens, Clarke County, GA. The population in the PMA is anticipated to increase at a slightly slower rate than both the MSA and nation through the market entry date and through 2018. The projected population growth rate in the PMA will create additional demand for all types of housing in the local area. Approximately 53.7 percent of the households in the PMA make less than \$40,000 per year, and 42.5 percent make less than \$30,000 per year. The Subject will target households earning between \$0 and \$38,640. Persons within these income cohorts are expected to create demand for the Subject.
- The Athens-Clarke County, GA MSA has experienced employment growth for eight of the last 10 years. In 2009, the MSA experienced a 5.2 percent decrease in total employment, due in part to the recent national recession. It should be noted that total employment in the MSA surpassed pre-recessionary highs in 2011, which indicates that the local economy has recovered from the recent national recession. The unemployment rate in the MSA has consistently remained below that of the nation as a whole over the past 10 years, a trend which is anticipated to continue. The largest proportion of the workforce in the PMA is employed in the educational services, accommodations/ food services, and retail trade sectors, which together encompass 54.2 percent of employment in the PMA. Overall, the PMA's employment base seems to be fairly diversified. Additionally, it appears that many of Athens' major employers employ people across a wide range of income cohorts, which bodes well for the Subject's affordable units.
- The Subject's capture rates at the 60 percent AMI level will range from 4.9 to 16.7 percent, with an overall capture rate of 11.4 percent. It should be noted that these capture rates appear very reasonable and are also well supported by anecdotal evidence. Therefore, we believe there is adequate demand for the Subject. Further, as previously noted, the Subject is operating at a stabilized occupancy and limited turnover is anticipated as a result of the renovation; thus, this analysis is hypothetical.
- We were able to obtain absorption information from one of the comparable properties. Fourth Street Village, a mixed-income property, opened in 2007 and offers 120 units. Management noted an absorption rate of 11 units per month, resulting in an absorption period of approximately 10 to 11 months. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 10 units per month, indicating an absorption period of just over eight months to reach a stabilized occupancy of 93 percent.
- Vacancy rates in the market range from zero to 50 percent, averaging 12.6 percent. The average weighted vacancy rate among the LIHTC comparables is 3.2 percent. The Bluffs at Epps Bridge reported the highest vacancy rate at 50 percent. However, according to management, the property is currently undergoing renovations, and all vacant units are

being held offline. Not including this property, the average weighted vacancy rate of all of the stabilized comparables is low at 3.8 percent.

The Subject will be similar to superior to the market rate and tax credit properties in terms of age and condition. Currently, the Subject is 92 percent occupied and has historically performed well. Overall, we believe that the Subject will have a vacancy rate at five percent or less.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be similar to superior in terms of condition to all of the comparables. The Subject's proposed rents are similar to slightly below the range of the comparables, due to the comparables being held harmless at the higher 2012 maximum allowable rent levels. Overall, we believe there is demand for the Subject given its good condition, post renovation, and low capture rates.

### **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.



---

John Cole  
Partner



---

Lilli Valdez  
Real Estate Analyst



---

Harris Hoover  
Researcher

10-22-2014  
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.



---

John Cole  
Partner



---

Lilli Valdez  
Real Estate Analyst



---

Harris Hoover  
Researcher

## **N. QUALIFICATIONS**

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
JOHN D. COLE**

**I. EDUCATION**

University of Texas – Austin, Texas (1999)  
Master of Business Administration – Finance Concentration, Real Estate Specialization

California Polytechnic State University – San Luis Obispo, California (1992)  
Bachelor of Science in Civil/Environmental Engineering

**II. LICENSING AND PROFESSIONAL AFFILIATION**

Candidate for Designation, Appraisal Institute  
Member of National Council of Housing Market Analysts (NCHMA)

Certified General Real Estate Appraiser – State of Texas (1335358-G)  
Certified General Real Estate Appraiser – State of Arizona (31931)  
Certified General Real Estate Appraiser – State of Louisiana (G2092)  
Certified General Real Estate Appraiser – State of Mississippi (GA-857)  
Certified General Real Estate Appraiser – State of Florida (RZ3595)  
Certified General Real Estate Appraiser – State of California (3002119)

