



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**GARDENS AT HARVEST POINT
2045 Sibley Road
Augusta, Richmond County, Georgia 30909**

**Effective Date: April 10, 2015
Report Date: November 23, 2015**

Prepared For

**Ed Williams
FHA Chief Underwriter
Regions Bank
1180 West Peachtree Street NW, Suite 1400
Atlanta, GA 30309**

Prepared By

**Novogradac & Company LLP
11044 Research Boulevard
Building C, Suite 400
Austin, Texas 78759
512-340-0420**

November 23, 2015

Ed Williams
FHA Chief Underwriter
Regions Bank
1180 West Peachtree Street NW, Suite 1400
Atlanta, GA 30309

Re: Market Study of Gardens at Harvest Point
2045 Sibley Road
Augusta, Georgia 30909

Dear Mr. Williams:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in Augusta, Richmond County, Georgia area relative to the above-referenced proposed Low Income Housing Tax Credit (LIHTC) apartment property.

The purpose of this market study is to assess the viability of Gardens at Harvest Point (Subject), a proposed new construction 256-unit affordable LIHTC multifamily development offering units restricted to households earning 60 percent of 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 HUD MAP program, including the following:

- Inspecting the site of the Subject and the general location.
- Analyzing appropriateness of the unit mix, rental 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 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 Subject.
- Establishing the Subject Housing Market Area.

Mr. Ed Williams
Region's Bank
November 2015
Page 2

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 depth of discussion contained in the report is specific to the needs of the client.

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,
Novogradac & Company LLP



John Cole
Partner



Kayla Carter
Analyst



Sterling Battle
Researcher

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1) Description of Site and Immediate Surrounding Parcels	2
2) Project Summary	2
3) Statement of Key Conclusions	3
4) Market Feasibility	5
5) Recommendations	5
6) Competitive Advantages/Disadvantages	5
DESCRIPTION OF PROPOSED PROJECT	7
1) Unit Mix and Size	8
2) Proposed Rents.....	8
3) Unit and Project Amenities and Services	9
4) Project Location/Neighborhood Characteristics	9
5) Income and Rent Restrictions.....	13
6) Conclusion.....	14
HOUSING MARKET AREA	15
1) Housing Market Area Map.....	16
2) Description and Justification of the Housing Market Area.....	17
3) Economic and Demographic Characteristics of the Target Market.....	17
4) Forecasting Period.....	17
5) Elderly Project Analysis.....	17
6) LIHTC Analysis	17
CHARACTERISTICS OF HOUSING MARKET AREA	21
1) Economic Conditions and Employment Characteristics	22
2) Demographic Characteristics	32
3) New Competition	40
CURRENT HOUSING MARKET CONDITIONS	42
1) Competitive Rental Inventory	43
2) Recent Market Experience	44
3) Map of Existing and Proposed Competing Rental Projects	97
CHARACTERISTICS OF PROJECTS UNDER CONSTRUCTION AND PROPOSED	99
1) Projects Under Construction	100
2) Projects in Planning Stages	100
3) Proposed LIHTC Projects	101
4) Elderly Analysis	101
DEMAND ESTIMATE AND STUDY	102
Capture Rate Analysis By Net Demand.....	103
Project Specific Demand Analysis/Over The Forecast Period.....	103
Annual Capture Rate Analysis	106
Absorption Period	111
Impact on Existing Rental Inventory Including FHA Insured Developments	111
ADDITIONAL REQUIREMENTS FOR ELDERLY PROJECTS.....	114
ADDITIONAL REQUIREMENTS/GUIDANCE FOR INCOME RESTRICTED PROJECTS	116
DATA, ESTIMATES, AND FORECAST	118
Sources of Data	119
ADDENDUM A.....	CERTIFICATION, ASSUMPTIONS & LIMITING CONDITIONS
ADDENDUM B	SUBJECT PHOTOGRAPHS
ADDENDUM C	QUALIFICATIONS OF CONSULTANTS
ADDENDUM D.....	SITE/FLOOR PLANS AND SURVEY

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1) DESCRIPTION OF SITE AND IMMEDIATE SURROUNDING PARCELS

Gardens at Harvest Point (Subject) is a proposed new construction LIHTC multifamily development located at 2045 Sibley Road, in the western portion of Augusta roughly six miles from downtown. The site consists of a portion of parcel number 055-0-002-00-0, which consists of 69.13 acres. The site, which is currently vacant, has frontage along the west side of Sibley Road and the east side of Leg Road.

The Subject is located in the western portion of Augusta with general neighborhood boundaries that include Wylds Road and Leg Road to the west, Wrightsboro Road to the north, Damascus Road and Highland Avenue to the east, and Gordon Highway to the south. The Subject is zoned RB3, Multiple-Family Residential.

Land use immediately to the north of the Subject, across the rail tracks, includes the Woodcrest Apartments and light industrial uses such as Frito Lay, the Georgia-Carolina Manufacturing Company, a religious institution, and Georgia Hardware Distributors, Inc. The Woodcrest Apartments were used as a comparable in this report. To the northeast, past the Woodcrest Apartments, are the Augusta Spring Senior Apartments. This property was not used as a comparable because it targets a different tenancy. Immediately east of the Subject are single-family homes in fair to average condition and a religious institution. Office uses including the Richmond County Department of Public Health are located south of the Subject, followed by the Vintage Creek Apartments, which was used as a comparable in this report, and another religious institution. The Augusta Coca-Cola Bottling Company is located west of the Subject, across Leg Road. Commercial real estate in the Subject’s neighborhood is concentrated along Gordon Highway, roughly half a mile to the south, and appears to be approximately 90 percent occupied. We are unaware of any detrimental influences that may affect the marketability of the property.

SUMMARY OF SUBJECT SITE	
Visibility/Views	Good/Average
Access/Traffic Flow	Good/Good
Layout/Curb Appeal	Good/Good

2) PROJECT SUMMARY

The Subject will consist of 12 two- and three-story, residential buildings containing 64 one-bedroom units, 128 two-bedroom units and 64 three-bedroom units. The Subject will also feature a one-story clubhouse building. The Subject will target one to five-person households. The Subject’s proposed unit mix and rents are detailed in the following table. As illustrated, the Subject’s proposed rents are below the corresponding maximum allowable levels for all unit types.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent**	Utility Allowance*	Gross Rent	LIHTC Maximum Allowable Gross Rent (2015)	HUD Fair Market Rents (2015)
<i>60% AMI</i>							
1BR	788	64	\$533	\$102	\$635	\$665	\$610
2BR	1,140	64	\$639	\$125	\$764	\$789	\$728
2BR	1,170	64	\$639	\$125	\$764	\$789	\$728
3BR	1,385	64	\$723	\$155	\$878	\$922	\$990
Total		256					

* Source of Utility Allowance provided by Augusta Housing Authority, effective 9/1/2015

The Subject will offer LIHTC units that will target one to five-person households. The LIHTC units will be restricted at the 60 percent AMI levels.

3) STATEMENT OF KEY CONCLUSIONS

- The area appears to be recovering well from the national recession, as indicated by the declining unemployment rate and the gains in total employment. Total employment in the MSA increased from December 2013 to December 2014 by 2.6 percent, while total employment in the nation increased 1.9 percent over the same time period. The unemployment rate decreased in 2006 and 2007 before increasing during the height of the recession, reaching a peak of 9.4 percent in 2011. Since 2011, the unemployment rate has decreased each year, and from December 2013 to December 2014 the unemployment rate fell by 0.9 percentage points. Many of the major industries in the HMA, including the health care/social assistance, accommodation/food services, retail trade, and manufacturing sectors, offer wages that should continue to provide a source of income for tenants at the Subject.
- In terms of both population and households, the HMA is expected to grow at a slower rate than the nation, while the MSA is expected to grow at a faster rate than the nation through 2019. Despite the slower growth rates in the HMA, the positive future demographic trends are considered relatively strong and are an indication of growing demand for housing of all types.
- The Subject is a proposed LIHTC development that will target one to five-person households. Upon completion, the Subject will be in excellent condition. The Subject will also offer a competitive amenities package. Additionally, the Subject is close to grocery stores, retail, education, and medical services. The proposed Subject will positively impact the neighborhood and provide good quality affordable rental housing in Augusta.
- We were able to obtain absorption information from two of the comparable properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Crest At Edinburgh	LIHTC	Family	2011	40	40
Woodlake Club Apartments	LIHTC	Family	2003	192	32

As illustrated, absorption rates ranged from 32 to 40 units per month. The Crest at Edinburgh opened in 2011, and thus, provided the most recent absorption information. However, this property offers units at both 50 and 60 percent of AMI. Based on this information, we anticipate that the Subject would absorb approximately 20 units per month, for an absorption period of 12 months, based on the size of the Subject property as well as the fact it will only offer units at 60 percent of AMI.

- The Subject’s unit sizes are above the surveyed average for all unit types. All of the units are within the range of the comparables as well. We believe the Subject’s unit sizes will be well accepted within the market and the larger units will provide a marketing advantage for the Subject.
- The vacancy rates among the comparables range from 0.0 to 5.2 percent, with an average weighted vacancy rate of 3.4 percent. The LIHTC comparables reported an average weighted vacancy rate of 4.2 percent. Overall, vacancy rates among the comparables are considered good. We believe the Subject will maintain a vacancy of four percent or less after the initial lease-up phase has been completed due to the fact that it will be new construction and exhibit comparable to superior condition to the majority of the comparables. We believe this vacancy rate is reasonable given the performance of comparables in the market.
- The following tables provide a comparison of the Subject’s and comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents.

LIHTC Rent Comparison - @60%			
Property Name	1BR	2BR	3BR
Sibley Road (Subject)	\$533	\$639	\$723
2015 LIHTC Maximum (Net)	\$563	\$664	\$767
Forest Brook	\$450	\$525-\$575	\$725
Magnolia Park	\$450	\$485-\$504	\$629
The Crest At Edinburgh	-	-	\$700
Woodlake Club Apartments	\$568	\$681	\$773
Average (excluding Subject)	\$489	\$554	\$707

All of the Subject's 60 percent rents are set below the 2015 maximum allowable level. Woodlake Club appears to be achieving rents slightly above the maximum allowable levels; however, we assume the discrepancy to be the result of differing utility allowances. Management at Woodlake Club reported achievable maximum allowable rents for its one- and four-bedroom 60 percent AMI units. Additionally, management at The Crest at Edinburgh reported maximum allowable rents for all of its three- and four-bedroom units at 60 percent of AMI. The Subject's rents are lower than the rents at Woodlake Club but slightly higher than the remaining comparables. Woodlake Club was constructed in 2003 and will be the most similar to the Subject overall. It is located 1.6 miles from the Subject in a relatively similar location and offers a similar unit mix as the Subject. Once constructed, the Subject will offer a slightly superior condition relative to this property. Management at Woodlake Club reported a vacancy rate of 5.2 percent, indicating its rents are well-received in the market. Thus, we believe that the Subject's proposed rents are achievable.

- The most comparable market rate development to the Subject is Woodhill Apartments. This property is the newest market rate comparable and offers one-, two-, and three-bedroom units and is currently 97.8 percent occupied. Woodhill Apartments is located approximately 1.3 miles from the Subject site in a similar location within the Subject's HMA. Woodhill Apartments offers a similar garden design, similar in-unit amenities, slightly superior property amenities and slightly inferior unit sizes compared to the Subject. As such, we have placed the Subject's achievable market rents slightly above the overall average of the comparables and slightly above the rents at Woodhill Apartments. Overall, we have concluded to achievable market rents of **\$775**, **\$875** and **\$1,025** for the Subject's one-, two-, and three-bedroom units, respectively.

4) MARKET FEASIBILITY

The increasing demographics, demand analysis, existing supply of housing, as well as interviews with real estate professionals demonstrate an ongoing need for good quality multifamily rental housing in the HMA over the foreseeable term. Employment is steadily increasing in the Subject's HMA. Further, approximately 863 new renter households will enter the market between 2014 and 2019. Finally, comparable properties in the Subject's HMA exhibit stable occupancy rates. Overall, the Subject will provide good quality affordable housing in the area with excellent street appeal and competitive amenities.

5) RECOMMENDATIONS

We have no recommended changes to the proposed development scheme as the Subject appears to be a well-planned, feasible development in a market with strong demand for good quality multifamily housing.

6) COMPETITIVE ADVANTAGES/DISADVANTAGES

There are no apparent weaknesses of the development scheme, rents, or market that would result in a competitive disadvantage. Strengths of the Subject development and market include:

- The site is located close to schools, employment, public transportation, and retail. There are many services and amenities located less than one mile from the Subject.
- The population and number of households have steadily increased in the HMA since the 1990s. As the total population and number of households continue to grow, the demand for housing units will continue to increase.
- All properties in the Subject's HMA are experiencing stable occupancy levels. The Subject will offer good quality multifamily housing units in a desirable location.
- The Subject will be in excellent condition and offer competitive amenities upon completion.
- The Subject will generally offer larger unit sizes than those currently offered in the market.

DESCRIPTION OF PROPOSED PROJECT

DESCRIPTION OF PROPOSED PROJECT

1) UNIT MIX AND SIZE

Gardens at Harvest Point (Subject) is a proposed new construction 256-unit LIHTC development to be located at 2045 Sibley Road, in Augusta, Georgia 30909. The Subject will consist of 12 two- and three-story, residential buildings containing 64 one-bedroom units, 128 two-bedroom units and 64 three-bedroom units. The Subject will also feature a one-story clubhouse building. Upon completion, the Subject will be in excellent condition. The unit mix is detailed below.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	HUD Net SF
1BR/1BA	64	788	50,432
2BR/2BA	64	1,140	72,960
2BR/2BA	64	1,170	74,880
3BR/2BA	64	1,385	88,640
Total	256		286,912

The Subject’s square footages are based on information provided to us by the developer of the Subject. Copies of the project site plans are included in *Addendum D*.

2) PROPOSED RENTS

The proposed rents, based on the developer’s pro forma, are as follows. As illustrated, the proposed rents are set lower than the 2015 maximum allowable levels.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent**	Utility Allowance*	Gross Rent	LIHTC Maximum Allowable Gross Rent (2015)	HUD Fair Market Rents (2015)
<i>60% AMI</i>							
1BR	788	64	\$533	\$102	\$635	\$665	\$610
2BR	1,140	64	\$639	\$125	\$764	\$789	\$728
2BR	1,170	64	\$639	\$125	\$764	\$789	\$728
3BR	1,385	64	\$723	\$155	\$878	\$922	\$990
Total		256					

* Source of Utility Allowance provided by Augusta Housing Authority, effective 9/1/2015

Utility Structure

The tenant will pay general electric expenses as well as electric cooking, heating, hot water, and air conditioning at the Subject. The landlord will be responsible for water, sewer, and trash. The utility allowances were based on information from the developer.

3) UNIT AND PROJECT AMENITIES AND SERVICES

The Subject's units will offer central heating and air conditioning, carpeting, blinds, balconies, coat closets, and cable/satellite/internet. Kitchen appliances will include an oven, stove, refrigerator, microwave, garbage disposal, and dishwasher.

Common area amenities will include clubhouse, business center, exercise facility, swimming pool, off-street parking, on-site management, and central laundry facility.

The Subject will offer 516 off-street parking spaces. The amount of parking appears adequate based on the proposed unit mix and target population.

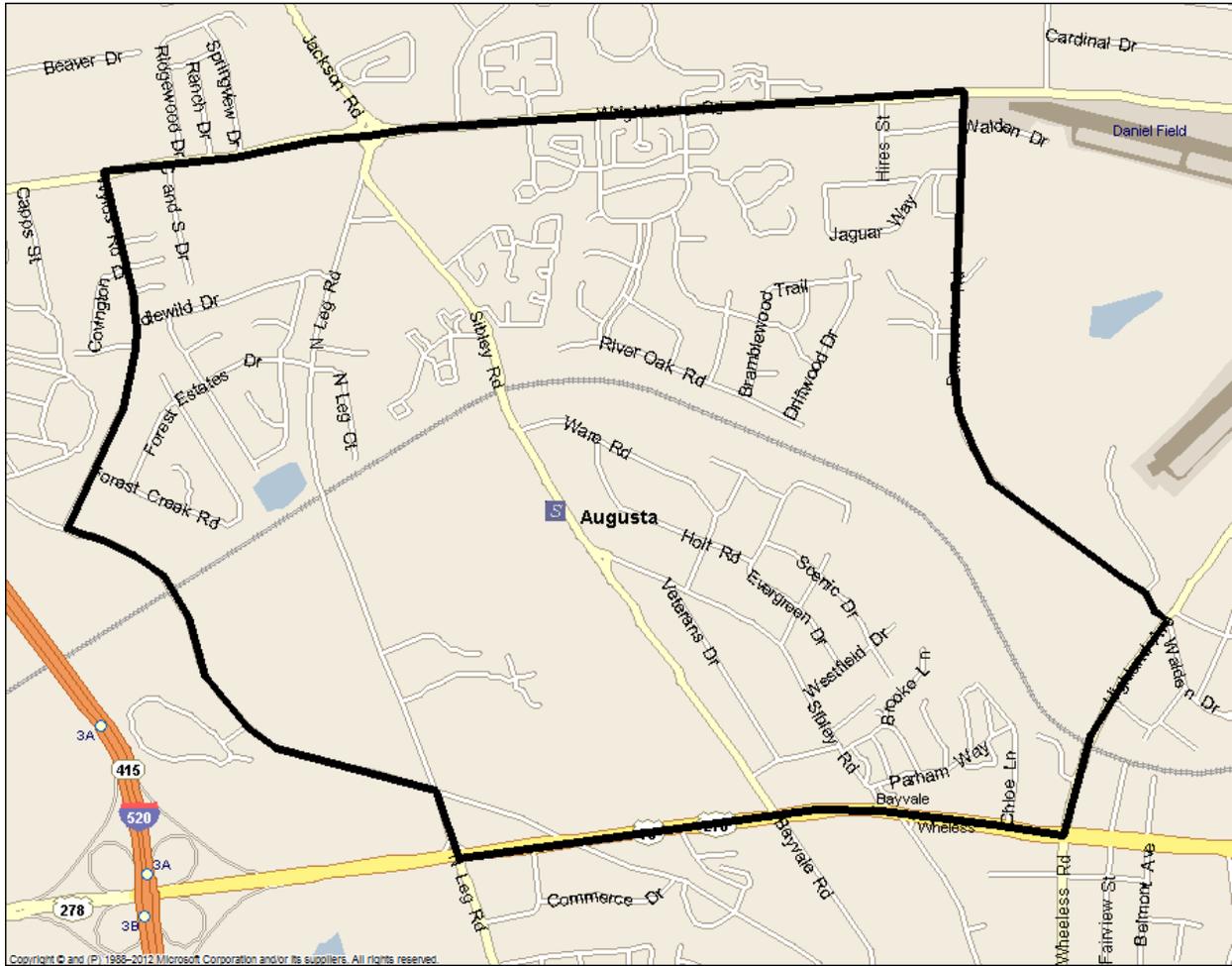
4) PROJECT LOCATION/NEIGHBORHOOD CHARACTERISTICS

Location and Boundaries

The Subject will be located in the western portion of the city of Augusta, Georgia, roughly six miles from downtown Augusta. The site is located at 2045 Sibley Road. Sibley Road is a two-lane moderately traveled road which provides access to Gordon Highway less than a mile to the south. Gordon Highway provides access to downtown Augusta to the east and Interstate 520 roughly one mile to the west. The Subject will have good access and traffic flow given its access to Gordon Highway and Interstate 520.

Land use immediately to the north of the Subject, across the rail tracks, includes the Woodcrest Apartments and light industrial uses such as Frito Lay, the Georgia-Carolina Manufacturing Company, a religious institution, and Georgia Hardware Distributors, Inc. The Woodcrest Apartments were used as a comparable in this report. To the northeast, past the Woodcrest Apartments, are the Augusta Spring Senior Apartments. This property was not used as a comparable because it targets a different tenancy. Immediately east of the Subject are single-family homes in fair to average condition and a religious institution. Office uses including the Richmond County Department of Public Health are located south of the Subject, followed by the Vintage Creek Apartments, which was used as a comparable in this report, and another religious institution. The Augusta Coca-Cola Bottling Company is located west of the Subject, across Leg Road. Commercial real estate in the Subject's neighborhood is concentrated along Gordon Highway, roughly half a mile to the south, and appears to be approximately 90 percent occupied. The following map illustrates the Subject's neighborhood boundaries.

Subject's Neighborhood Boundaries



Adequacy of Public Facilities

Transportation

Highway: The Subject is located approximately 1.5 miles east of Interstate 520. Interstate 520 provides access to Interstate 20 roughly three miles to the north. Interstate 20 connects with Atlanta about 140 miles to the west, and Columbia, South Carolina about 72 miles to the east. Additional major highways in the area include Highway 278 (Gordon highway) and Highway 1 (Deans Bridge Road).

Air: Augusta Regional Airport (AGS) is located approximately 11 miles southeast of the Subject. AGS is served by Delta Air Lines, Delta Connection, and US Airways and provides nonstop service to Atlanta and Charlotte, as well as seasonal service to New York, Washington D.C., and Philadelphia.

Public Transportation

Augusta Public Transit has nine routes throughout Augusta. The closest bus stop to the Subject is located at the corner of Wrightsboro Road and Garden Spring Lane, roughly one mile northwest of the Subject. An adult one-way fare is \$1.25, while seniors 65 and older, students, and handicapped individuals and eligible for discounted fares of \$0.60.