**III. PROFESSIONAL TRAINING**

National USPAP and USPAP Updates – Appraisal Institute  
Advanced Concepts and Case Studies – Appraisal Institute  
Advanced Market Analysis and Highest & Best Use – Appraisal Institute  
Advanced Sales Comparison and Cost Approaches – Appraisal Institute  
Advanced Income Capitalization – Appraisal Institute  
General Appraiser Report Writing and Case Studies– Appraisal Institute  
Residential & Commercial Valuation of Solar – Appraisal Institute

**IV. PROFESSIONAL EXPERIENCE**

Novogradac & Company LLP, Partner (2002 to Present)  
NAI/Commercial Industrial Properties Company, Director of Operations (1999 to 2001)  
Asset Recovery Fund, Financial Analyst Internship (1998 to 1999)  
Stratus Properties, Market Research Analyst Internship (1997 to 1998)  
Dames & Moore (URS Corporation), Project Manager and Engineer (1992 to 1997)

## **V. REAL ESTATE ASSIGNMENTS**

A representative sample of due diligence, consulting or valuation assignments includes:

- Managed and conducted more than 400 market and feasibility studies for multifamily and student housing on a national basis. Special concentration in Section 42 Low Income Housing Tax Credit (LIHTC) Properties. Local housing authorities, developers, syndicators and lenders have utilized these studies to assist in the financial underwriting and design of these properties. Expertise in evaluating unit mix, estimating demand, analyzing rental rates, selecting competitive properties and assessing overall market feasibility.
- Managed and conducted appraisals of multifamily housing developments (primarily LIHTC properties). Appraisal assignments have typically involved determining the as is, as if complete, and as if complete and stabilized values. Additionally, encumbered 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.
- Managed and conducted appraisals on existing and proposed U.S. Department of Agriculture (USDA) Rural Development properties. These assignments were performed in compliance with USDA underwriting guidelines, in accordance with USDA Handbook 3560, Chapter 7 and attachments.
- Completed and managed numerous Section 8 rent comparability studies (RCS) in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. These properties were typically undergoing recertification under HUD's Mark to Market Program.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)4 and 223(f) programs, as well as the LIHTC Pilot Program.
- Performed valuations of General and/or Limited Partnership Interests in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Assisted in the preparation of the Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## LILLI J. VALDEZ

### Education

Texas Tech University

- Bachelor of Business Administration: Finance and General Business

### Experience

Researcher, Novogradac & Company, LLP (June 2011 – September 2012)

Analyst, Novogradac & Company LLP (September 2012 – Present)

- Performed market studies for proposed new construction and existing affordable and market rate multifamily and age-restricted developments. This included property screenings, market and demographic analyses, comparable rent surveys, supply and demand analyses, determination of market rents, expense comparability analysis, and other general market analysis.
- Conducted physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Analyzed historic audited financial statements and proposed operating statements to determine property expense projections.

Leasing Consultant, **Jefferson at Northend**

Assistant Property Manager, **Stonelake Apartments**

**Real Estate Assignments:** The analyst has completed assignments in the following states and U.S. Territories:

California

Texas

Pennsylvania

Kansas

Florida

Montana

Mississippi

North Carolina

Louisiana

Indiana

Minnesota

Virginia

Washington

Maryland

Iowa

Michigan

North Carolina

Tennessee

Arizona

Ohio

Arkansas

Washington, D.C.

Indiana

West Virginia

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## HARRIS P. HOOVER V

### Education

The University of Texas at Austin

- Bachelor of Arts in Urban Studies; Minor in Government

### Experience

#### **Researcher, Novogradac & Company, LLP (November 2013 – Present)**

- Assists with market studies for proposed new construction and existing affordable, market rate, and age-restricted multifamily developments. This includes property screenings, market and demographic analyses, comparable rent surveys, supply and demand analyses, determination of market rents, and other general market analysis.
- Conducts physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.

Real Estate Market Research Intern, **Capitol Market Research**

**Real Estate Assignments:** The researcher has conducted research and completed assignments in the following states and U.S. Territories:

Arkansas  
California  
Colorado  
Florida  
Georgia  
Hawaii  
Illinois  
Indiana

Kentucky  
Louisiana  
Maryland  
Michigan  
Minnesota  
Mississippi  
New Jersey  
North Carolina

New York  
Ohio  
Oklahoma  
Oregon  
Pennsylvania  
Puerto Rico  
Texas  
Washington, DC