Higher Education

There are several colleges and universities within the city of Augusta, including Augusta Technical College, Georgia Regents University, and Paine College. Georgia Regents University is the largest university in the area and enrolls approximately 9,183 students, including over 6,700 undergraduates and approximately 892 post-graduates.

Healthcare

The nearest full-service hospital to the Trinity Hospital of Augusta, which is located approximately three miles east of the Subject. Trinity Hospital is a 231-bed facility inpatient, outpatient, diagnostic, surgical and emergency medical care.

Retail/Restaurants

It appears that the adequacy of retail/shopping options for tenants at the Subject is good. There are several restaurants and retail operations south of the Subject along Gordon Highway, including Waffle House, Skilletz Bar and Grill, Family Dollar, UPS Customer Center, and several auto dealerships. There are additional restaurant and retail options north of the Subject along Wrightsboro Road, including Baldinos Jersey Subs, Harbor Inn Seafood, Vallarta Mexican Restaurant, Kroger, Mr. Furniture, Curl’s Tire and Auto, Salvation Army, and Autozone.

Adequacy/Availability of Utilities

All utilities are available in the neighborhood.

Walk & Transit Score

We have examined the proposed Subject’s Walk and Transit score via www.walkscore.com. The scores for the Subject site are presented in the following table.

WALK & TRANSIT SCORE			
Project	Walk Score (Out of 100)	Transit Score (Out of 100)	Average
Subject	7	N/A	7
Augusta, GA Avg.	20	N/A	20

As shown above, the Subject’s location ranks low in walkability, and a transit score is not provided for Augusta. The average walk scores of both the Subject and Augusta rank in the “Almost all errands require a car” category.

Proximity to Local Services

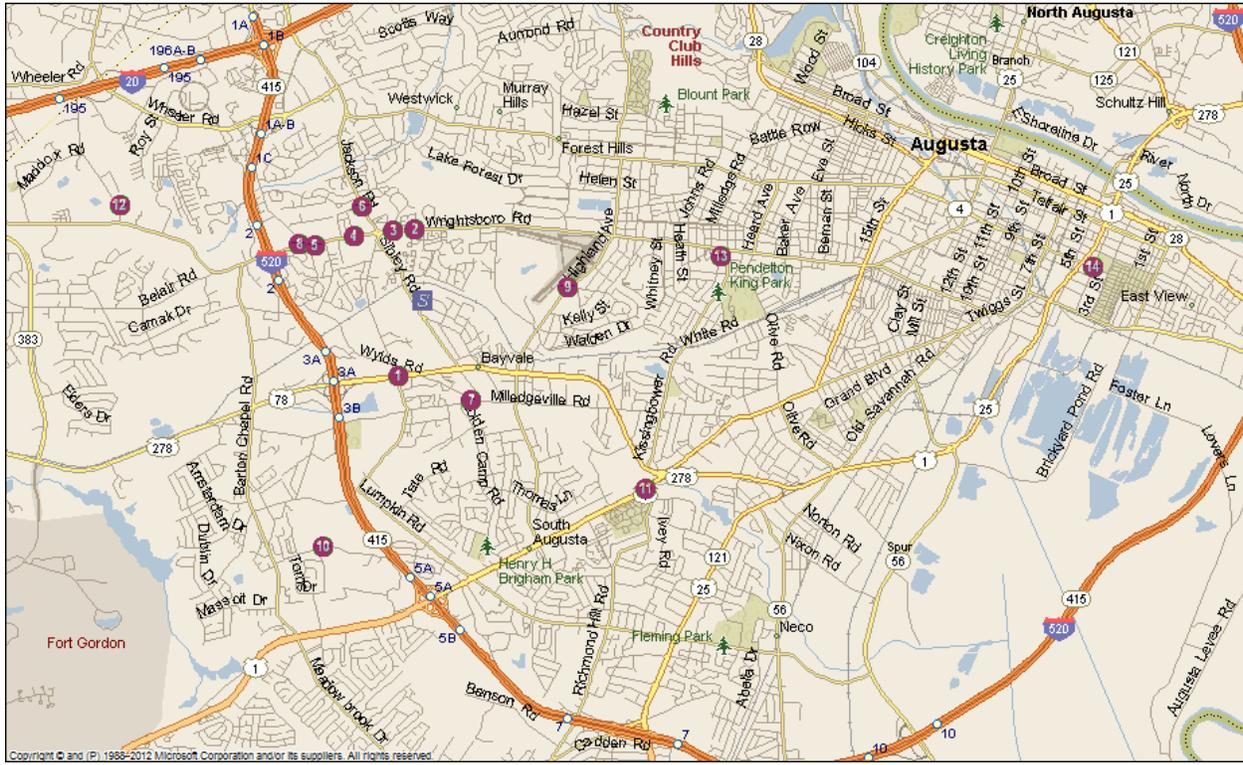
The Subject site is located within good proximity to services including schools, transportation, employment, and retail shopping. The following are distances of various services from the

Subject. A map depicting the location of services in relation to the Subject site is also located following.

LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	Gas Station	0.6 Mile
2	Pharmacy	0.7 Mile
3	Grocery Store	0.7 Mile
4	United States Post Office	0.8 Mile
5	Bus Stop	1.0 Mile
6	Friedman Branch Library	1.0 Mile
7	Bayvale Elementary School	1.0 Mile
8	Bank	1.1 Miles
9	Aquinas High School	1.3 Miles
10	Glen Hills Middle School	2.2 Miles
11	Public Park	2.5 Miles
12	Fire Station	2.7 Miles
13	Trinity Hospital	2.8 Miles
14	Richmond County Sherrif	5.8 Miles

Map of Locational Amenities



Summary

The adequacy of public facilities that will service the site is considered average. Access to retail, restaurants, public transportation, and recreational activities is considered average as well. The Subject is located in an area of Augusta with adequate retail and service-based businesses and the addition of the Subject will enhance the Subject’s neighborhood. However, most errands will need to be accomplished via a car.

5) INCOME AND RENT RESTRICTIONS

Maximum incomes are set at the maximum 60 percent AMI level for the LIHTC units. Minimum income levels are calculated based on the assumption that lower-income families should pay no more than 35 percent of their income to rent for family households. The minimum and maximum income limits for the Subject’s units are as follows.

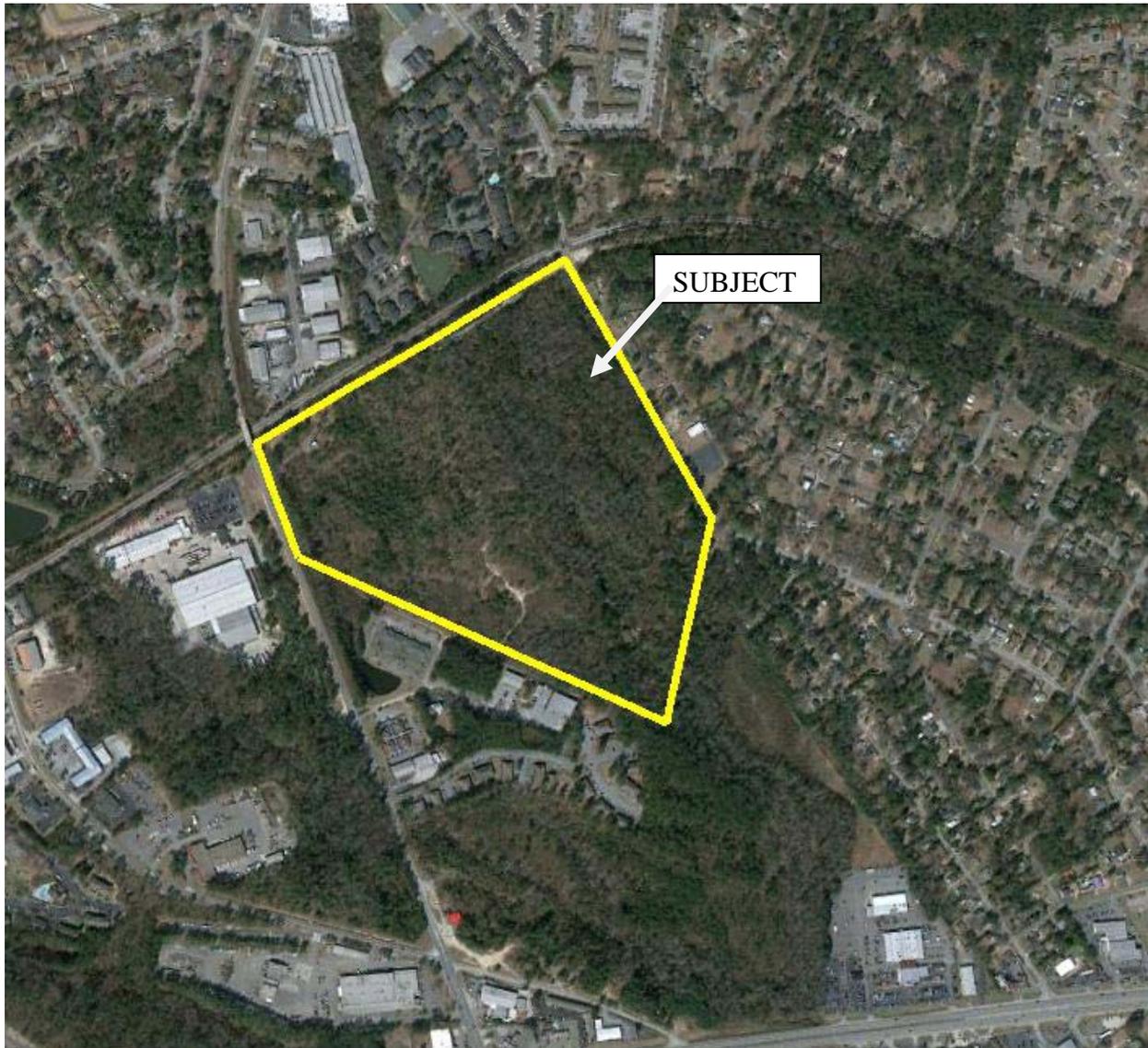
INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>60% AMI</i>		
1BR	\$21,771	\$26,880
2BR	\$26,194	\$30,240
3BR	\$30,103	\$36,240

According to the developer, the Subject will target one to five-person households.

6) CONCLUSION

Upon completion, the Subject will be in excellent condition and will target households ranging from one to five persons. The Subject will also offer a competitive amenities package. The Subject is located in a mixed-use neighborhood, with multifamily, retail, single family, and commercial uses. The Subject has access to public transportation roughly 0.8 miles away, as there is a bus stop at corner of the Wrightsboro Road and Garden Spring Lane. Additionally, the Subject is reasonable proximate to grocery stores, retail, education, and medical services. The proposed Subject will positively impact the neighborhood and provide good quality affordable rental housing in Augusta.



HOUSING MARKET AREA

2) DESCRIPTION AND JUSTIFICATION OF THE HOUSING MARKET AREA

The HMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. The HMA boundaries were defined based as surveyed property managers. We recognize several sub-markets exist within this HMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. We estimate 80 percent of the Subject's tenants will originate from the HMA. The demand estimates will be adjusted to reflect this potential for leakage.

3) ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS OF THE TARGET MARKET

The target market will be similar to other LIHTC properties in the area.

- Household size will typically be one to five persons.
- According to the developer, the Subject will target small households including singles, couples and families.
- Single and dual-income households, with incomes ranging from \$21,771 to \$36,240.

4) FORECASTING PERIOD

Typically, the forecasting period for a multifamily development such as the Subject is approximately 36 to 48 months from the date of the market study. The Subject is a proposed development estimated to be complete by the January 2017. As such, the Subject's forecasting period is approximately 48 months from market entry, or through 2021.

5) ELDERLY PROJECT ANALYSIS

The Subject is a proposed LIHTC development that will target families; it will not be age-restricted, therefore, this section is not applicable.

6) LIHTC ANALYSIS

Per Chapter 7 of the HUD MAP Guide, a supplemental analysis of demand is required for LIHTC projects. The purpose of the analysis is to provide an estimate of demand, including the calculation of a capture rate, based on potential income eligible residents. The following tables summarize the eligible income ranges for the Subject's LIHTC units, as discussed in the *Income and Rent Restrictions* section of the report.

INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>60% AMI</i>	
1BR	\$21,771	\$26,880
2BR	\$26,194	\$30,240
3BR	\$30,103	\$36,240

The following tables utilize the data in the minimum/maximum income table presented above, and calculates the total percentage of income-qualified renter households that presently exist within the HMA.

INCOME DISTRIBUTION 2014

Income Cohort	Total Renter Households	60% AMI			All Units		
		<i>cohort overlap</i>	<i>% in cohort</i>	<i># in cohort</i>	<i>cohort overlap</i>	<i>% in cohort</i>	<i># in cohort</i>
\$0-9,999	6,052						
\$10,000-19,999	6,374						
\$20,000-29,999	4,201	8,228	82.28%	3,456	8,228	82.29%	3,457
\$30,000-39,999	2,925	6,240	62.41%	1,825	6,240	62.41%	1,825
\$40,000-49,999	2,514						
\$50,000-59,999	1,671						
\$60,000-74,999	1,831						
\$75,000-99,999	1,459						
\$100,000-124,999	551						
\$125,000-149,999	241						
\$150,000-199,999	187						
\$200,000+	199						
Total	28,203		18.73%	5,282		18.73%	5,282

In order to determine the number of appropriate sized households at each bedroom type, first we analyzed the number of persons in each household by renter tenure, as detailed in the following table.

Renter Households by Persons in Household	2014	
	Number	Percentage
With 1 Person	11,347	40.2%
With 2 Persons	7,468	26.5%
With 3 Persons	4,334	15.4%
With 4 Persons	2,660	9.4%
With 5+ Persons	2,395	8.5%
Total Renter Households	28,203	100.0%

Second, we made assumptions based on the average household size in the market; to estimate the distribution of households by unit type. Following are these assumptions.

HOUSEHOLD DISTRIBUTION MATRIX			
Household Size	1BR	2BR	3BR
1 person	80%	20%	
2 persons	20%	80%	
3 persons		60%	40%
4 persons			70%
5+ persons			10%

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Appropriate Sized Renter Households						
One-Bedroom Unit		40.2%	*	80.0%	=	32.2%
	+	26.5%	*	20.0%	=	5.3%
	+	15.4%	*	0.0%	=	0.0%
	+	9.4%	*	0.0%	=	0.0%
	+	8.5%	*	0.0%	=	0.0%
	=					37.5%
Two-Bedroom Unit		40.2%	*	20.0%	=	8.0%
	+	26.5%	*	80.0%	=	21.2%
	+	15.4%	*	60.0%	=	9.2%
	+	9.4%	*	0.0%	=	0.0%
	+	8.5%	*	0.0%	=	0.0%
	=					38.5%
Three-Bedroom Unit		40.2%	*	0.0%	=	0.0%
	+	26.5%	*	0.0%	=	0.0%
	+	15.4%	*	40.0%	=	6.2%
	+	9.4%	*	70.0%	=	6.6%
	+	8.5%	*	10.0%	=	0.9%
	=					13.6%
Total						89.5%

As such, 89.5 percent of renter households are size-appropriate to reside at the Subject.

Additionally, it should be noted that Chapter 7 of the MAP Guide does not clarify if the capture rate calculations should be based upon total households or renter households. In order to present a more meaningful analysis, we have analyzed renter household only in our analysis of the Subject’s LIHTC capture rate. The calculations described above are summarized in the following table.

CAPTURE RATE CALCULATIONS		
Total Number of Renter Households		28,203
Income Qualified Percentage	x	18.73%
Age Appropriate Percentage	x	100.00%
Size Appropriate Percentage	x	89.50%
<u>Total Number of Age, Size and Income Qualified Renter Households</u>	<u>=</u>	<u>4,727</u>
Total Subject LIHTC Units		256
<u>Total Number of Age, Size and Income Qualified Renter Households</u>	<u>/</u>	<u>4,727</u>
<u>LIHTC Capture Rate</u>	<u>=</u>	<u>5.4%</u>

It is important to note that this capture rate is based upon existing renter household demand only. It does not account for growth, nor does it account for the addition (or loss) of units within the market. The capture rate also does not take into account existing supply within the market. Additional discussion of demand, including projected growth and change in supply, is discussed in the *Demand Estimate and Study* section of the report.

Based upon the above parameters, the indicated LIHTC capture rate is 5.4 percent.

CHARACTERISTICS OF HOUSING MARKET AREA

CHARACTERISTICS OF HOUSING MARKET AREA

1) ECONOMIC CONDITIONS AND EMPLOYMENT CHARACTERISTICS

Overview

The Subject will be located in a mixed use neighborhood in the western portion of Augusta, Georgia, roughly six miles west of downtown. The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major employers, and unemployment trends. Information was provided, where available, for the Subject's Housing Market Area, as well as the larger metropolitan area, which is considered to be the Augusta-Richmond County, GA-SC MSA, which is comprised of Richmond, Burke, Columbia, and McDuffie Counties in Georgia and Aiken and Edgefield Counties in South Carolina.

Novogradac & Company LLP obtained economic information from the Augusta Economic Development Authority, the US Bureau of Labor Statistics, and ESRI Demographics, along with various other sources. These data sources are considered to be reliable and current.

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the HMA and the nation.

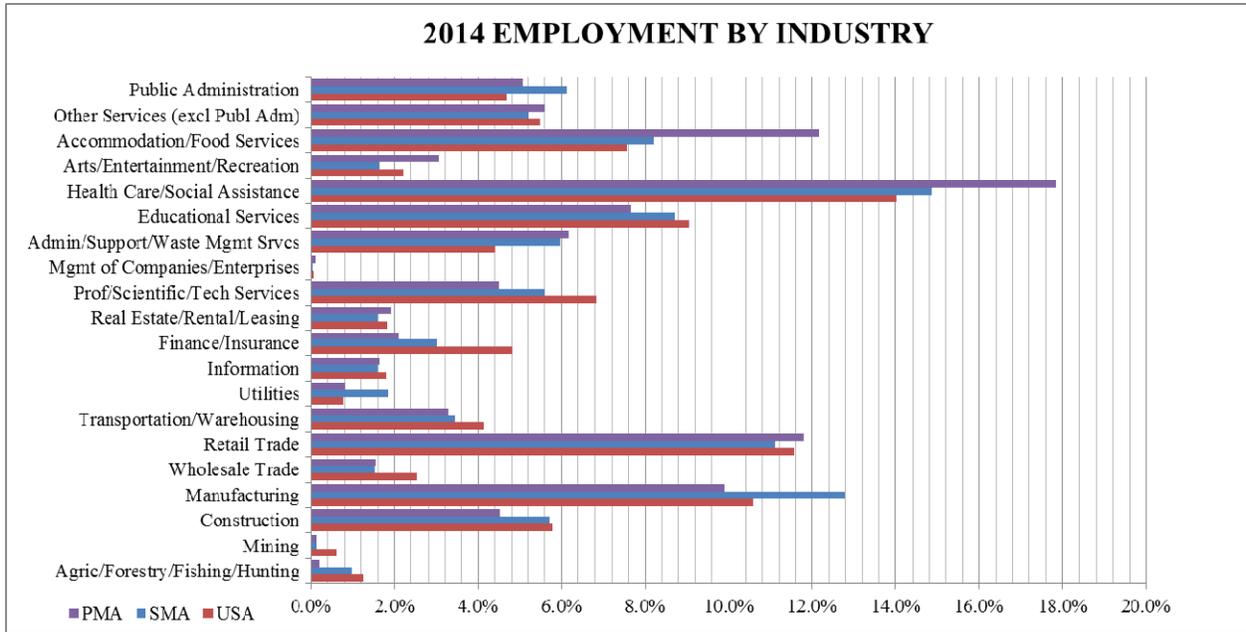
2014 EMPLOYMENT BY INDUSTRY

Industry	HMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	79	0.2%	1,800,354	1.3%
Mining	54	0.1%	868,282	0.6%
Construction	1,950	4.5%	8,291,595	5.8%
Manufacturing	4,271	9.9%	15,162,651	10.6%
Wholesale Trade	664	1.5%	3,628,118	2.5%
Retail Trade	5,087	11.8%	16,592,605	11.6%
Transportation/Warehousing	1,419	3.3%	5,898,791	4.1%
Utilities	349	0.8%	1,107,105	0.8%
Information	706	1.6%	2,577,845	1.8%
Finance/Insurance	900	2.1%	6,884,133	4.8%
Real Estate/Rental/Leasing	831	1.9%	2,627,562	1.8%
Prof/Scientific/Tech Services	1,946	4.5%	9,808,289	6.8%
Mgmt of Companies/Enterprises	49	0.1%	97,762	0.1%
Admin/Support/Waste Mgmt Svcs	2,670	6.2%	6,316,579	4.4%
Educational Services	3,306	7.7%	12,979,314	9.1%
Health Care/Social Assistance	7,697	17.8%	20,080,547	14.0%
Arts/Entertainment/Recreation	1,318	3.1%	3,151,821	2.2%
Accommodation/Food Services	5,246	12.2%	10,849,114	7.6%
Other Services (excl Publ Adm)	2,419	5.6%	7,850,739	5.5%
Public Administration	2,192	5.1%	6,713,073	4.7%
Total Employment	43,153	100.0%	143,286,279	100.0%

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

The previous table reflects the workforce for the HMA and the USA. Employment in the HMA is greatest in the healthcare/social assistance sector, which constitutes approximately 17.8 percent of total employment. Employment is also concentrated in the accommodation/food services, retail trade, and manufacturing sectors. Combined, these top four industries account for roughly 51.7 percent of total employment. Compared to the nation as a whole, the percent employed in the admin/support/waste management services, health care/ social assistance, and accommodation/food services sectors is significantly higher, while the percent employed in the professional/ scientific/tech services, educational services, and finance/insurance sectors is significantly lower.

The following tables illustrate the employment by sector from 2004 through December 2014.



Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and the nation from 2004 through December 2014.

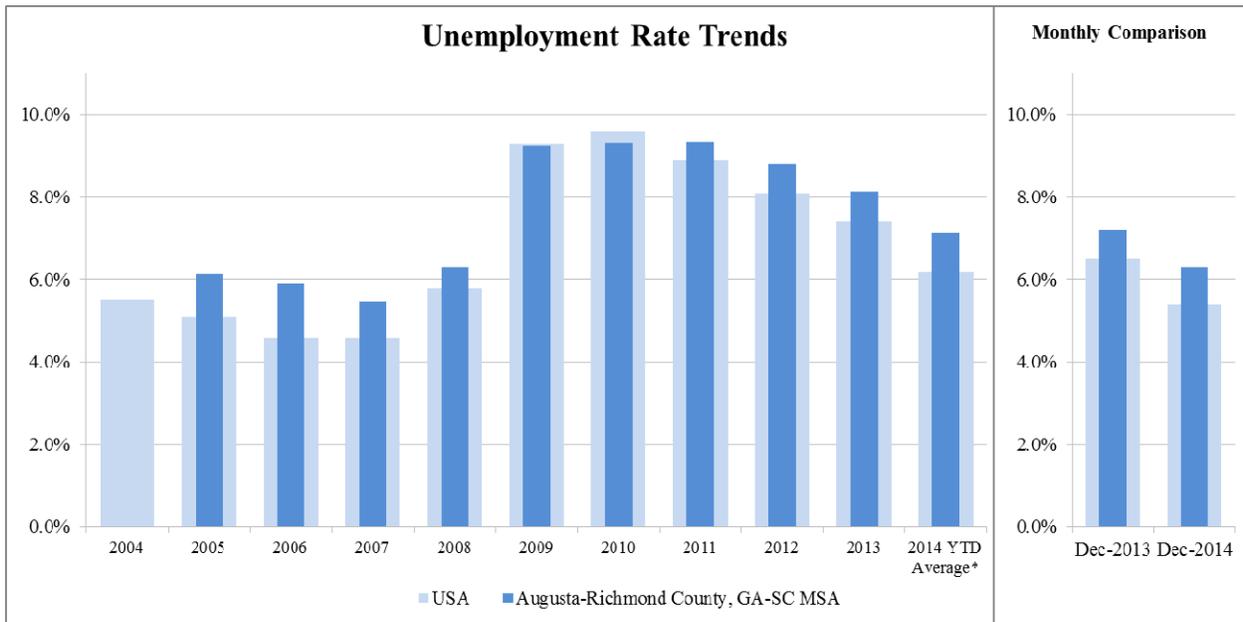
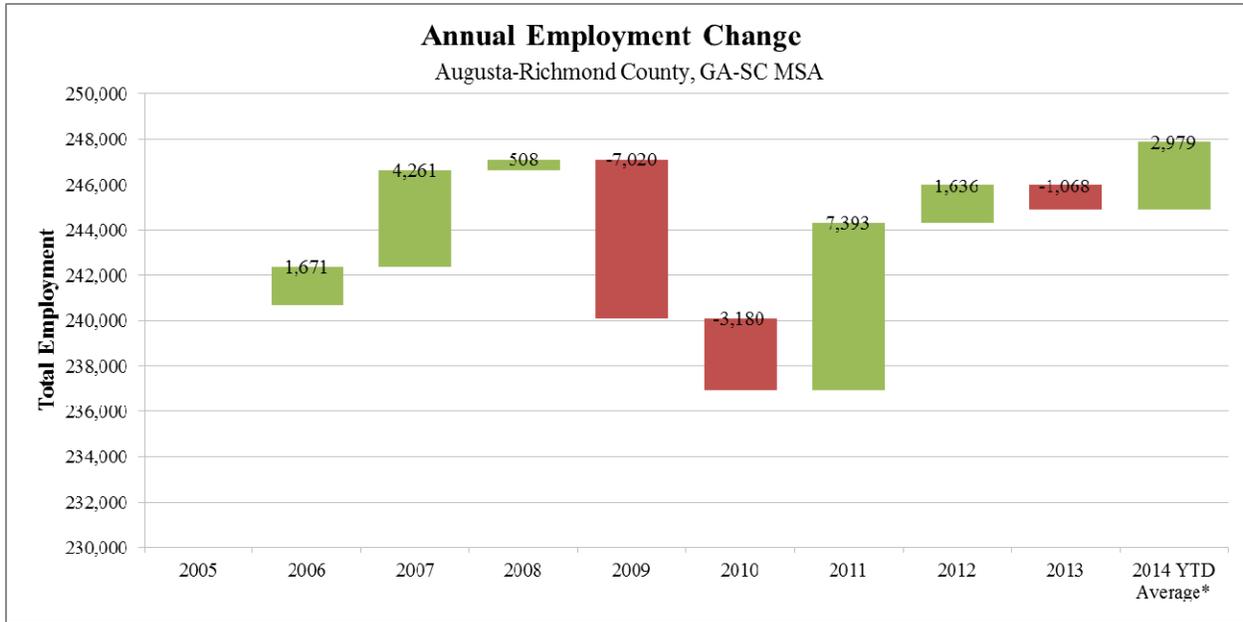
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Augusta-Richmond County, GA-SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	239,841	-	5.4%	-	139,252,000	-	5.5%	-
2005	240,686	0.4%	6.1%	0.7%	141,730,000	1.8%	5.1%	-0.4%
2006	242,357	0.7%	5.9%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	246,618	1.8%	5.4%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	247,126	0.2%	6.3%	0.9%	145,362,000	-0.5%	5.8%	1.2%
2009	240,106	-2.8%	9.3%	3.0%	139,877,000	-3.8%	9.3%	3.5%
2010	236,926	-1.3%	9.3%	0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	244,319	3.1%	9.4%	0.0%	139,869,000	0.6%	8.9%	-0.7%
2012	245,955	0.7%	8.8%	-0.6%	142,469,000	1.9%	8.1%	-0.8%
2013	244,887	-0.4%	8.1%	-0.7%	143,929,000	1.0%	7.4%	-0.7%
2014 YTD Average*	247,867	1.2%	7.1%	-1.0%	146,305,333	1.7%	6.2%	-1.2%
Dec-2013	243,819	-	7.2%	-	144,423,000	-	6.5%	-
Dec-2014	250,133	2.6%	6.3%	-0.9%	147,190,000	1.9%	5.4%	-1.1%

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

*2014 data is through Dec

Total employment in the MSA increased from 2004 to 2008, before decreasing slightly in 2009 and 2010 due to the recession. Total employment then increased in 2011 and 2012 before decreasing again slightly in 2013. Total employment in the MSA increased from December 2013 to December 2014 by 2.6 percent, which is 70 basis points higher than total employment growth in the nation over the same time period. It is important to note that current employment levels are above pre-recession levels and the local economy is currently in an expansion stage. The unemployment rate decreased in 2006 and 2007 before increasing during the height of the recession, reaching a peak of 9.4 percent in 2011. Since 2011, the unemployment rate has decreased each year, and from December 2013 to December 2014 the unemployment rate fell by 0.9 percentage points. The unemployment rate in the MSA is currently 0.9 percentage points higher than the national rate, and historically, unemployment rates in the MSA have been above national levels. Overall, it appears the MSA has recovered from the national recession, as total employment has surpassed prerecession levels and the unemployment has decreased in four consecutive years.



Employment Analysis and Expansion/Contractions

According to the Augusta Economic Development Authority 2014-2015 Annual Report, nearly 2,000 jobs were created in 2014, not including the impact of the U.S. Army Cyber Command. The list below highlights the businesses that have opened or expanded in Augusta within the past year:

2014 EMPLOYMENT EXPANSION

Company	Industry	Investment	Number of New Jobs
Augusta Renewable Energy	Anarobic Digester	\$20,000,000	10
Whole Foods	Retail/Grocery	\$6,000,000	120
Cabela's	Retail	\$7,000,000	80
Eco-Energy	Ethanol Transfer	\$6,000,000	4
Site1	Customer Service	\$4,000,000	200
WOW Cable	Customer Service	\$2,000,000	120
Eli Lilly/Elanco	Manufacturing	\$100,000,000	100
DSM	Manufacturing	\$85,000,000	45
Sabre Systems	Research and Development	\$3,500,000	20
MacAuley Brown	Research and Development	\$3,100,000	20
CDK Global	Customer Service	\$5,700,000	90
Unisys	Office/Customer Solutions	\$22,000,000	700
West Fraser	Manufacturing	\$25,000,000	21
General Dynamics	Research and Development	\$2,100,000	14
Total			1,544

Source: Augusta Economic Development Authority

In addition to the companies listed in the table above, the U.S. Army Cyber Command (ARCYBER) headquarters will be located at Ft. Gordon in Augusta, consolidating and coordinating Army cyber and networking operations. In addition, the Army will establish a standing joint task force and a provisional Cyber Center of Excellence at Ft. Gordon, along with a three-star commander. The total investment of the ARCYBER is roughly \$172,000,000, and approximately 1,500 new jobs are expected to be created.

Major Employers

The economic base of the Augusta area is reliant upon its largest employers, which includes the military, healthcare, education, local government, and a variety of manufacturing industries. The major employers in Augusta are shown in the following table.

MAJOR EMPLOYERS - AUGUSTA, GA

Company	Industry	Number Employed
U.S. Army Signal Center & Fort Gordon	Military	19,844*
Georgia Health Sciences University	Education	4,656
Richmond County School System	Education	4,418
University Hospital	Healthcare	3,200
Georgia Health Sciences Hospitals	Healthcare	3,054
Augusta-Richmond County	Local Government	2,612
VA Medical Centers	Healthcare	2,082
East Central Regional Hospital	Healthcare	1,488
EZ GO Textron	Golf Car/Utility Vehicles	1,277
Doctors Hospital	Healthcare	1,210
Covidien	Disposable Medical Supplies	850
International Paper	Bleached Paperboard	820
Kellogg's	Cookies and Crackers	535
FPL Food, LLC*	Beef Products	500
Procter & Gamble	Laundry Detergent	450
Thermal Ceramics	Ceramic Fiber	444
Augusta Newsprint*	Newsprint	374
Boral Brick	Bricks	363
PCS Nitrogen	Nitrogenous Fertilizer	350
DSM Chemical	Caprolactam/Cyclohexanone	350
Augusta Coca-Cola*	Soft Drinks	315
NutraSweet*	Basic Organic Chemicals	300
Carole Fabrics*	Custom Draperies	250
SOLO Cup	Disposable Plastic Cups	221
Solvay Advanced Polymers	Plastic Material and Resins	206

Source: Augusta Economic Development Authority

*Military and Civilian

The previous table shows the largest employers in Augusta. These largest employers are well diversified, representing a variety of sectors from health care to retail/services. The healthy proportions of employers within these industries and the overall diversified employment base are positive indicators of a stable local economy. As previously noted, the US Army facility will be benefitting from a proposed expansion and new investment that will generate approximately 1,500 new military and civilian positions.

Employment Analysis

The Subject will be located in the western portion of the city of Augusta at 2045 Sibley Road. Sibley Road is a two-lane moderately traveled road which provides access to Gordon Highway less than a mile to the south. Gordon Highway provides access to downtown Augusta to the east

and Interstate 520 roughly one mile to the west. The Subject will have good access and traffic flow given its access to Gordon highway and Interstate 520. As such, we have focused on the Augusta metropolitan area as a whole in framing our employment analysis. We utilized information published by the Augusta Economic Development Authority to gain an understanding of the area's economy, highlighted in the bullets below:

- Fort Gordon is a major employer in the Augusta region. On average, Fort Gordon contains 15,123 military, 6,989 civilian, and 2,435 on-post family members on site each day. With a work force of 15,123 military and 6,989 civilians, much of Fort Gordon's annual economic impact of more than \$1.3 billion goes directly into Augusta shops, real estate, banks and other businesses. All branches of the military are trained at Fort Gordon. Additionally, the National Security Agency conducts continuous security operations on selected targets in support of national and warfighter intelligence requirements from Fort Gordon using remoting technologies.
- In late 2013, the United States Army announced that the Cyber Command will move from Fort Belvoir, VA and Fort Meade, MD to Augusta's Fort Gordon. It is anticipated that Augusta will be the centerpoint for military contractors and military-associated companies that will require immediate access to the new Cyber Command. More than 1,500 new jobs are expected to be created from this move.
- A variety of companies are located in Augusta-Richmond County, including E-Z-GO Textron, International Paper, Covidien, Kellogg's, Thermal Ceramics, PCS Nitrogen, Solvay Advanced Polymers, General Chemical, Elanco, Bennett International, Procter & Gamble, NutraSweet, DSM, Electrolux, SOLO Cup, Olin, Con-Agra, Finnchem, US Battery, Automatic Data Processing, T-Mobile, FedEx Ground, and many others. The newest manufacturing facilities in Augusta, announced in 2012, are Rockwood Pigments and Starbucks.
- Augusta has been named by BizJournals.com as "The Most Affordable Place in the United States To Own A Home". Housing in Augusta is approximately 61% of the national average. Overall, the cost of living is about 82% of the national average. This translates into overall lower operating costs for companies, making Augusta even more attractive for new locations.
- Additionally, Southern Business & Development magazine named Augusta as one of the "Top Ten Places in the South With Plenty of Talented Labor." The 1800-acre Augusta Corporate Park was also named by the publication as one of the "Top Ten SuperSites in the South."

Economic Impact of the Mortgage and Credit Crisis

Overall, it appears that the MSA was affected by the most recent national economic recession, but has recovered in recent years as evidenced by a shrinking unemployment rate and a total employment level that has surpassed prerecession levels. The local economy is currently in an expansion stage.

According to RealtyTrac.com, as of February 2015, the rate of foreclosure activity in the City of Augusta was one in every 940 housing units. This rate of foreclosure is lower than Richmond County, which reported one in every 795 housing units, but higher than the state of Georgia overall, which reported one in every 1,414 housing units. The national rate of foreclosure over the same period was one in every 1,295 housing units. This data indicates that the Subject's immediate market area has a significantly higher foreclosure rate than the state and the nation as a whole.

The following chart shows the median sales prices of homes in Augusta according to Zillow.com.



Source: Zillow.com, 4/2015

Wages by Occupation

The following table shows the Augusta-Richmond County MSA average hourly and annual salary by occupation for May 2013, which is the most recent data available according to the U.S. Bureau of Labor and Statistics.

WAGES BY OCCUPATION - AUGUSTA-RICHMOND COUNTY, GA-SC MSA - MAY 2013

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	202,750	\$19.67	\$40,910
Management Occupations	8,120	\$45.76	\$95,170
Business and Financial Operations Occupations	6,490	\$28.78	\$59,870
Computer and Mathematical Occupations	3,150	\$32.03	\$66,610
Architecture and Engineering Occupations	5,400	\$39.47	\$82,100
Life, Physical, and Social Science Occupations	1,860	\$30.75	\$63,950
Community and Social Service Occupations	2,240	\$19.10	\$39,730
Legal Occupations	890	\$34.58	\$71,920
Education, Training, and Library Occupations	14,280	\$22.84	\$47,510
Arts, Design, Entertainment, Sports, and Media Occupations	1,590	\$21.98	\$45,710
Healthcare Practitioners and Technical Occupations	17,410	\$32.10	\$66,770
Healthcare Support Occupations	6,160	\$12.82	\$26,660
Protective Service Occupations	5,670	\$15.74	\$32,740
Food Preparation and Serving Related Occupations	18,590	\$9.39	\$19,540
Building and Grounds Cleaning and Maintenance Occupations	6,700	\$10.37	\$21,570
Personal Care and Service Occupations	5,140	\$10.61	\$22,070
Sales and Related Occupations	21,030	\$14.10	\$29,330
Office and Administrative Support Occupations	29,640	\$14.63	\$30,440
Farming, Fishing, and Forestry Occupations	270	\$17.46	\$36,310
Construction and Extraction Occupations	9,470	\$19.92	\$41,440
Installation, Maintenance, and Repair Occupations	9,370	\$19.92	\$41,430
Production Occupations	15,650	\$17.62	\$36,640
Transportation and Material Moving Occupations	13,650	\$15.37	\$31,970

Source: Department of Labor, Occupational Employment Statistics, Effective 5/2013

The previous table illustrates average hourly and annual wages by employment classification. The classification with the lowest average hourly wage is food preparation and serving-related occupations, at \$9.39 per hour. The highest average hourly wage of \$45.76 is management occupations.

The qualifying incomes for the Subject's tenants will range from \$21,771 to \$36,240 which encompasses a significant portion of the employment in the area. Utilizing the lower end of the mean wage range of \$21,771 per year at 2,080 annual hours equates to a per hour wage of \$10.474. The upper end of the Subject's qualifying income at \$36,240 corresponds to an approximate hourly wage rate of \$17.42, which is similar to the overall mean wage rate. A significant portion of the MSA would qualify to live at the Subject.

Summary

The area appears to be expanding, as indicated by the declining unemployment rate and the gains in total employment. Total employment in the MSA increased from December 2013 to December 2014 by 2.6 percent, while total employment in the nation increased 1.9 percent over

the same time period. The unemployment rate decreased in 2006 and 2007 before increasing during the height of the recession, reaching a peak of 9.4 percent in 2011. Since 2011, the unemployment rate has decreased each year, and from December 2013 to December 2014 the unemployment rate fell by 0.9 percentage points. Many of the major industries in the PMA, including the health care/social assistance, accommodation/food services, retail trade, and manufacturing sectors, offer wages that should continue to provide a source of income for tenants at the Subject.

2) DEMOGRAPHIC CHARACTERISTICS

Population and Households

The table below illustrates general population and household trends in the HMA, MSA, and nation from 2000 through 2019.

POPULATION

Year	HMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	116,727	-	508,022	-	281,421,906	-
2010	114,221	-0.2%	564,873	1.1%	308,745,538	1.0%
2014	116,091	0.4%	587,448	0.9%	314,467,933	0.4%
2019	118,156	0.4%	615,842	1.0%	325,843,774	0.7%

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

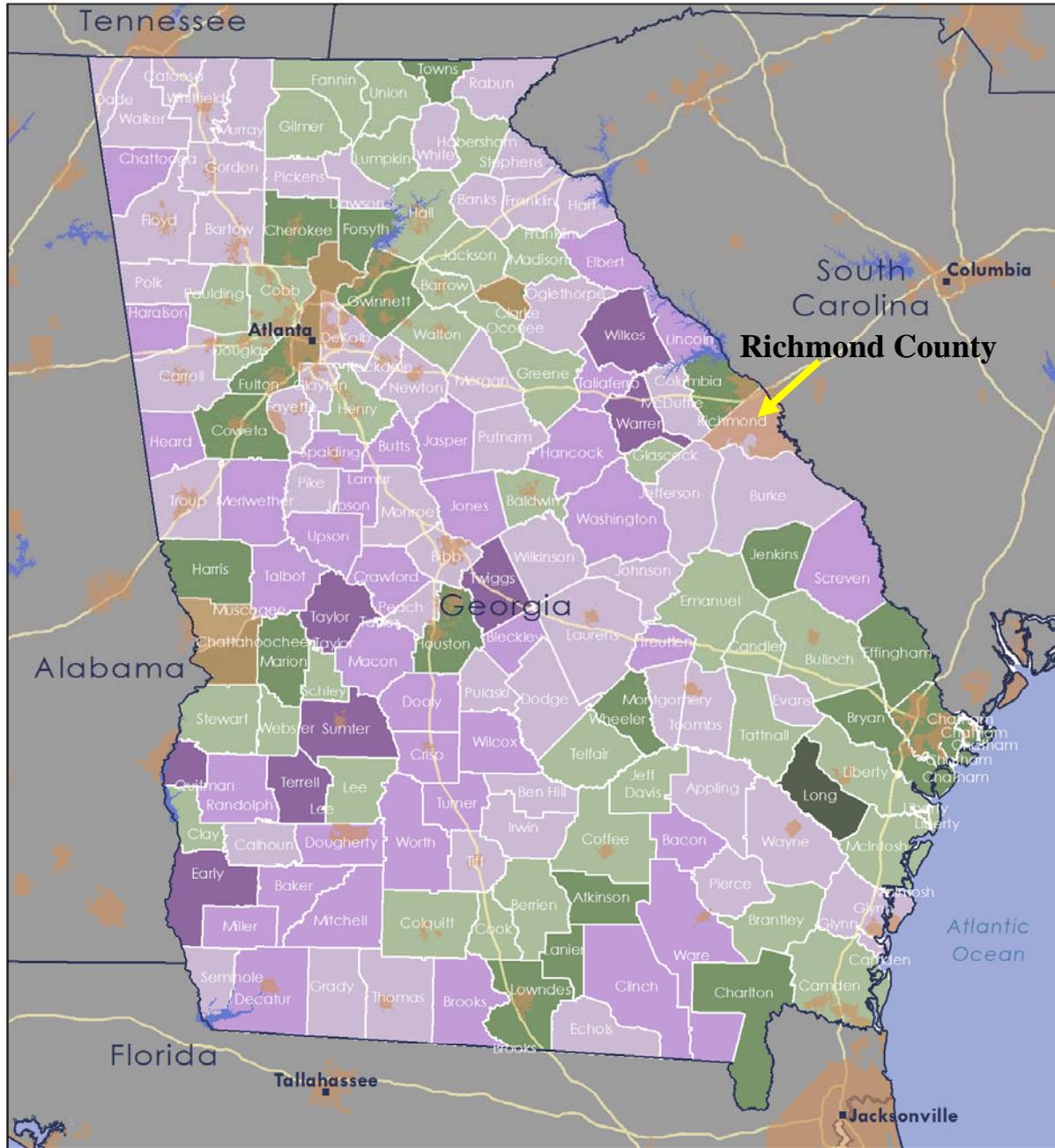
HOUSEHOLDS

Year	HMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	48,602	-	189,504	-	105,991,193	-
2010	48,525	0.0%	215,526	1.4%	116,716,292	1.0%
2014	49,713	0.6%	225,894	1.1%	118,979,182	0.5%
2019	50,876	0.5%	237,744	1.0%	123,464,895	0.8%

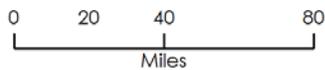
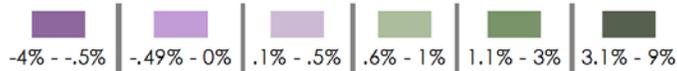
Source: ESRI Demographics 2014, Novogradac & Company LLP, March 2015

As the tables above illustrate, the HMA slightly decreased in terms of both population and households from 2000 to 2010, but both population and households increased from 2010 to 2014 and are expected to continue increasing through 2019. In the MSA, population and households have increased steadily since 2000, and are expected to continue increasing at a higher rate than the HMA through 2019. In terms of both population and households, the HMA is expected to grow at a slower rate than the nation, while the MSA is expected to grow at a faster rate than the nation through 2019. Despite the slower growth rates in the HMA, the positive future demographic trends are considered relatively strong and are an indication of growing demand for housing of all types.

The map below illustrates the annual population growth in the state of Georgia by county.



2010-2014 Population Growth Rate



2010-2014 Population Growth



Annual population growth is moderate in the Subject’s county with an annual growth rate between 0.1 percent and 0.5 percent.

Average Household Size

The following table illustrates average household size in the HMA, MSA, and nation from 2000 to 2019.

AVERAGE HOUSEHOLD SIZE						
Year	HMA		Augusta-Richmond County, GA-SCMSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	2.32	-	2.59	-	2.58	-
2010	2.30	-0.1%	2.54	-0.2%	2.58	0.0%
2014	2.28	-0.2%	2.52	-0.2%	2.58	0.0%
2019	2.27	-0.1%	2.52	0.0%	2.57	0.0%

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

As shown in the previous table, the household size in the HMA decreased slightly from 2000 to 2014 and is expected to continue decreasing through 2019. In the MSA, average household size also decreased from 2000 to 2014, but is expected to remain steady through 2019. The average household size in the HMA is smaller than the MSA and nation. The Subject’s proposed unit mix appears consistent with the average household size in the HMA.

Household Tenure General Population

The table below illustrates the breakdown by household tenure within the HMA.

TENURE PATTERNS HMA					
Year	Owner-Occupied		Renter-Occupied		Percentage Renter-Occupied
	Units	Percentage Owner-Occupied	Units	Percentage Renter-Occupied	
2000	24,472	50.4%	24,130	49.6%	
2014	21,510	43.3%	28,203	56.7%	
2019	21,810	42.9%	29,066	57.1%	

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

As indicated in the previous table, in 2014, renters comprised 56.7 percent of total households, and owners comprised 43.3 percent. It should be noted that this is significantly higher than the national average of renter households of 36.6 percent. The renter percentage is estimated to slightly increase through 2019 in the HMA, and the number of renter households is projected to increase by 863 households. These trends suggest increasing demand for multifamily units.

Household Income Distribution

The following tables illustrate the household income distribution in 2014 and 2019 within the HMA and MSA.

HOUSEHOLD INCOME HMA

Income Cohort	HMA				Annual Change 2014 to 2019	
	2014		2019		2019	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	7,681	15.5%	7,405	14.6%	-55	-0.7%
\$10,000-19,999	9,374	18.9%	8,969	17.6%	-81	-0.9%
\$20,000-29,999	6,582	13.2%	6,455	12.7%	-25	-0.4%
\$30,000-39,999	5,335	10.7%	5,373	10.6%	8	0.1%
\$40,000-49,999	4,732	9.5%	4,534	8.9%	-40	-0.8%
\$50,000-59,999	3,534	7.1%	3,750	7.4%	43	1.2%
\$60,000-74,999	4,327	8.7%	4,462	8.8%	27	0.6%
\$75,000-99,999	3,591	7.2%	4,132	8.1%	108	3.0%
\$100,000-124,999	1,927	3.9%	2,370	4.7%	88	4.6%
\$125,000-149,999	839	1.7%	1,175	2.3%	67	8.0%
\$150,000-199,999	813	1.6%	941	1.9%	26	3.2%
\$200,000+	976	2.0%	1,311	2.6%	67	6.9%
Total	49,713	100.0%	50,876	100.0%		

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

HOUSEHOLD INCOME MSA**Augusta-Richmond County, GA-SC MSA**

Income Cohort	MSA				Annual Change 2014 to 2019	
	2014		2019		2019	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	24,069	10.7%	23,974	10.1%	-19	-0.1%
\$10,000-19,999	30,708	13.6%	30,442	12.8%	-53	-0.2%
\$20,000-29,999	25,264	11.2%	25,691	10.8%	86	0.3%
\$30,000-39,999	24,633	10.9%	25,233	10.6%	120	0.5%
\$40,000-49,999	20,702	9.2%	21,278	8.9%	115	0.6%
\$50,000-59,999	19,228	8.5%	19,992	8.4%	153	0.8%
\$60,000-74,999	23,824	10.5%	24,968	10.5%	229	1.0%
\$75,000-99,999	25,110	11.1%	27,637	11.6%	505	2.0%
\$100,000-124,999	14,593	6.5%	16,662	7.0%	414	2.8%
\$125,000-149,999	6,560	2.9%	8,297	3.5%	347	5.3%
\$150,000-199,999	5,918	2.6%	6,909	2.9%	198	3.3%
\$200,000+	5,284	2.3%	6,662	2.8%	276	5.2%
Total	225,894	100.0%	237,744	100.0%		

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

Renter Household Income Distribution

The following table illustrates renter household income distribution in 2014 and 2019 for the HMA and MSA.

RENTER HOUSEHOLD INCOME HMA

HMA						
Income Cohort	2014		2019		Annual Change 2014 to 2019	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,052	21.5%	5,881	20.2%	-34	-0.6%
\$10,000-19,999	6,374	22.6%	6,230	21.4%	-29	-0.5%
\$20,000-29,999	4,201	14.9%	4,148	14.3%	-10	-0.2%
\$30,000-39,999	2,925	10.4%	3,100	10.7%	35	1.2%
\$40,000-49,999	2,514	8.9%	2,465	8.5%	-10	-0.4%
\$50,000-59,999	1,671	5.9%	1,847	6.4%	35	2.1%
\$60,000-74,999	1,831	6.5%	1,981	6.8%	30	1.6%
\$75,000-99,999	1,459	5.2%	1,779	6.1%	64	4.4%
\$100,000-124,999	551	2.0%	741	2.5%	38	6.9%
\$125,000-149,999	241	0.9%	358	1.2%	23	9.7%
\$150,000-199,999	187	0.7%	250	0.9%	13	6.7%
\$200,000+	199	0.7%	286	1.0%	17	8.7%
Total	28,203	100.0%	29,066	100.0%		

Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

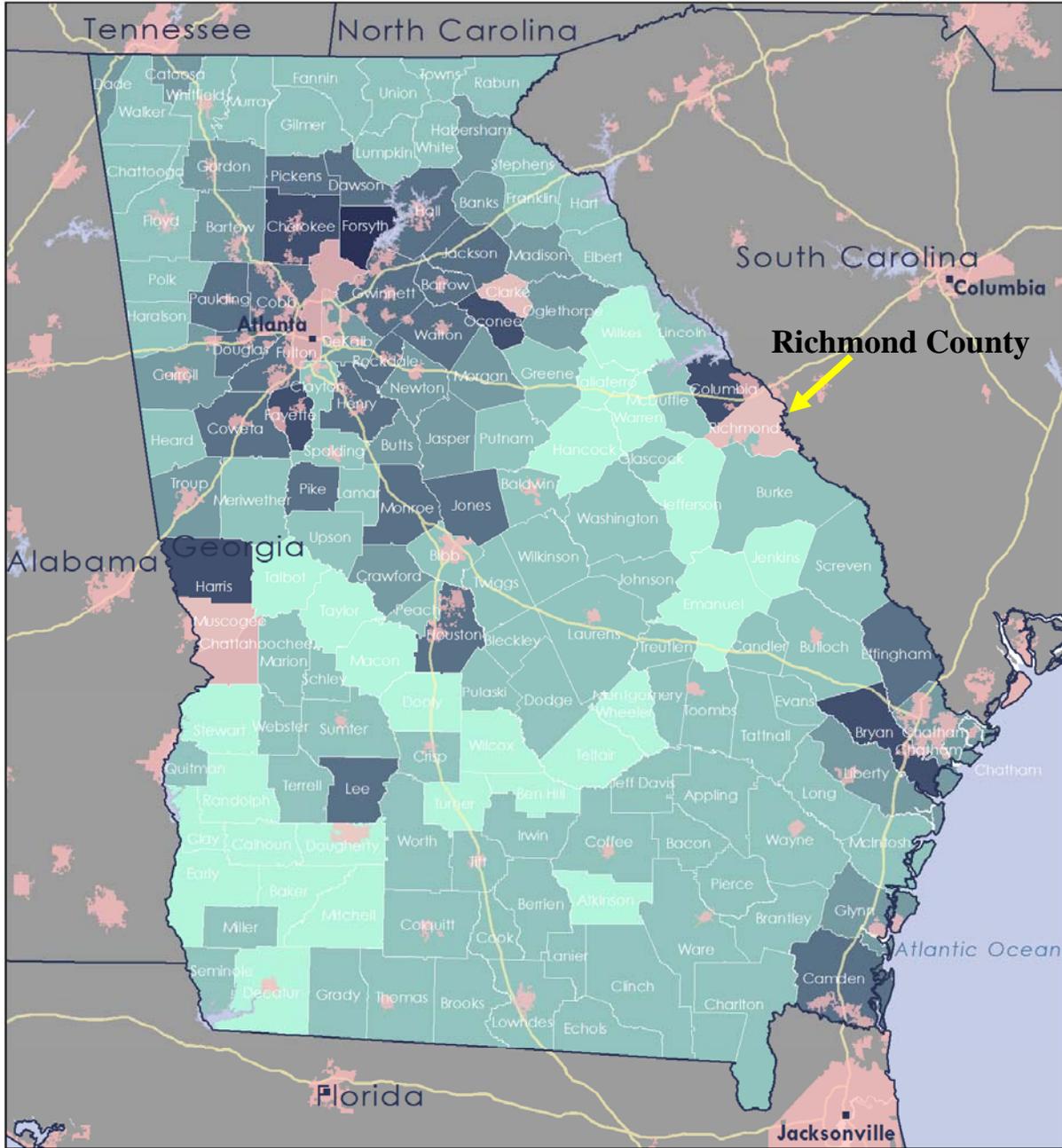
RENTER HOUSEHOLD INCOME SMA

Augusta-Richmond County, GA-SC MSA						
Income Cohort	2014		2019		Annual Change 2014 to 2019	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	15,166	19.3%	15,102	18.4%	-13	-0.1%
\$10,000-19,999	15,212	19.4%	15,189	18.5%	-5	0.0%
\$20,000-29,999	11,161	14.2%	11,272	13.7%	22	0.2%
\$30,000-39,999	9,858	12.5%	10,268	12.5%	82	0.8%
\$40,000-49,999	7,016	8.9%	7,266	8.8%	50	0.7%
\$50,000-59,999	5,761	7.3%	6,203	7.5%	88	1.5%
\$60,000-74,999	5,564	7.1%	6,009	7.3%	89	1.6%
\$75,000-99,999	4,622	5.9%	5,437	6.6%	163	3.5%
\$100,000-124,999	1,878	2.4%	2,346	2.9%	94	5.0%
\$125,000-149,999	975	1.2%	1,285	1.6%	62	6.4%
\$150,000-199,999	648	0.8%	843	1.0%	39	6.0%
\$200,000+	696	0.9%	949	1.2%	50	7.3%
Total	78,558	97.0%	82,170	96.3%		

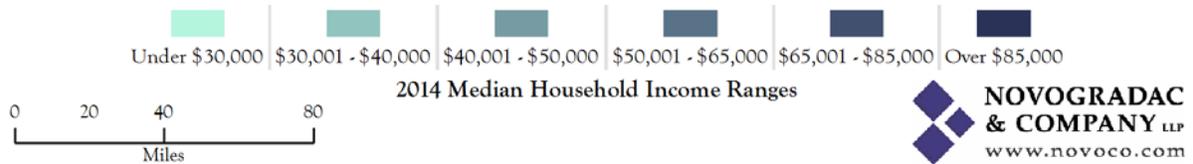
Source: Ribbon Demographics 2014, Novogradac & Company LLP, March 2015

The minimum income limit for the Subject’s LIHTC units will be \$21,771 and the maximum income limit will be \$36,240. This range encompasses a significant portion of the renter households in the HMA.

The map below is a illustrates the annual median household income in the state of Georgia by county.

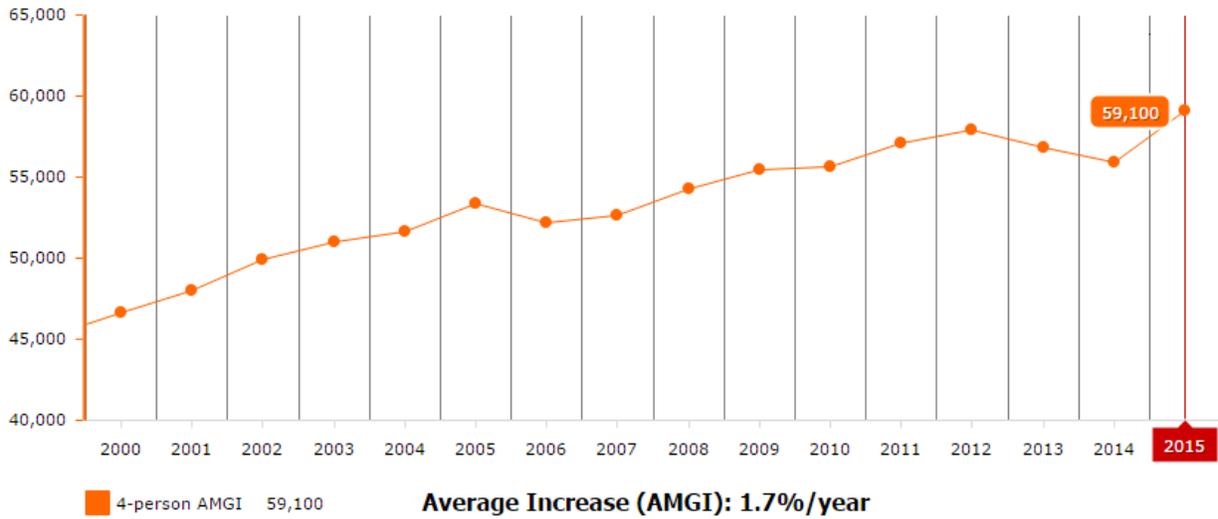


2014 Median Household Income



As depicted in the previous image, median household income in the Subject’s county was between \$30,001 and \$40,000 in 2014.

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



Overall, the AMI has increased by an average of 1.7percent annually between 2000 and 2015. The overall rise in AMI levels indicates a healthy market where lower income households may be priced out by more affluent households. After decreasing steadily since 2012, the AMI increased substantially in 2015 and passed 2012 levels. It should be noted that nationally, 84 percent of counties experienced a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. Additionally, in 2007, HUD switched the data source it used to establish income limits from U.S. Census data to American Community Survey (ACS) data. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. The Subject’s area does not appear to have been affected by this change. The Subject’s proposed rents are set below the 2015 maximum allowable levels for all unit types. Thus, future rental increases will depend primarily on market conditions.

Household Size Distribution

The following tables illustrate the overall household size distribution for the HMA and the MSA.

HMA HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2014		2019	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	15,474	31.8%	18,037	36.3%	18,854	37.1%
2 persons	15,683	32.3%	15,148	30.5%	15,381	30.2%
3 persons	8,034	16.5%	7,722	15.5%	7,846	15.4%
4 persons	5,225	10.8%	4,784	9.6%	4,786	9.4%
5+ persons	4,185	8.6%	4,022	8.1%	4,008	7.9%
Total	48,602	100.0%	49,713	100.0%	50,876	100.0%

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

MSA HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2014		2019	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	45,179	23.8%	60,575	26.8%	64,459	27.1%
2 persons	60,748	32.1%	73,709	32.6%	77,288	32.5%
3 persons	35,514	18.7%	39,820	17.6%	42,032	17.7%
4 persons	28,595	15.1%	29,586	13.1%	30,874	13.0%
5+ persons	19,468	10.3%	22,204	9.8%	23,090	9.7%
Total	189,504	100.0%	225,894	100.0%	237,744	100.0%

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

In the HMA, it appears that the majority of households are between one and two persons, while the MSA contains a greater variety of household sizes.

Renter Household Size Distribution

The following tables illustrates the renter household size distribution for the HMA and the MSA

HMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2014		2019	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	8,442	35.0%	11,347	40.2%	11,925	41.0%
2 persons	6,905	28.6%	7,468	26.5%	7,639	26.3%
3 persons	4,128	17.1%	4,334	15.4%	4,428	15.2%
4 persons	2,476	10.3%	2,660	9.4%	2,674	9.2%
5+ persons	2,180	9.0%	2,395	8.5%	2,401	8.3%
Total	24,130	100.0%	28,203	100.0%	29,066	100.0%

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

SMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2014		2019	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	18,438	31.8%	27,215	34.6%	28,852	35.1%
2 persons	15,757	27.1%	19,737	25.1%	20,545	25.0%
3 persons	10,247	17.7%	13,443	17.1%	14,036	17.1%
4 persons	7,516	12.9%	9,548	12.2%	9,853	12.0%
5+ persons	6,087	10.5%	8,615	11.0%	8,884	10.8%
Total	58,045	100.0%	78,558	100.0%	82,170	100.0%

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

Conclusion

The overall populations for the Housing Market Area (HMA) and MSA are projected to increase over the next five years. Population and households in HMA are expected to grow at a slower rate than the nation, while the MSA is expected to experience faster growth than the nation through 2019. In 2014, renters comprised 56.7 percent of total households in the HMA, significantly higher than the national average. The HMA contains a majority of one and two person households, while the MSA has a greater variety of household sizes. Overall, the positive demographic trends are an indication of growing demand for multifamily units.

3) NEW COMPETITION

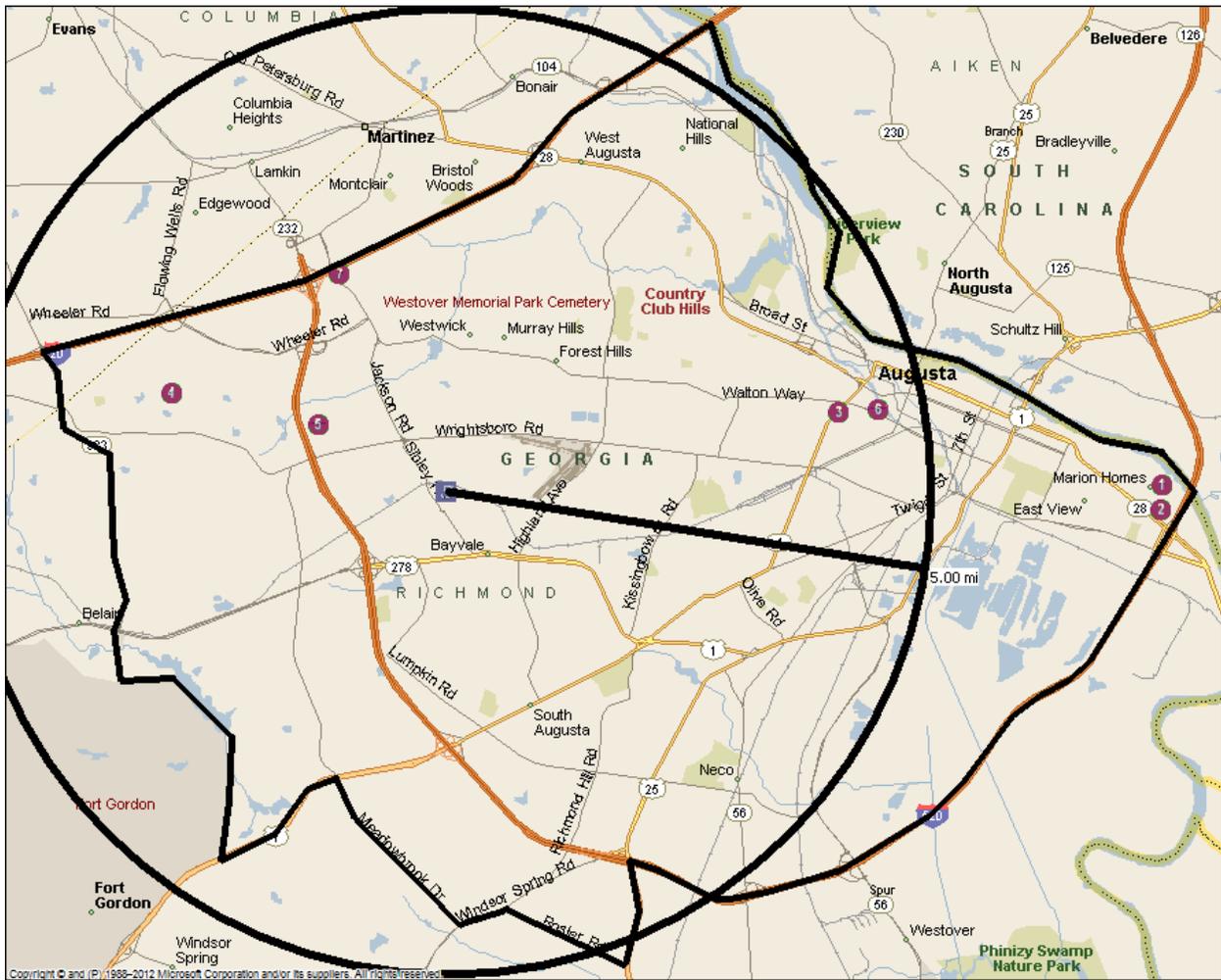
According to the Augusta Planning Department and the Georgia Department of Community Affairs, the HMA has a significant number of multifamily projects in the pipeline, under construction, or recently completed. We have included a map and table for reference.

Map #	Name	Distance from Subject	Tenancy	Type	# of Units	# of Competitive	Estimated Completion	Application Date
1	Walton Oaks Family 2	7.1	Family	LIHTC	106	106	Complete	N/A
2	Legacy Walton Oaks 2	7.1	Senior	LIHTC	62	0	Complete	N/A
3	Freedoms Path	4.2	Veterans	LIHTC	78	0	Fall 2016	N/A
4	Helena Springs Apartments	3.1	Family	Market	250	0	Complete	Sep-13
5	Marks Church Apartments	1.5	Family	Market	108	0	Complete	May-12
6	St. Sabastian Way Apartments	4.6	Family	Market	106	0	Planned	Aug-14
7	Crane Creek Apartments	2.7	Family	Market	300	0	Planned	Oct-14

Source: Augusta Planning and Development Department, Georgia Department of Community Affairs, Novogradac & Company, LLP 4/2015

Only one of the projects, Walton Oaks Family 2, is directly competitive with the Subject. This project contains a total of 106 units. The property is currently still in lease up, at 58 percent occupancy, which equates to 45 units to be absorbed to reach stabilized occupancy. Therefore we have conservatively deducted the 45 vacant units from our demand analysis.

Proposed/Recent Development Map



CURRENT HOUSING MARKET CONDITIONS

CURRENT HOUSING MARKET CONDITIONS

Augusta, like the nation as a whole, appears to be expanding. Unemployment has decreased for the past four years and total employment is currently above prerecession levels.

According to Zillow, the median home value in Augusta is \$78,100. Augusta home values have gone up 2.2 percent over the past year and are expected to increase 1.6 percent over the next year.

1) COMPETITIVE RENTAL INVENTORY

Household Tenure General Population

The table below illustrates the breakdown by household tenure within the HMA.

TENURE PATTERNS HMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	24,472	50.4%	24,130	49.6%
2014	21,510	43.3%	28,203	56.7%
2019	21,810	42.9%	29,066	57.1%

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

As indicated in the previous table, in 2014, renters comprised 56.7 percent of total households, and owners comprised 43.3 percent. It should be noted that this is significantly higher than the national average of renter households of 36.6 percent. The renter percentage is estimated to slightly increase through 2019 in the HMA, and the number of renter households is projected to increase by 863 households.

Building Permits

The following table demonstrates building permit information from 2002 through 2013, the most recent data available for Richmond County.

NUMBER OF BUILDING PERMITS ISSUED

Year	Single-Family	2-4 Units	5+ Units	Total
2002	565	26	323	914
2003	664	0	224	888
2004	829	2	0	831
2005	604	0	0	604
2006	815	0	0	815
2007	448	0	0	448
2008	194	0	56	250
2009	391	0	98	489
2010	371	0	7	378
2011	267	0	0	267
2012	367	11	0	378
2013	445	9	0	454
Total	5,960	48	708	6,716

Source: U.S. Census, 3/23/2015

Single-family homes have accounted for the majority of residential building permits in Richmond County since 2002, with multifamily developments accounting for just 11.3 percent of the residential permits. Permitting activity has decreased significantly since the early 2000's, falling from an average of 750 per year between 2002 and 2007 to 369 per year between 2008 and 2013. However, the number of permits issued in 2013 was the highest level since 2009.

2) RECENT MARKET EXPERIENCE

Survey of Comparable Projects

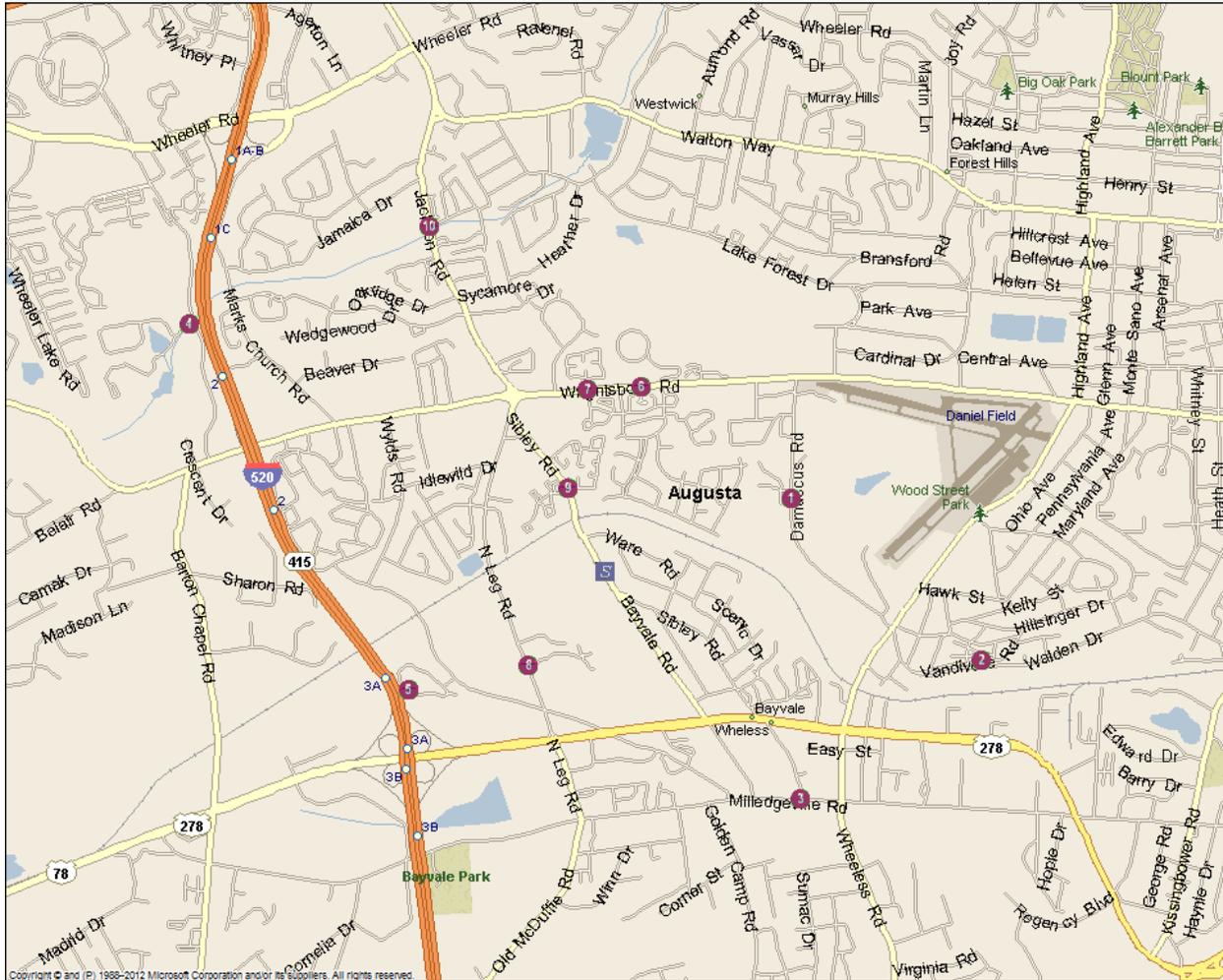
Novogradac performed a competitive analysis of the local rental market. We attempted to compare the Subject to properties from the competing market area to provide a picture of the health and available supply in the market. The Subject will consist of one-, two-, and three-bedroom units. An extensive search for comparable properties was performed within the HMA, and we included eight properties in our analysis.

All of the comparables used are located within 1.6 miles of the Subject, and all are located within the HMA. Further, many of the market rate developments proximate to the Subject are small, older multifamily properties with no on-site management or contact information, and many of these properties were excluded as we were unable to contact a representative at the property.

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry. Additionally, unit size may not be reflective of the appeal of the unit; an example being two apartments with differing floor plans wherein the smaller size unit may appear to be larger to the observer due to floor plan layout and lighting. In some cases where multiple floor plans were available for identical unit sizes, an average unit size and rent was applied.

Provided on the following pages are maps and individual property profiles of the comparable properties used in the rental analysis. In addition, Novogradac has provided summary matrices to facilitate the analysis of the comparable properties.

Comparable Property Map



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Forest Brook	Augusta	LIHTC	0.6 miles
2	Magnolia Park	Augusta	LIHTC	1.3 miles
3	The Crest At Edinburgh	Augusta	LIHTC	1.0 miles
4	Woodlake Club Apartments	Augusta	LIHTC	1.6 miles
5	Champion's Pines	Augusta	Market	0.8 miles
6	Georgian Place	Augusta	Market	0.6 miles
7	Lenox Apartments	Augusta	Market	0.5 miles
8	Vintage Creek Apartments	Augusta	Market	0.4 miles
9	Woodcrest Apartments	Augusta	Market	0.2 miles
10	Woodhill Apartments	Augusta	Market	1.3 miles

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	Gardens At Harvest Point 2045 Sibley Rd Augusta, GA 30909 Richmond County	n/a	Garden (3 stories) 2016 / n/a	@60%	1BR / 1BA	64	25.00%	@60%	\$533	788	no	No	N/A	N/A
					2BR / 2BA	64	25.00%	@60%	\$639	1,140	no	No	N/A	N/A
					2BR / 2BA	64	25.00%	@60%	\$639	1,170	no	No	N/A	N/A
					3BR / 2BA	64	25.00%	@60%	\$723	1,385	no	No	N/A	N/A
						256	100%							
1	Forest Brook 3122 Damascus Road Augusta, GA 30909 Richmond County	0.6 mile	Garden 1984 / 1998	@60%	1BR / 1BA	56	34.80%	@60%	\$450	580	no	No	2	3.60%
					2BR / 1BA	48	29.80%	@60%	\$525	840	no	No	2	4.20%
					2BR / 2BA	48	29.80%	@60%	\$575	916	no	No	2	4.20%
					3BR / 2BA	9	5.60%	@60%	\$725	1,250	no	Yes	0	0.00%
						161	100%							
2	Magnolia Park 2133 Vandivere Road Augusta, GA 30904 Richmond County	1.3 miles	Various 1978 / 1996/2007-2008	@60%	1BR / 1BA (Garden)	13	7.60%	@60%	\$450	710	yes	No	0	0.00%
					2BR / 1BA (Garden)	49	28.70%	@60%	\$485	965	yes	No	1	2.00%
					2BR / 1.5BA (Townhouse)	103	60.20%	@60%	\$504	1,010	yes	No	7	6.80%
					3BR / 2BA (Garden)	6	3.50%	@60%	\$629	1,100	yes	No	0	0.00%
						171	100%							
3	The Crest At Edinburgh 3227 Milledgeville Road Augusta, GA 30909 Richmond County	1 miles	Single Family (2 stories) 2011 / n/a	@50%, @60%	3BR / 2.5BA	6	15.00%	@50%	\$551	1,325	yes	Yes	0	0.00%
					3BR / 2.5BA	24	60.00%	@60%	\$700	1,325	yes	Yes	0	0.00%
					4BR / 2.5BA	2	5.00%	@50%	\$573	1,516	yes	Yes	0	0.00%
					4BR / 2.5BA	8	20.00%	@60%	\$743	1,516	yes	Yes	0	0.00%
						40	100%							
4	Woodlake Club Apartments 1020 Amli Way Augusta, GA 30909 Richmond County	1.6 miles	Garden (3 stories) 2003 / n/a	@60%	1BR / 1BA	44	22.90%	@60%	\$568	822	no	No	1	2.30%
					2BR / 2BA	84	43.80%	@60%	\$681	1,090	no	No	4	4.80%
					3BR / 2BA	40	20.80%	@60%	\$773	1,200	no	No	3	7.50%
					4BR / 3BA	24	12.50%	@60%	\$847	1,400	no	No	2	8.30%
						192	100%							
5	Champion's Pines 1500 Champions Pines Lane Augusta, GA 30909 Richmond County	0.8 miles	Garden (3 stories) 1980s / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$625	500	n/a	No	2	N/A
					1BR / 1BA	N/A	N/A	Market	\$675	700	n/a	No	3	N/A
					2BR / 1BA	N/A	N/A	Market	\$750	900	n/a	No	2	N/A
					2BR / 2BA	N/A	N/A	Market	\$835	1,100	n/a	No	2	N/A
						220	100%							
6	Georgian Place 1700 Valley Park Court Augusta, GA 30909 Richmond County	0.6 miles	Various (2 stories) 1968 / n/a	Market	1BR / 1BA (Garden)	80	24.70%	Market	\$549	715	n/a	No	1	1.30%
					2BR / 1BA (Garden)	100	30.90%	Market	\$599	935	n/a	No	1	1.00%
					2BR / 1.5BA (Townhouse)	40	12.30%	Market	\$699	1,088	n/a	No	0	0.00%
					2BR / 2BA (Garden)	56	17.30%	Market	\$689	1,000	n/a	No	0	0.00%
					3BR / 1.5BA (Garden)	24	7.40%	Market	\$749	1,100	n/a	No	0	0.00%
					3BR / 2BA (Garden)	24	7.40%	Market	\$819	1,200	n/a	No	0	0.00%
						324	100%							
7	Lenox Apartments 3211 Wrightsboro Road Augusta, GA 30909 Richmond County	0.5 miles	Various (2 stories) 1972 / n/a	Market	1BR / 1BA (Garden)	33	17.40%	Market	\$555	645	n/a	No	2	6.10%
					1BR / 1BA (Garden)	33	17.40%	Market	\$569	780	n/a	No	2	6.10%
					2BR / 1.5BA (Townhouse)	20	10.50%	Market	\$709	1,250	n/a	No	2	10.00%
					2BR / 2BA (Garden)	86	45.30%	Market	\$659	1,100	n/a	No	2	2.30%
					3BR / 2BA (Garden)	18	9.50%	Market	\$769	1,300	n/a	No	1	5.60%
	190	100%								9	4.70%			
8	Vintage Creek Apartments 1924 North Leg Road Augusta, GA 30909 Richmond County	0.4 miles	Garden 1970 / n/a	Market	1BR / 1BA	52	50.00%	Market	\$575	884	n/a	No	2	3.80%
					2BR / 1BA	52	50.00%	Market	\$610	984	n/a	No	3	5.80%
						104	100%							
9	Woodcrest Apartments 1811 Sibley Road Augusta, GA 30909 Richmond County	0.2 miles	Garden 1983 / n/a	Market	1BR / 1BA	56	22.60%	Market	\$705	676	n/a	No	2	3.60%
					2BR / 1BA	40	16.10%	Market	\$765	904	n/a	No	2	5.00%
					2BR / 2BA	24	9.70%	Market	\$800	904	n/a	No	2	8.30%
					2BR / 2BA	128	51.60%	Market	\$840	964	n/a	No	4	3.10%
						248	100%							
10	Woodhill Apartments 1355 Jackson Road Augusta, GA 30909 Richmond County	1.3 miles	Garden 1986 / 2008	Market	1BR / 1BA	N/A	N/A	Market	\$750	775	n/a	No	1	N/A
					2BR / 2BA	N/A	N/A	Market	\$859	1,000	n/a	No	3	N/A
					3BR / 2.5BA	N/A	N/A	Market	\$1,005	1,235	n/a	No	0	N/A
						182	100%							

PROPERTY PROFILE REPORT

Gardens At Harvest Point

Effective Rent Date 4/09/2015
Location 2045 Sibley Rd
 Augusta, GA 30909
 Richmond County County
Distance N/A
Units 256
Vacant Units N/A
Vacancy Rate N/A
Type Garden (3 stories)
Year Built/Renovated 2016 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name N/A
Phone N/A



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	64	788	\$533	\$0	@60%	N/A	N/A	N/A	no	None
2	2	Garden (3 stories)	64	1,140	\$639	\$0	@60%	N/A	N/A	N/A	no	None
2	2	Garden (3 stories)	64	1,170	\$639	\$0	@60%	N/A	N/A	N/A	no	None
3	2	Garden (3 stories)	64	1,385	\$723	\$0	@60%	N/A	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$533	\$0	\$533	\$0	\$533
2BR / 2BA	\$639	\$0	\$639	\$0	\$639
3BR / 2BA	\$723	\$0	\$723	\$0	\$723

Gardens At Harvest Point, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

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

Security

None

Services

None

Property

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

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The development is a proposed LIHTC development that will target families. Construction is anticipated to be completed by January 2017.

Gardens At Harvest Point, continued

Trend Report

Vacancy Rates

3Q14	2Q15
N/A	N/A

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$532	\$0	\$532	\$532
2015	2	N/A	\$533	\$0	\$533	\$533

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$637	\$0	\$637	\$637
2015	2	N/A	\$639	\$0	\$639	\$639

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$724	\$0	\$724	\$724
2015	2	N/A	\$723	\$0	\$723	\$723

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$792	\$0	\$792	\$792

Trend: Comments

3Q14 N/A

2Q15 The development is a proposed LIHTC development that will target families. Construction is anticipated to be completed by January 2017.

PROPERTY PROFILE REPORT

Forest Brook

Effective Rent Date	4/13/2015
Location	3122 Damascus Road Augusta, GA 30909 Richmond County
Distance	0.6 miles
Units	161
Vacant Units	6
Vacancy Rate	3.7%
Type	Garden
Year Built/Renovated	1984 / 1998
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fox Den, Governor's Place, Georgian Place
Tenant Characteristics	70% families, balance is split between older and persons from the VA program. Avg household is 2.5 persons, avg age is 32, avg income is \$18,000
Contact Name	Nikki
Phone	706-250-5326



Market Information

Program	@60%
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	56	580	\$450	\$0	@60%	No	2	3.6%	no	None
2	1	Garden	48	840	\$525	\$0	@60%	No	2	4.2%	no	None
2	2	Garden	48	916	\$575	\$0	@60%	No	2	4.2%	no	None
3	2	Garden	9	1,250	\$725	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$450	\$0	\$450	\$0	\$450
2BR / 1BA	\$525	\$0	\$525	\$0	\$525
2BR / 2BA	\$575	\$0	\$575	\$0	\$575
3BR / 2BA	\$725	\$0	\$725	\$0	\$725

Forest Brook, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Walk-In Closet

Carpeting
Coat Closet
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Security

Limited Access
Patrol
Perimeter Fencing
Video Surveillance

Services

None

Property

Car Wash
Central Laundry
On-Site Management
Playground

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact indicated that the waiting list is currently only for three-bedroom units and consists of 10 households.

Forest Brook, continued

Trend Report

Vacancy Rates

4Q12	3Q14	1Q15	2Q15
0.0%	2.5%	5.0%	3.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$450	\$0	\$450	\$450
2014	3	0.0%	\$450	\$0	\$450	\$450
2015	1	7.1%	\$450	\$0	\$450	\$450
2015	2	3.6%	\$450	\$0	\$450	\$450

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$525	\$0	\$525	\$525
2014	3	4.2%	\$525	\$0	\$525	\$525
2015	1	2.1%	\$525	\$0	\$525	\$525
2015	2	4.2%	\$525	\$0	\$525	\$525

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$550	\$0	\$550	\$550
2014	3	4.2%	\$550	\$0	\$550	\$550
2015	1	6.2%	\$563	\$0	\$563	\$563
2015	2	4.2%	\$575	\$0	\$575	\$575

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$675	\$0	\$675	\$675
2014	3	0.0%	\$675	\$0	\$675	\$675
2015	1	0.0%	\$725	\$0	\$725	\$725
2015	2	0.0%	\$725	\$0	\$725	\$725

Trend: Comments

- 4Q12** The management indicated that there is a 10 household waiting list for the one-bedroom units, eight households for the two-bedroom units, and 20 households for the three-bedroom units.
- 3Q14** The contact indicated that there is a total of 15 households on the waiting list with the highest demand for the one and three bedroom units in particular. All vacant units are preleased at this time.
- 1Q15** The contact indicated that the waiting list is currently only for three-bedroom units and has 10 households on it. The contact added that the three-bedroom units are rarely vacant due to the low amount offered at the property. The contact reported that rents on two-bedroom units are between \$550 and \$575. The reason for the price discrepancy is because some units received new cabinetry. The contact reported that vacancy at the property is typical for the winter season, and that the vacancy on the two-bedroom unit with one bathroom is currently pre-leased. The contact estimated that the property offers two parking spaces per unit. Rents increased seven percent on three-bedroom units and four percent on two-bedroom, two-bathroom units since our last interview in September 2014.
- 2Q15** The contact indicated that the waiting list is currently only for three-bedroom units and consists of 10 households.

PROPERTY PROFILE REPORT

Magnolia Park

Effective Rent Date	4/13/2015
Location	2133 Vandivere Road Augusta, GA 30904 Richmond County
Distance	1.3 miles
Units	171
Vacant Units	8
Vacancy Rate	4.7%
Type	Various
Year Built/Renovated	1978 / 1996/2007-2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cedar Woods, Cedar Grove
Tenant Characteristics	Mostly from Augusta; Some from Florida, veterans
Contact Name	Mandy
Phone	706-738-9912



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	60%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	Reduced rents on select units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	13	710	\$450	\$0	@60%	No	0	0.0%	yes	None
2	1	Garden	49	965	\$485	\$0	@60%	No	1	2.0%	yes	None
2	1.5	Townhouse	103	1,010	\$525	\$21	@60%	No	7	6.8%	yes	None
3	2	Garden	6	1,100	\$650	\$21	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$450	\$0	\$450	\$0	\$450
2BR / 1BA	\$485	\$0	\$485	\$0	\$485
2BR / 1.5BA	\$525	\$21	\$504	\$0	\$504
3BR / 2BA	\$650	\$21	\$629	\$0	\$629

Magnolia Park, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Refrigerator
Washer/Dryer hookup

Carpeting
Dishwasher
Oven
Walk-In Closet

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Comments

Most of the vacant units have typically been in the two-bedroom units. The contact confirmed that many applicants are over the income limits for that particular unit type.

Magnolia Park, continued

Trend Report

Vacancy Rates

4Q12	3Q14	1Q15	2Q15
17.0%	12.3%	6.4%	4.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$400	\$0	\$400	\$400
2014	3	0.0%	\$450	\$0	\$450	\$450
2015	1	0.0%	\$450	\$0	\$450	\$450
2015	2	0.0%	\$450	\$0	\$450	\$450

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	19.1%	\$485 - \$525	\$0	\$485 - \$525	\$485 - \$525
2014	3	19.4%	\$525	\$21	\$504	\$504
2015	1	8.7%	\$525	\$21	\$504	\$504
2015	2	6.8%	\$525	\$21	\$504	\$504

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$485	\$0	\$485	\$485
2015	1	2.0%	\$485	\$0	\$485	\$485
2015	2	2.0%	\$485	\$0	\$485	\$485

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$615	\$0	\$615	\$615
2014	3	16.7%	\$650	\$21	\$629	\$629
2015	1	16.7%	\$650	\$21	\$629	\$629
2015	2	0.0%	\$650	\$21	\$629	\$629

Trend: Comments

4Q12	The contact reported that only the two-bedroom units currently have vacancies. There is significant demand for the one-bedroom units as they are rarely vacant. Only townhouse units and three-bedroom units offer washer/dryer connections. The contact estimated the year built to be 1978.
3Q14	The contact reported typical occupancy has ranged between 85 and 90 percent during the past few years. Most of the vacant units are in the two-bedroom units consistently. The contact reported many applicants are over the income limits for that particular unit type. She added that the property would benefit from offering more one bedroom units as there is strong demand for those unit types.
1Q15	The contact confirmed that typical occupancy has ranged between 85 and 90 percent during the past few years. Most of the vacant units are in the two-bedroom units. The contact confirmed that many applicants are over the income limits for that particular unit type. The contact reported that the property offers approximately two parking spaces per unit. The contact added that demand for affordable housing in the area is strong.
2Q15	Most of the vacant units have typically been in the two-bedroom units. The contact confirmed that many applicants are over the income limits for that particular unit type.

PROPERTY PROFILE REPORT

The Crest At Edinburgh

Effective Rent Date 4/13/2015

Location 3227 Milledgeville Road
Augusta, GA 30909
Richmond County
Intersection: Milledgeville Rd and Bayvale Rd

Distance 1 mile

Units 40

Vacant Units 0

Vacancy Rate 0.0%

Type Single Family (2 stories)

Year Built/Renovated 2011 / N/A

Marketing Began N/A

Leasing Began 12/14/2011

Last Unit Leased 12/14/2011

Major Competitors Woodbridge

Tenant Characteristics Families from Augusta.

Contact Name Cheryl

Phone 706-504-9114



Market Information

Program @50%, @60%

Annual Turnover Rate 22%

Units/Month Absorbed 40

HCV Tenants 40%

Leasing Pace Pre-leased

Annual Chg. in Rent Increase 1% March 2015

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- other

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2.5	Single Family (2 stories)	6	1,325	\$477	\$0	@50%	Yes	0	0.0%	yes	None
3	2.5	Single Family (2 stories)	24	1,325	\$626	\$0	@60%	Yes	0	0.0%	yes	None
4	2.5	Single Family (2 stories)	2	1,516	\$486	\$0	@50%	Yes	0	0.0%	yes	None
4	2.5	Single Family (2 stories)	8	1,516	\$656	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2.5BA	\$477	\$0	\$477	\$74	\$551	3BR / 2.5BA	\$626	\$0	\$626	\$74	\$700
4BR / 2.5BA	\$486	\$0	\$486	\$87	\$573	4BR / 2.5BA	\$656	\$0	\$656	\$87	\$743

The Crest At Edinburgh, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Oven
Vaulted Ceilings

Security

Perimeter Fencing
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Central Laundry
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

None

Comments

The property maintains a waiting list of approximately 25 households.

The Crest At Edinburgh, continued

Trend Report

Vacancy Rates

1Q13	2Q13	3Q14	2Q15
0.0%	0.0%	0.0%	0.0%

Trend: @50%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$450	\$0	\$450	\$524
2013	2	0.0%	\$450	\$0	\$450	\$524
2014	3	0.0%	\$472	\$0	\$472	\$546
2015	2	0.0%	\$477	\$0	\$477	\$551

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$461	\$0	\$461	\$548
2013	2	0.0%	\$461	\$0	\$461	\$548
2014	3	0.0%	\$482	\$0	\$482	\$569
2015	2	0.0%	\$486	\$0	\$486	\$573

Trend: @60%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$600	\$0	\$600	\$674
2013	2	0.0%	\$600	\$0	\$600	\$674
2014	3	0.0%	\$622	\$0	\$622	\$696
2015	2	0.0%	\$626	\$0	\$626	\$700

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$629	\$0	\$629	\$716
2013	2	0.0%	\$629	\$0	\$629	\$716
2014	3	0.0%	\$649	\$0	\$649	\$736
2015	2	0.0%	\$656	\$0	\$656	\$743

Trend: Comments

1Q13 The property maintains a waiting list of approximately 200 households; however, only 40 households have paid application fees. The application fee is \$50. In general, the contact indicated that the need for affordable housing in the area is strong. According to the property manager, all of the units were occupied shortly after the property received its certificate of occupancy.

The property utilizes the public housing authority's utility allowances, which are above market rates. For example, the property manager noted that the average utility costs for the four-bedroom units is \$379 per month. However, it would decrease to \$120 per month if market rates were utilized. If the allowances were to change at the property, the property manager indicated that management could easily increase rents and still maintain 100 percent occupancy.

Over the past year, rents for the three-bedroom units at 50 and 60 percent AMI did not change. The four-bedroom rents restricted at the 60 percent AMI increased 0.2 percent and 0.7 percent for the 60 percent AMI units.

In terms of amenities, two of the units are handicap accessible, and those units are single-story buildings. The vaulted ceilings are only available in the two-story units. All of the units have driveways with two parking spaces and energy-efficient appliances. Lastly, all of the units have solar panels which power the water heat.

2Q13 The property maintains a waiting list of approximately 150 households; however, only 10 households have paid the \$50 application fee. In general, the contact indicated that the need for affordable housing in the area is strong, and that rent at the 60 percent level is achievable. According to the property manager, all of the units were leased by the time the property was issued a certificate of occupancy.

Over the past year, rents for the three-bedroom units at 50 and 60 percent AMI did not change. The four-bedroom rents increased 0.2 percent and 0.7 percent, respectively, for 50 and 60 percent AMI restrictions.

In terms of amenities, two of the units are handicap accessible, and those units are single-story buildings. The vaulted ceilings are only available in the two-story units. All of the units have driveways with two parking spaces and energy-efficient appliances. Lastly, all of the units have solar panels for water heat.

The exercise facility is shared with the Terrace at Edinburgh, the property's adjacent sister property.

3Q14 The property maintains a waiting list of approximately 50 households.

2Q15 The property maintains a waiting list of approximately 25 households.

PROPERTY PROFILE REPORT

Woodlake Club Apartments

Effective Rent Date 4/13/2015
Location 1020 Amlie Way
 Augusta, GA 30909
 Richmond County
Distance 1.6 miles
Units 192
Vacant Units 10
Vacancy Rate 5.2%
Type Garden (3 stories)
Year Built/Renovated 2003 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None Identified
Tenant Characteristics Mixed tenancy; families and 10% seniors, mostly from the area
Contact Name Claudia
Phone (706) 210-0057



Market Information

Program @60%
Annual Turnover Rate 33%
Units/Month Absorbed 32
HCV Tenants 2%
Leasing Pace Within two weeks
Annual Chg. in Rent Decrease 1% on all units
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	44	822	\$568	\$0	@60%	No	1	2.3%	no	None
2	2	Garden (3 stories)	84	1,090	\$681	\$0	@60%	No	4	4.8%	no	None
3	2	Garden (3 stories)	40	1,200	\$773	\$0	@60%	No	3	7.5%	no	None
4	3	Garden (3 stories)	24	1,400	\$847	\$0	@60%	No	2	8.3%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$568	\$0	\$568	\$0	\$568
2BR / 2BA	\$681	\$0	\$681	\$0	\$681
3BR / 2BA	\$773	\$0	\$773	\$0	\$773
4BR / 3BA	\$847	\$0	\$847	\$0	\$847

Woodlake Club Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Microwave
Refrigerator

Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Security

Limited Access
Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
Off-Street Parking
Playground

Premium

None

Other

None

Comments

None

Woodlake Club Apartments, continued

Trend Report

Vacancy Rates

2Q14	3Q14	1Q15	2Q15
1.0%	3.6%	5.2%	5.2%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$557	\$0	\$557	\$557
2014	3	0.0%	\$557	\$0	\$557	\$557
2015	1	2.3%	\$555	\$0	\$555	\$555
2015	2	2.3%	\$568	\$0	\$568	\$568

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	1.2%	\$667	\$0	\$667	\$667
2014	3	2.4%	\$667	\$0	\$667	\$667
2015	1	1.2%	\$666	\$0	\$666	\$666
2015	2	4.8%	\$681	\$0	\$681	\$681

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	2.5%	\$756	\$0	\$756	\$756
2014	3	10.0%	\$756	\$0	\$756	\$756
2015	1	12.5%	\$754	\$25	\$729	\$729
2015	2	7.5%	\$773	\$0	\$773	\$773

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$822	\$0	\$822	\$822
2014	3	4.2%	\$829	\$0	\$829	\$829
2015	1	12.5%	\$826	\$0	\$826	\$826
2015	2	8.3%	\$847	\$0	\$847	\$847

Trend: Comments

2Q14	The property does not have any competition in the immediate area and tenants are mostly families, but there are also some seniors at the property. Although the property does not have a waiting list, traffic is sufficient to ensure that units are generally leased within a few weeks and concessions are not necessary in order to maintain a high occupancy level. Management indicated that the rents are above the current Housing Choice Voucher payment standard for Richmond County and as a result the property does not have any Housing Choice Voucher Tenants.
3Q14	The property accepts Housing Vouchers but there are none utilized at this time.
1Q15	The contact confirmed that the property accepts Housing Choice Vouchers, but there are currently no tenants utilizing vouchers at the property. Occupancy at the property is reported as typical for the winter season, and one four-bedroom vacancy has an application pending. The current concession is \$300 off of the first month of rent on three-bedroom units only. The contact reported that the concession will be offered until all three-bedroom units are leased. The contact reported that the rents decreased because of a recent change in utility allowances. The contact reported that parking at the property is offered at no additional charge and estimated that there are approximately two spaces per unit available.
2Q15	N/A

PROPERTY PROFILE REPORT

Champion's Pines

Effective Rent Date 4/13/2015
Location 1500 Champions Pines Lane
 Augusta, GA 30909
 Richmond County
Distance 0.8 miles
Units 220
Vacant Units 9
Vacancy Rate 4.1%
Type Garden (3 stories)
Year Built/Renovated 1980s / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None Identified
Tenant Characteristics Diverse mix
Contact Name Brad
Phone (706) 733-1600



Market Information

Program Market
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 1%
Leasing Pace 1 week
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	500	\$625	\$0	Market	No	2	N/A	N/A	None
1	1	Garden (3 stories)	N/A	700	\$675	\$0	Market	No	3	N/A	N/A	None
2	1	Garden (3 stories)	N/A	900	\$750	\$0	Market	No	2	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,100	\$835	\$0	Market	No	2	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625 - \$675	\$0	\$625 - \$675	\$0	\$625 - \$675
2BR / 1BA	\$750	\$0	\$750	\$0	\$750
2BR / 2BA	\$835	\$0	\$835	\$0	\$835

Champion's Pines, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Fireplace
Oven
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
Hot Tub
Off-Street Parking
Swimming Pool

Exercise Facility
Central Laundry
On-Site Management
Tennis Court

Premium

None

Other

None

Comments

The contact reported current occupancy rates have been typical during the past year. A unit mix was not provided but the contact noted one-bedrooms make up the majority of the units.

Champion's Pines, continued

Trend Report

Vacancy Rates

2Q08	3Q09	3Q14	2Q15
0.5%	3.2%	4.1%	4.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$535 - \$695	\$0	\$535 - \$695	\$535 - \$695
2009	3	N/A	\$575 - \$630	\$0	\$575 - \$630	\$575 - \$630
2014	3	N/A	\$605 - \$660	\$0	\$605 - \$660	\$605 - \$660
2015	2	N/A	\$625 - \$675	\$0	\$625 - \$675	\$625 - \$675

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$755	\$0	\$755	\$755
2009	3	N/A	\$758	\$0	\$758	\$758
2014	3	N/A	\$780	\$0	\$780	\$780
2015	2	N/A	\$750	\$0	\$750	\$750

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$835	\$0	\$835	\$835
2015	2	N/A	\$835	\$0	\$835	\$835

Trend: Comments

2Q08	The contact could not comment on market characteristics.
3Q09	Management noted that rents on the two-bedroom units have decreased by 10 percent and rents on the one-bedroom units have increased by eight percent. Management reported that the increased vacancy is due to the economy.
3Q14	The contact reported current occupancy rates have been typical during the past year.
2Q15	The contact reported current occupancy rates have been typical during the past year. A unit mix was not provided but the contact noted one-bedrooms make up the majority of the units.

PROPERTY PROFILE REPORT

Georgian Place

Effective Rent Date	4/23/2015
Location	1700 Valley Park Court Augusta, GA 30909 Richmond County
Distance	0.6 miles
Units	324
Vacant Units	2
Vacancy Rate	0.6%
Type	Various (2 stories)
Year Built/Renovated	1968 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Several tenants are military personnel from Fort Gordon
Contact Name	Adina
Phone	706-733-7829



Market Information

Program	Market
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-lease
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	80	715	\$549	\$0	Market	No	1	1.3%	N/A	None
2	1	Garden	100	935	\$599	\$0	Market	No	1	1.0%	N/A	None
2	1.5	Townhouse	40	1,088	\$699	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden	56	1,000	\$689	\$0	Market	No	0	0.0%	N/A	None
3	1.5	Garden	24	1,100	\$749	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden	24	1,200	\$819	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$549	\$0	\$549	\$0	\$549
2BR / 1BA	\$599	\$0	\$599	\$0	\$599
2BR / 1.5BA	\$699	\$0	\$699	\$0	\$699
2BR / 2BA	\$689	\$0	\$689	\$0	\$689
3BR / 1.5BA	\$749	\$0	\$749	\$0	\$749
3BR / 2BA	\$819	\$0	\$819	\$0	\$819

Georgian Place, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

Perimeter Fencing

Services

None

Property

Central Laundry
On-Site Management
Swimming Pool

Off-Street Parking
Playground
Tennis Court

Premium

None

Other

None

Comments

This is an older but adequately maintained market rate property. The contact reported overall occupancy at the property has remained above 95 percent during the past six months. The property has never been extensively renovated.

Georgian Place, continued

Trend Report

Vacancy Rates

1Q13	2Q14	3Q14	2Q15
0.6%	0.3%	2.8%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$549	\$0	\$549	\$549
2014	2	0.0%	\$549	\$0	\$549	\$549
2014	3	0.0%	\$549	\$0	\$549	\$549
2015	2	1.3%	\$549	\$0	\$549	\$549

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$699	\$0	\$699	\$699
2014	2	0.0%	\$699	\$0	\$699	\$699
2014	3	0.0%	\$699	\$0	\$699	\$699
2015	2	0.0%	\$699	\$0	\$699	\$699

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$599	\$0	\$599	\$599
2014	2	0.0%	\$599	\$0	\$599	\$599
2014	3	5.0%	\$599	\$0	\$599	\$599
2015	2	1.0%	\$599	\$0	\$599	\$599

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$689	\$0	\$689	\$689
2014	2	0.0%	\$689	\$0	\$689	\$689
2014	3	5.4%	\$689	\$0	\$689	\$689
2015	2	0.0%	\$689	\$0	\$689	\$689

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	0.0%	\$749	\$0	\$749	\$749
2014	2	4.2%	\$749	\$0	\$749	\$749
2014	3	4.2%	\$749	\$0	\$749	\$749
2015	2	0.0%	\$749	\$0	\$749	\$749

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	8.3%	\$819	\$0	\$819	\$819
2014	2	0.0%	\$819	\$0	\$819	\$819
2014	3	0.0%	\$819	\$0	\$819	\$819
2015	2	0.0%	\$819	\$0	\$819	\$819

Georgian Place, continued

Trend: Comments

1Q13	Rents increased across the board by \$20.
2Q14	This is an older but well maintained property that is nearly fully leased. According to the manager, Housing Choice Vouchers are not accepted.
3Q14	N/A
2Q15	This is an older but adequately maintained market rate property. The contact reported overall occupancy at the property has remained above 95 percent during the past six months. The property has never been extensively renovated.

PROPERTY PROFILE REPORT

Lenox Apartments

Effective Rent Date	4/13/2015
Location	3211 Wrightsboro Road Augusta, GA 30909 Richmond County
Distance	0.5 miles
Units	190
Vacant Units	9
Vacancy Rate	4.7%
Type	Various (2 stories)
Year Built/Renovated	1972 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Georgian Place
Tenant Characteristics	50% from Augusta; some from Evan, Martinez, a lot of military tenants
Contact Name	Jasmine
Phone	(706) 736-8428



Market Information

Program	Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Varies
Annual Chg. in Rent	Increase <1%-2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	33	645	\$555	\$0	Market	No	2	6.1%	N/A	None
1	1	Garden	33	780	\$569	\$0	Market	No	2	6.1%	N/A	None
2	1.5	Townhouse	20	1,250	\$709	\$0	Market	No	2	10.0%	N/A	None
2	2	Garden	86	1,100	\$659	\$0	Market	No	2	2.3%	N/A	None
3	2	Garden	18	1,300	\$769	\$0	Market	No	1	5.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$555 - \$569	\$0	\$555 - \$569	\$0	\$555 - \$569
2BR / 1.5BA	\$709	\$0	\$709	\$0	\$709
2BR / 2BA	\$659	\$0	\$659	\$0	\$659
3BR / 2BA	\$769	\$0	\$769	\$0	\$769

Lenox Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Refrigerator

Blinds
Central A/C
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Swimming Pool

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The contact reported current occupancy rates have been consistent during the past 12 to 18 months.

Lenox Apartments, continued

Trend Report

Vacancy Rates

4Q12	1Q13	3Q14	2Q15
14.9%	8.9%	9.5%	4.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$535 - \$545	\$0	\$535 - \$545	\$535 - \$545
2013	1	N/A	\$545 - \$555	\$0	\$545 - \$555	\$545 - \$555
2014	3	N/A	\$555 - \$569	\$0	\$555 - \$569	\$555 - \$569
2015	2	6.1%	\$555 - \$569	\$0	\$555 - \$569	\$555 - \$569

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$695	\$0	\$695	\$695
2013	1	N/A	\$695	\$0	\$695	\$695
2014	3	N/A	\$709	\$0	\$709	\$709
2015	2	10.0%	\$709	\$0	\$709	\$709

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$655	\$0	\$655	\$655
2013	1	N/A	\$665	\$0	\$665	\$665
2014	3	N/A	\$659	\$0	\$659	\$659
2015	2	2.3%	\$659	\$0	\$659	\$659

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$755	\$0	\$755	\$755
2013	1	N/A	\$765	\$0	\$765	\$765
2014	3	N/A	\$769	\$0	\$769	\$769
2015	2	5.6%	\$769	\$0	\$769	\$769

Trend: Comments

4Q12	The management was unable to provide an explanation for the high vacancy rate.
1Q13	Turnover is high at the property because of the military tenancy.
3Q14	The contact reported current occupancy rates have been consistent during the past 12 to 18 months.
2Q15	N/A

Vintage Creek Apartments, continued

Trend Report

Vacancy Rates

2Q07	3Q09	3Q14	2Q15
1.9%	8.7%	2.9%	4.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	N/A	\$445	\$0	\$445	\$445
2009	3	N/A	\$485	\$0	\$485	\$485
2014	3	N/A	\$565	\$0	\$565	\$565
2015	2	3.8%	\$575	\$0	\$575	\$575

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	N/A	\$495	\$0	\$495	\$495
2009	3	N/A	\$525	\$0	\$525	\$525
2014	3	N/A	\$610	\$0	\$610	\$610
2015	2	5.8%	\$610	\$0	\$610	\$610

Trend: Comments

2Q07	Management could not estimate turnover but stated that they are 97 percent occupied. There are no community amenities except for a central laundry facility and off-street parking.
3Q09	Contact indicated that management were not offering any concessions at the time of the survey. Contact did state that one of the vacant units have a pending application.
3Q14	N/A
2Q15	N/A

PROPERTY PROFILE REPORT

Woodcrest Apartments

Effective Rent Date 4/14/2015
Location 1811 Sibley Road
 Augusta, GA 30909
 Richmond County
Distance 0.2 miles
Units 248
Vacant Units 10
Vacancy Rate 4.0%
Type Garden
Year Built/Renovated 1983 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None Identified
Tenant Characteristics Would not disclose
Contact Name Jennifer
Phone (706) 737-4548



Market Information

Program Market
Annual Turnover Rate 33%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 1 week
Annual Chg. in Rent Increase 2%-3%
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	56	676	\$705	\$0	Market	No	2	3.6%	N/A	None
2	1	Garden	40	904	\$765	\$0	Market	No	2	5.0%	N/A	None
2	2	Garden	24	904	\$800	\$0	Market	No	2	8.3%	N/A	None
2	2	Garden	128	964	\$840	\$0	Market	No	4	3.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$705	\$0	\$705	\$0	\$705
2BR / 1BA	\$765	\$0	\$765	\$0	\$765
2BR / 2BA	\$800 - \$840	\$0	\$800 - \$840	\$0	\$800 - \$840

Amenities

In-Unit

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

Security

Patrol

Services

None

Property

Central Laundry
 On-Site Management
 Swimming Pool
 Volleyball Court
 Off-Street Parking
 Picnic Area
 Tennis Court

Premium

None

Other

Fishing pond

Woodcrest Apartments, continued

Comments

The contact reported typical occupancy ranges between 94 and 97 percent.

Woodcrest Apartments, continued

Trend Report

Vacancy Rates

2Q08	3Q09	3Q14	2Q15
0.8%	1.6%	4.0%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$559	\$0	\$559	\$559
2009	3	N/A	\$574	\$0	\$574	\$574
2014	3	N/A	\$679	\$0	\$679	\$679
2015	2	3.6%	\$705	\$0	\$705	\$705

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	3	N/A	\$664	\$0	\$664	\$664
2014	3	N/A	\$734	\$0	\$734	\$734
2015	2	5.0%	\$765	\$0	\$765	\$765

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$669 - \$689	\$0	\$669 - \$689	\$669 - \$689
2009	3	N/A	\$704	\$0	\$704	\$704
2014	3	N/A	\$769 - \$779	\$0	\$769 - \$779	\$769 - \$779
2015	2	3.9%	\$800 - \$840	\$0	\$800 - \$840	\$800 - \$840

Trend: Comments

2Q08	The contact could not comment on market characteristics. Information on the property can be found at www.woodcrestaugusta.com
3Q09	Management reported that the one-bedroom and two-bedroom, two bath rents have increased by two percent. The rents on the two-bedroom, one bath units have decreased by one percent. Management reported that the local conventional rental market has softened due to the current economic recession.
3Q14	The contact reported typical occupancy ranges between 94 and 97 percent at the property.
2Q15	The contact reported typical occupancy ranges between 94 and 97 percent.

PROPERTY PROFILE REPORT

Woodhill Apartments

Effective Rent Date 4/13/2015
Location 1355 Jackson Road
 Augusta, GA 30909
 Richmond County County
Distance 1.3 miles
Units 182
Vacant Units 4
Vacancy Rate 2.2%
Type Garden
Year Built/Renovated 1986 / 2008
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors The Traditions
Tenant Characteristics Mixed local tenancy
Contact Name Holly
Phone 706-738-2268



Market Information

Program Market
Annual Turnover Rate 28%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace N/A
Annual Chg. in Rent Increase 2%-3%
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	775	\$750	\$0	Market	No	1	N/A	N/A	None
2	2	Garden	N/A	1,000	\$859	\$0	Market	No	3	N/A	N/A	None
3	2.5	Garden	N/A	1,235	\$1,005	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750	\$0	\$750	\$0	\$750
2BR / 2BA	\$859	\$0	\$859	\$0	\$859
3BR / 2.5BA	\$1,005	\$0	\$1,005	\$0	\$1,005

Woodhill Apartments, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Fireplace
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Tennis Court

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact reported overall occupancy has remained above 95 percent during the past six to nine months. Basic cable is included in the rent.

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.								
Effective Rent Date:		Apr-15	Units Surveyed:		1832	Weighted Occupancy:	96.60%	
			Market Rate		1268	Market Rate		96.90%
			Tax Credit		564	Tax Credit		95.70%
One Bedroom One Bath			Two Bedrooms Two Bath			Three Bedrooms Two Bath		
	Property	Average	Property	Average	Property	Average		Average
RENT	Woodhill Apartments	\$750	Woodhill Apartments	\$859	Woodhill Apartments (2.5BA)	\$1,005		
	Woodcrest Apartments	\$705	Woodcrest Apartments	\$840	Georgian Place	\$819		
	Champion's Pines	\$675	Champion's Pines	\$835	Woodlake Club Apartments * (60%)	\$773		
	Champion's Pines	\$625	Woodcrest Apartments	\$800	Lenox Apartments	\$769		
	Vintage Creek Apartments	\$575	Georgian Place	\$689	Forest Brook * (60%)	\$725		
	Lenox Apartments	\$569	Woodlake Club Apartments * (60%)	\$681	Gardens At Harvest Point * (60%)	\$723		
	Woodlake Club Apartments * (60%)	\$568	Lenox Apartments	\$659	The Crest At Edinburgh * (2.5BA 60%)	\$700		
	Lenox Apartments	\$555	Gardens At Harvest Point * (60%)	\$639	Magnolia Park * (60%)	\$629		
	Georgian Place	\$549	Gardens At Harvest Point * (60%)	\$639	The Crest At Edinburgh * (2.5BA 50%)	\$551		
	Gardens At Harvest Point * (60%)	\$533	Vintage Creek Apartments (1BA)	\$610				
	Forest Brook * (60%)	\$450	Forest Brook * (60%)	\$575				
	Magnolia Park * (60%)	\$450	Magnolia Park * (1.5BA 60%)	\$504				
	SQUARE FOOTAGE	Vintage Creek Apartments	884	Gardens At Harvest Point * (60%)	1,170	Gardens At Harvest Point * (60%)	1,385	
Woodlake Club Apartments * (60%)		822	Gardens At Harvest Point * (60%)	1,140	The Crest At Edinburgh * (2.5BA 50%)	1,325		
Gardens At Harvest Point * (60%)		788	Champion's Pines	1,100	The Crest At Edinburgh * (2.5BA 60%)	1,325		
Lenox Apartments		780	Lenox Apartments	1,100	Lenox Apartments	1,300		
Woodhill Apartments		775	Woodlake Club Apartments * (60%)	1,090	Forest Brook * (60%)	1,250		
Georgian Place		715	Magnolia Park * (1.5BA 60%)	1,010	Woodhill Apartments (2.5BA)	1,235		
Magnolia Park * (60%)		710	Georgian Place	1,000	Woodlake Club Apartments * (60%)	1,200		
Champion's Pines		700	Woodhill Apartments	1,000	Georgian Place	1,200		
Woodcrest Apartments		676	Vintage Creek Apartments (1BA)	984	Magnolia Park * (60%)	1,100		
Lenox Apartments		645	Woodcrest Apartments	964				
Forest Brook * (60%)		580	Forest Brook * (60%)	916				
Champion's Pines		500	Woodcrest Apartments	904				
RENT PER SQUARE FOOT		Champion's Pines	\$1.25	Woodcrest Apartments	\$0.88	Woodhill Apartments (2.5BA)	\$0.81	
	Woodcrest Apartments	\$1.04	Woodcrest Apartments	\$0.87	Georgian Place	\$0.68		
	Woodhill Apartments	\$0.97	Woodhill Apartments	\$0.86	Woodlake Club Apartments * (60%)	\$0.64		
	Champion's Pines	\$0.96	Champion's Pines	\$0.76	Lenox Apartments	\$0.59		
	Lenox Apartments	\$0.86	Georgian Place	\$0.69	Forest Brook * (60%)	\$0.58		
	Forest Brook * (60%)	\$0.78	Forest Brook * (60%)	\$0.63	Magnolia Park * (60%)	\$0.57		
	Georgian Place	\$0.77	Woodlake Club Apartments * (60%)	\$0.62	The Crest At Edinburgh * (2.5BA 60%)	\$0.53		
	Lenox Apartments	\$0.73	Vintage Creek Apartments (1BA)	\$0.62	Gardens At Harvest Point * (60%)	\$0.52		
	Woodlake Club Apartments * (60%)	\$0.69	Lenox Apartments	\$0.60	The Crest At Edinburgh * (2.5BA 50%)	\$0.42		
	Gardens At Harvest Point * (60%)	\$0.68	Gardens At Harvest Point * (60%)	\$0.56				
Vintage Creek Apartments	\$0.65	Gardens At Harvest Point * (60%)	\$0.55					
Magnolia Park * (60%)	\$0.63	Magnolia Park * (1.5BA 60%)	\$0.50					

PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

We included ten developments located within 1.6 miles of the Subject. Seven of the comparables are located within one mile of the Subject. All of the comparables are located within the HMA and the city of Augusta, and offer a similar location compared to the Subject.

Size, Age and Condition

The comparable properties offer between 40 and 324 units, with an average size of 183 units. The Subject, with 256 units, is considered to be a larger than average development within the Subject's area.

The Subject will be completed in 2017 and will exhibit excellent condition. The LIHTC comparables were constructed between 1984 and 2011 and are average to excellent condition. The Crest at Edinburgh is the most recently constructed LIHTC comparable as it was completed in 2011. The market rate comparables were constructed between 1968 and 1983. Woodhill Apartments, which was originally constructed in 1986, reported renovations in 2008. Woodhill Apartments is in average condition and will be considered slightly inferior to the Subject. The remaining market rate comparables did not report renovations and are inferior condition compared to the Subject.

Unit Size

The following table illustrates the unit sizes of both the Subject and the comparable properties that reported unit sizes.

UNIT SIZE COMPARISON

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
1 BR	788	500	884	708	11%
2 BR	1,140 - 1,170	840	1,250	997	14% to 16%
3 BR	1,385	1,100	1,325	1,226	13%

As the table illustrates, the Subject's unit sizes are above the surveyed average for all unit types. All of the units are within or above the range of the comparables as well. We believe the Subject's unit sizes will be well accepted within the market and the larger units will provide a marketing advantage for the Subject. We have considered the larger unit sizes in our estimated of achievable rents.

Total Number of Baths per Unit

The Subject will offer one bathroom in its one- bedroom units and two bathrooms in the two- and three-bedroom units. The majority of the comparables offer a similar bedroom to bathroom configuration. In general, the Subject will be similar to the comparable properties in terms of bathrooms.

Amenities

The following table illustrates the amenities offered at the Subject compared to the comparable properties.

UNIT MATRIX REPORT

	Gardens at Harvest Point	Forest Brook	Magnolia Park	The Crest At Edinburgh	Woodlake Club Apartments	Champion's Pines	Georgian Place	Lenox Apartments	Vintage Creek Apartments	Woodcrest Apartments	Woodhill Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Garden	Garden	Various	One-Story	Garden	Garden	Various	Various	Garden	Garden	Garden
Year Built / Renovated	2017 / n/a	1984 / 1998	1978 / 1996/2007-2008	2011 / n/a	2003 / n/a	1980s / n/a	1968 / n/a	1972 / n/a	1970 / n/a	1983 / n/a	1986 / 2008
Market (Conv./)Subsidy Type	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Sewer	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
In-Unit Amenities											
Balcony/Patio	yes	no	no	yes	no	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	no	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	yes	no	no	no	no	no
Ceiling Fan	yes	yes	yes	no	no	no	yes	no	no	no	no
Fireplace	no	no	no	no	no	yes	no	no	no	no	yes
Garbage Disposal	yes	no	no	yes	no	yes	yes	no	no	yes	yes
Microwave	yes	no	no	no	yes	no	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	yes	no	no	no	no	no	no	no
Walk-In Closet	yes	yes	yes	no	no	no	no	no	yes	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Business Center/Computer Lab	yes	no	no	yes	yes	no	no	no	no	no	no
Car Wash	no	yes	no	no	no	no	no	no	no	no	no
Clubhouse/Community Room	yes	yes	no	no	yes	yes	no	yes	no	no	yes
Exercise Facility	yes	no	no	yes	yes	yes	no	no	no	no	yes
Hot Tub	no	no	no	no	no	yes	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Picnic Area	no	yes	no	yes	no	no	no	no	no	yes	yes
Playground	no	yes	yes	yes	yes	no	yes	no	no	no	yes
Recreation Areas	yes	no	no	no	no	no	no	no	no	no	no
Swimming Pool	yes	yes	no	no	yes	yes	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	no	no	yes	yes
Volleyball Court	no	no	no	no	no	no	no	no	no	yes	no
Services											
Security											
Limited Access	no	yes	no	no	yes	no	no	no	no	no	no
Patrol	no	yes	no	no	no	no	no	no	no	yes	no
Perimeter Fencing	no	yes	no	yes	yes	no	yes	no	no	no	no
Video Surveillance	no	yes	no	yes	no	no	no	no	no	no	no
Premium Amenities											
Other Amenities											
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Fishing pond	n/a

Unit Amenities

The Subject’s units will offer central heating and air conditioning, carpeting, blinds, balconies, coat closets, and cable/satellite/internet. Kitchen appliances will include an oven, refrigerator, microwave, garbage disposal, and dishwasher. The majority of the comparables do not offer a microwave, garbage disposal, ceiling fans, or walk-in closets, all of which will be offered at the Subject. However, two comparables offer fireplaces, which the Subject will not offer. Overall, the Subject will offer slightly superior in-unit amenities compared to the majority of the comparable developments.

Common Area Amenities

Common area amenities will include clubhouse, business center, exercise facility, swimming pool, off-street parking, on-site management, and central laundry facility. Many of the comparables do not offer a business center, exercise facility, clubhouse, or swimming pool, all of which are amenities that will be offered at the Subject. However, several of the comparables offer a tennis court and playground, amenities which the Subject will not offer. Overall, the Subject will generally offer slightly superior community amenities compared to the majority of the comparable developments.

Parking

The Subject will offer 516 off-street uncovered parking spaces. Similarly, all of the comparables offer off-street parking, and therefore the Subject will be considered similar in terms of parking.

Security Features

The Subject will not offer any security features, similar to five of the comparables. Based on our site inspection and conversations with property managers, crime does not appear to be an issue in the area and the Subject’s lack of security features will be competitive among the comparables.

Utility Structure

The tenant will pay general electric expenses as well as electric cooking, heating, hot water, and air conditioning at the Subject. The landlord will be responsible for water, sewer, and trash. The utility structure of the comparables varies. The rents of comparables are adjusted to reflect differences in utilities. The amount of adjustment has been based on the current utility allowance schedule provided by the August Housing Authority, effective September 1, 2015, the most recent available.

Absorption

We were able to obtain absorption information from two of the comparable properties.

ABSORPTION

Property name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Crest At Edinburgh	LIHTC	Family	2011	40	40
Woodlake Club Apartments	LIHTC	Family	2003	192	32

As illustrated, absorption rates ranged from 32 to 40 units per month. The Crest at Edinburgh opened in 2011, and thus, provided the most recent absorption information. However, this

property offers units at both 50 and 60 percent of AMI. Based on this information, we anticipate that the Subject would absorb approximately 20 units per month, for an absorption period of 12 months, based on the size of the Subject property as well as the fact it will only offer units at 60 percent of AMI.

Turnover

The following table illustrates turnover rates at comparable properties.

TURNOVER		
Property name	Rent Structure	Turnover
Forest Brook	LIHTC	28%
Magnolia Park	LIHTC	20%
The Crest At Edinburgh	LIHTC	22%
Woodlake Club Apartments	LIHTC	33%
Champion's Pines	Market	25%
Georgian Place	Market	22%
Lenox Apartments	Market	36%
Vintage Creek Apartments	Market	23%
Woodcrest Apartments	Market	33%
Woodhill Apartments	Market	<u>28%</u>
Average Turnover		27%

Turnover rates among reporting properties range from 20 to 36 percent, with an overall average turnover rate of 27 percent. As a family LIHTC rental property, we anticipate that the Subject will experience a turnover rate of 25 percent or less annually, consistent with the majority of the LIHTC competition.

Vacancy

The following table illustrates vacancy rates at the comparable properties.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Forest Brook	LIHTC	161	6	3.7%
Magnolia Park	LIHTC	171	8	4.7%
The Crest At Edinburgh	LIHTC	40	0	0.0%
Woodlake Club Apartments	LIHTC	192	10	5.2%
Champion's Pines	Market	220	9	4.1%
Georgian Place	Market	324	2	0.6%
Lenox Apartments	Market	190	9	4.7%
Vintage Creek Apartments	Market	104	5	4.8%
Woodcrest Apartments	Market	248	10	4.0%
Woodhill Apartments	Market	<u>182</u>	<u>4</u>	<u>2.2%</u>
Total		1,832	63	3.4%

The vacancy rates among the comparables range from 0.0 to 5.2 percent, with an average weighted vacancy rate of 3.4 percent. The LIHTC comparables reported an average weighted

vacancy rate of 4.2 percent. Overall, vacancy rates among the comparables are considered good. We believe the Subject will maintain a vacancy of four percent or less after the initial lease-up phase has been completed due to the fact that it will be new construction and exhibit comparable to superior condition to the majority of the comparables. We believe this vacancy rate is reasonable given the performance of comparables in the market.

The following table illustrates the vacancy by bedroom type at the comparable properties, as available. It should be noted that Champion’s Pines and Woodhill Apartments were unable to report vacancy by bedroom type.

VACANCY BY BEDROOM TYPE					
Comparable Property	Rent Structure	1BD	2BD	3BD	Overall Vacancy Rate
Forest Brook	LIHTC	3.6%	8.4%	0.0%	3.7%
Magnolia Park	LIHTC	0.0%	8.8%	0.0%	4.7%
The Crest At Edinburgh	LIHTC	-	-	0.0%	0.0%
Woodlake Club Apartments	LIHTC	2.3%	4.8%	7.5%	5.2%
Champion's Pines	Market	-	-	-	4.1%
Georgian Place	Market	1.3%	1.0%	0.0%	0.6%
Lenox Apartments	Market	12.2%	12.3%	5.6%	4.7%
Vintage Creek Apartments	Market	3.8%	5.8%	-	4.8%
Woodcrest Apartments	Market	3.6%	16.4%	-	4.0%
Woodhill Apartments	Market	-	-	-	2.2%
Total		3.5%	3.2%	2.6%	3.4%

Concessions

Two of the comparables reported concessions. Magnolia Park, a LIHTC property, reported \$250 off the first month’s rent, while Brookside West, a market rate comparable, reported \$400 off the first month’s rent for three- and four-bedroom units only. Due to the strong demand for affordable rental housing in the area, we do not expect concessions to be necessary at the Subject.

Waiting Lists

Two of the LIHTC comparables reported to maintain a waiting list. Forest Brook reported a waiting list for three-bedroom units at 60 percent of AMI. Additionally, The Crest at Edinburgh, the most recently constructed LIHTC comparables, reported a waiting list of 25 households. We believe the Subject may be able to maintain a short waiting list at times given its excellent condition, upon completion.

Rent Trends

The following table illustrates the rent trends over the past year.

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Forest Brook	LIHTC	None
Magnolia Park	LIHTC	None
The Crest At Edinburgh	LIHTC	Increase 1%
Woodlake Club Apartments	LIHTC	Decrease 1% on all units
Champion's Pines	Market	None
Georgian Place	Market	None
Lenox Apartments	Market	Increase <1%-2%
Vintage Creek Apartments	Market	Increase 1.7% 1x1 units
Woodcrest Apartments	Market	Increase 2%-3%
Woodhill Apartments	Market	Increase 2%-3%

Five of the comparables reported rent increases for at least some of their units over the past year, including one LIHTC property. The remaining comparables reported no change in rents over the past year. Further, Woodlake Club Apartments is the only comparable to report any decrease in rents, and this was a decrease of only one percent.

Rent versus Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom single-family home listing on www.zillow.com in Augusta with a purchase price of \$78,000 and an interest rate of 3.82 percent for a 30-year fixed mortgage with a ten percent down payment. This was compared to the cost to rent the Subject's three-bedroom unit. The rent buy analysis is illustrated in the following table.

Re-Sale Starter Home

Unit Price:	\$78,000
Equity Required:	10%
Financing:	90% for 30 years at 3.82% fixed.
Real Estate Taxes:	Calculated based on 2.25% of market of value.
Mortgage Insurance:	Estimated at 0.50% of total mortgage amount.
Insurance:	Estimated at 1.00% of total mortgage amount.

The Subject's proposed rents provide a slight disadvantage when compared to the cost of home ownership due to low housing costs in the area. The Subject's highest proposed LIHTC three-bedroom rent is \$724 whereas the monthly cost of an average starter home in the area is estimated at \$603 per month. Our calculations indicate that owning a home provides a monthly advantage of \$133 over buying a single-family home near the Subject. However, it should be noted that first time homebuyers typically have difficulty securing the ten percent that is required for a down payment. Additionally, the cash due at occupancy required for the down payment and closing costs may be unattainable for many residents, which is also supported by

the high foreclosure rates in the area. As such, we believe there will be limited competition from the home ownership arena.

RENT BUY ANALYSIS - 3.82%				
RENT BUY ANALYSIS - AUGUSTA, GA				
Inputs		Ownership	Rental	Notes
Average Price		\$78,000		
Closing Costs	3%	\$2,340		
Down payment	10%	\$7,800.00		
Principal		\$70,200.00		
Interest Rate	3.82%			
Amortization period	30			
Monthly Payment		\$327.90		
Annual Payment		\$3,934.82		
Real Estate Taxes	2.25%	\$1,755		
Private Mortgage Insurance	0.50%	\$351.00		
Homeowner's Insurance	1.00%	\$780		
Utilities		\$100		Water, sewer, and trash paid by landlord
Maintenance and Repairs	2.00%	\$1,560		Assumes a 2% cost for maintenance and repairs.
Tax Benefit				
Marginal Tax Bracket	28%			
Annual Interest		\$2,682		Assumes first year
Annual Tax Savings		(\$1,242.26)		
Rental Costs				
Annual Rent			\$8,688	2BR Market Rate
Insurance (renter)			\$150	
Total Annual Cost		\$7,239	\$8,838	
Total Monthly Cost		\$603	\$737	
Differential per year	(\$1,599)			
Differential per month	(\$133)			
Cash Due at Occupancy		\$10,140	\$1,024	

Reasonability of Rents

The Subject’s rents are illustrated in the table below.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent**	Utility Allowance*	Gross Rent	LIHTC Maximum Allowable Gross Rent (2015)	HUD Fair Market Rents (2015)
<i>60% AMI</i>							
1BR	788	64	\$533	\$102	\$635	\$665	\$610
2BR	1,140	64	\$639	\$125	\$764	\$789	\$728
2BR	1,170	64	\$639	\$125	\$764	\$789	\$728
3BR	1,385	64	\$723	\$155	\$878	\$922	\$990
Total		256					

* Source of Utility Allowance provided by Augusta Housing Authority, effective 9/1/2015

The following tables provide a comparison of the Subject’s and comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents.

LIHTC Rent Comparison - @60%			
Property Name	1BR	2BR	3BR
Sibley Road (Subject)	\$533	\$639	\$723
2015 LIHTC Maximum (Net)	\$563	\$664	\$767
Forest Brook	\$450	\$525-\$575	\$725
Magnolia Park	\$450	\$485-\$504	\$629
The Crest At Edinburgh	-	-	\$700
Woodlake Club Apartments	\$568	\$681	\$773
Average (excluding Subject)	\$489	\$554	\$707

All of the Subject’s 60 percent rents are set below the 2015 maximum allowable level. Woodlake Club appears to be achieving rents slightly above the maximum allowable levels; however, we assume the discrepancy to be the result of differing utility allowances. Management at Woodlake Club reported achievable maximum allowable rents for its one- and four-bedroom 60 percent AMI units. Additionally, management at The Crest at Edinburgh reported maximum allowable rents for all of its three- and four-bedroom units at 60 percent of AMI. The Subject’s rents are lower than the rents at Woodlake Club but slightly higher than the remaining comparables. Woodlake Club was constructed in 2003 and will be the most similar to the Subject overall. It is located 1.6 miles from the Subject in a relatively similar location and offers a similar unit mix as the Subject. Once constructed, the Subject will offer a slightly superior condition relative to this property. Management at Woodlake Club reported a vacancy

rate of 5.2 percent, indicating its rents are well-received in the market. Thus, we believe that the Subject’s proposed rents are reasonable and achievable.

Achievable Market Rents

The maximum achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac & Company concluded that the Subject will be competitive with the market rate competition and achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the Subject’s condition and quality could reasonably achieve.

The most comparable market rate development to the Subject is Woodhill Apartments. This property is the newest market rate comparable and offers one-, two-, and three-bedroom units and is currently 97.8 percent occupied. Woodhill Apartments is located approximately 1.3 miles from the Subject site in a similar location within the Subject’s HMA. Woodhill Apartments offers a similar garden design, similar in-unit amenities, slightly superior property amenities and slightly inferior unit sizes compared to the Subject. As such, we have placed the Subject’s achievable market rents slightly above the overall average of the comparables and slightly above the rents at Woodhill Apartments. Overall, we have concluded to achievable market rents of **\$775, \$875 and \$1,025** for the Subject’s one-, two-, and three-bedroom units, respectively.

The estimated achievable market rents for the Subject are located in the following chart.

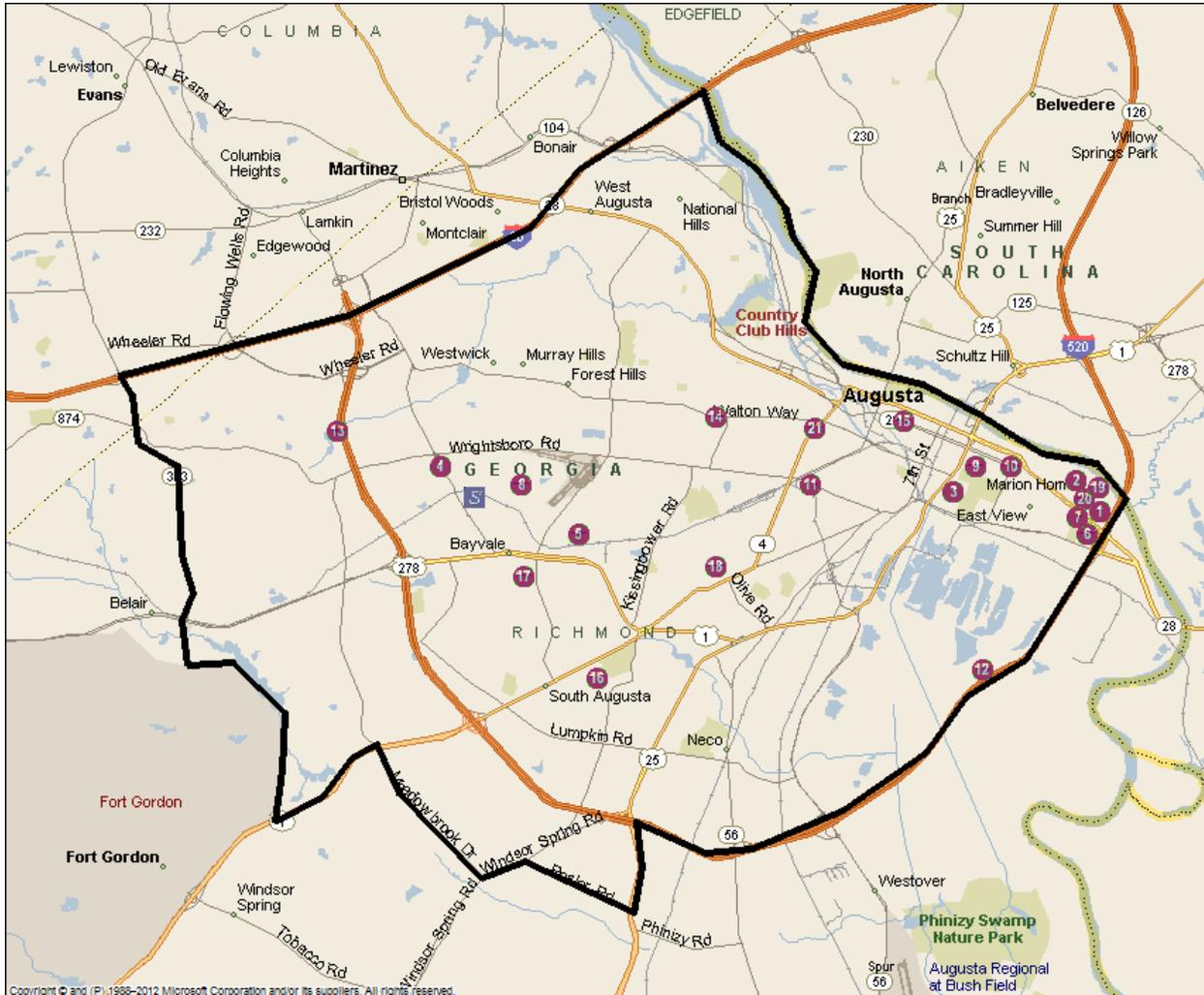
**Subject Comparison To Market Rents
@60%**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR	\$533	\$549	\$750	\$625	\$775	31%
2 BR	\$639	\$599	\$859	\$735	\$875	27%
3 BR	\$723	\$749	\$1,005	\$836	\$1,025	29%

The Subject’s achievable net rents, as well as on a per square foot basis, are within the range of the competition and deemed appropriate.

3) MAP OF EXISTING AND PROPOSED COMPETING RENTAL PROJECTS

The following illustrates a map of existing competitive LIHTC developments as well as the market rate and affordable properties that are currently under construction or are proposed.



EXISTING/UNDER CONSTRUCTION PROPERTIES IN HMA

#	Name	Address	Type	Status	Number of Units:	Distance
1	Underwood Senior Homes	610 Fairhope St	LIHTC	Placed in Service	75	7.4
2	Walton Oaks Family 2	401 Fairhope St	LIHTC	Placed in Service	106	7.1
3	Hale Street Apartments	403 Hale St	LIHTC	Placed in Service	16	5.7
4	Augusta Spring Apartments	1730 Sibley Rd	LIHTC	Placed in Service	100	0.6
5	Magnolia Park Phase 1	2133 Vandivere Rd	LIHTC	Placed in Service	171	1.3
6	Sandbar Manor	113 Tybee Ct	LIHTC	Placed in Service	79	7.2
7	Sandbar Manor 2	106 Tybee Ct	LIHTC	Placed in Service	11	7.2
8	Forest Brook Apartments	3122 Damascus Rd	LIHTC	Placed in Service	160	0.7
9	Olde Town Apartments	604 3rd St	LIHTC	Placed in Service	114	6.0
10	East Augusta Commons	420 E Boundary	LIHTC	Placed in Service	148	6.3
11	Linden Square Apartments	1425 Lee Beard Way	LIHTC	Placed in Service	48	4.0
12	Ashton Richmond Summit	744 Broad St	LIHTC	Placed in Service	136	6.1
13	Woodlake Club Apartments	1020 Amlie Way	LIHTC	Placed in Service	192	1.8
14	Bon Air Apartments	2101 Walton Way	LIHTC/Section 8	Placed in Service	202	3.2
15	Maxwell House Apartments	1002 Greene St	LIHTC	Placed in Service	216	5.2
16	Cedarwood Apartments	527 Richmond Hill Rd W	LIHTC	Placed in Service	184	2.5
17	Crest at Edinburgh	3227 Milledgeville Rd	LIHTC	Placed in Service	40	1.1
18	The Terrace at Edinburgh	2515 Kennedy Dr	LIHTC	Placed in Service	72	3.0
19	Legacy at Walton Oaks	601 Fairhope St	LIHTC	Placed in Service	75	7.4
20	Walton Oaks	602 Fairhope St	LIHTC	Placed in Service	75	7.4
21	Freedoms Path	950 15th St	LIHTC	Planned	78	3.1

Summary Evaluation of the Proposed Project and Recent Market Experience

According to our survey, the market for rental development within the HMA is good. The area is experiencing stable occupancy levels; the current average vacancy rate is 3.4 percent. According to market participants, demand for good quality affordable and market rate rental housing is always high in the city of Augusta. The Subject will be comparable to superior to the majority of the comparables in terms of area amenities and condition. The Subject will be one of the newest developments in the area; thus we believe the Subject's one, two, and three-bedroom rents are achievable. The Subject will provide good quality housing in an area with good street appeal.

**CHARACTERISTICS OF PROJECTS UNDER
CONSTRUCTION AND PROPOSED**

CHARACTERISTICS OF PROJECTS UNDER CONSTRUCTION AND PROPOSED

1) PROJECTS UNDER CONSTRUCTION

During our site inspection, we did not observe any developments in the construction process. Based on information from the Augusta Planning Department and the Georgia Department of Community Affairs, there are several multifamily projects under construction. The following section outlines the developments that are under construction in the HMA.

2) PROJECTS IN PLANNING STAGES

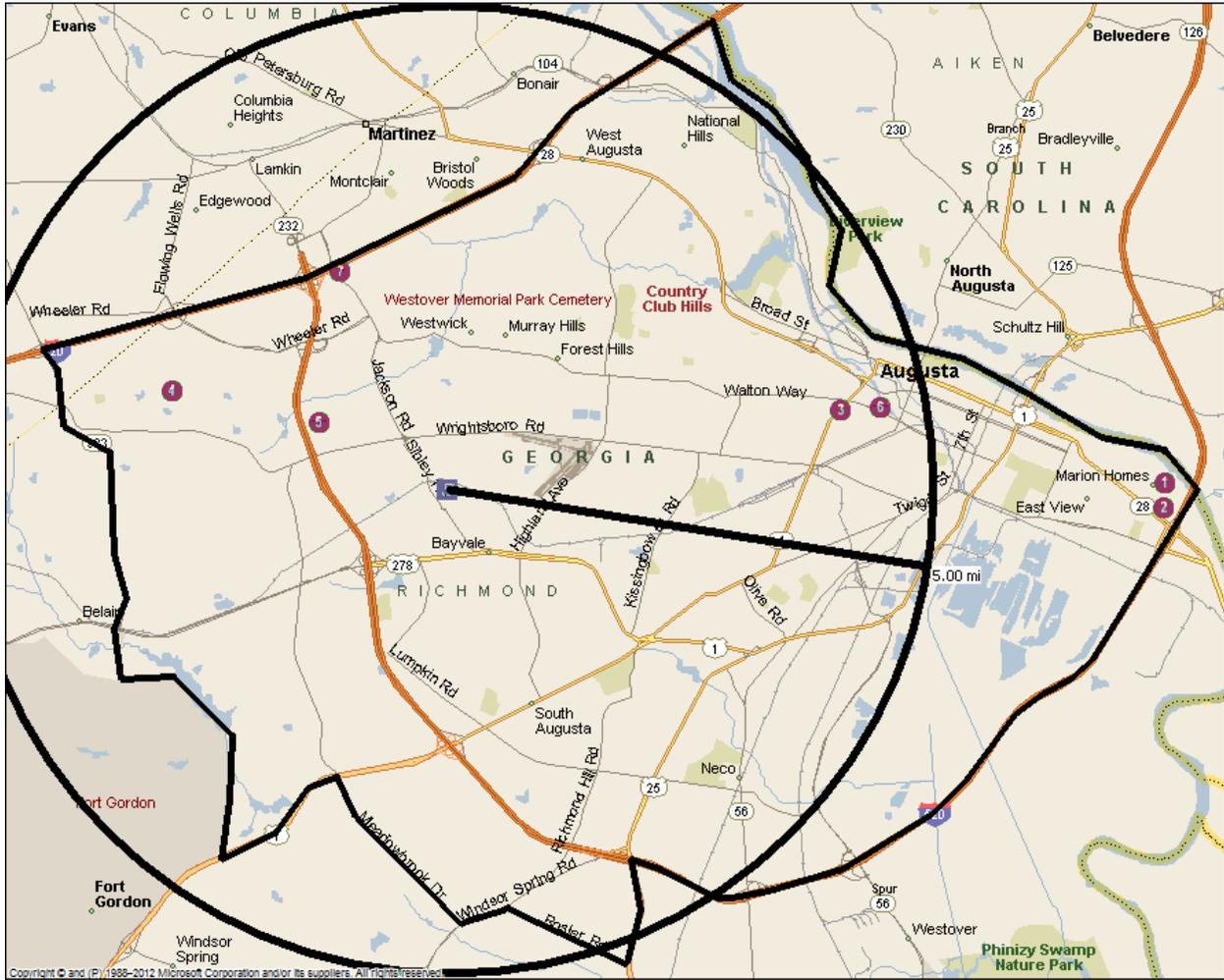
According to the Augusta Planning Department and the Georgia Department of Community Affairs, the HMA has a significant number of multifamily projects in the pipeline, under construction, or recently completed. We have included a map and table for reference.

Map #	Name	Distance from Subject	Tenancy	Type	# of Units	# of Competitive	Estimated Completion	Application Date
1	Walton Oaks Family 2	7.1	Family	LIHTC	106	106	Complete	N/A
2	Legacy Walton Oaks 2	7.1	Senior	LIHTC	62	0	Complete	N/A
3	Freedoms Path	4.2	Veterans	LIHTC	78	0	Fall 2016	N/A
4	Helena Springs Apartments	3.1	Family	Market	250	0	Complete	Sep-13
5	Marks Church Apartments	1.5	Family	Market	108	0	Complete	May-12
6	St. Sabastian Way Apartments	4.6	Family	Market	106	0	Planned	Aug-14
7	Crane Creek Apartments	2.7	Family	Market	300	0	Planned	Oct-14

Source: Augusta Planning and Development Department, Georgia Department of Community Affairs, Novogradac & Company, LLP 4/2015

Only one of the projects, Walton Oaks Family 2, is directly competitive with the Subject. This project contains a total of 106 units. The property is currently still in lease up, at 58 percent occupancy, which equates to a45 units to be absorbed to reach stabilized occupancy. Therefore we have conservatively deducted the 45 vacant units from our demand analysis.

Proposed Development Map



3) PROPOSED LIHTC PROJECTS

According to the Augusta Planning Department and the Georgia Department of Community Affairs, the HMA has a one LIHTC project in the pipeline. Freedoms Path will consist of 78 units designated for veterans. It should be noted that this development will not compete directly with the Subject, upon completion.

4) ELDERLY ANALYSIS

The Subject is a proposed LIHTC development that will target families; it will not be age-restricted, therefore, this section is not applicable.

DEMAND ESTIMATE AND STUDY

DEMAND ESTIMATE AND STUDY

CAPTURE RATE ANALYSIS BY NET DEMAND

Introduction

The Subject is a proposed LIHTC development. We calculated the number of income-eligible residents in this section of the analysis. To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Demographics. The annual demand is calculated per the HUD MAP Guidelines and has been adjusted for size and income appropriate households.

PROJECT SPECIFIC DEMAND ANALYSIS/OVER THE FORECAST PERIOD

Housing Market Area Defined

As previously defined, the HMA boundaries were defined based on interviews with the city of Augusta and surveyed property managers. We recognize several sub-markets exist within this HMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. We estimate 80 percent of the Subject's tenants will originate from the HMA. The demand estimates will be adjusted to reflect this potential for leakage.

Income Eligible Calculations

First, we estimate the Subject's minimum and maximum income levels for the LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. Maximum incomes are set at the maximum 60 percent of AMI level for the LIHTC units. Minimum income levels are calculated based on the assumption that lower-income families should pay no more than 35 percent of their income to rent for family households.

Secondly, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases the LIHTC/Market rate income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income-eligible. This also derives an estimate of the percentage of the households that are income-eligible, illustrated by AMI threshold.

The minimum and maximum income limits for the Subject's units are as follow:

INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>60% AMI</i>	
1BR	\$21,771	\$26,880
2BR	\$26,194	\$30,240
3BR	\$30,103	\$36,240

Income Distribution Table

The following tables illustrate the income distribution of income-qualified households in the HMA.

INCOME DISTRIBUTION 2014

Income Cohort	Total Renter Households	60% AMI			All Units		
		<i>cohort overlap</i>	% in cohort		<i>cohort overlap</i>	% in cohort	
			<i>cohort</i>	<i># in cohort</i>		<i>cohort</i>	<i># in cohort</i>
\$0-9,999	6,052						
\$10,000-19,999	6,374						
\$20,000-29,999	4,201	8,228	82.28%	3,456	8,228	82.29%	3,457
\$30,000-39,999	2,925	6,240	62.41%	1,825	6,240	62.41%	1,825
\$40,000-49,999	2,514						
\$50,000-59,999	1,671						
\$60,000-74,999	1,831						
\$75,000-99,999	1,459						
\$100,000-124,999	551						
\$125,000-149,999	241						
\$150,000-199,999	187						
\$200,000+	199						
Total	28,203		18.73%	5,282		18.73%	5,282

Number of Appropriate Sized Households

In order to determine the number of appropriate sized households at each bedroom type, first we analyzed the number of persons in each household by renter tenure, as detailed in the following table.

HOUSEHOLD DISTRIBUTION MATRIX			
Household Size	1BR	2BR	3BR
1 person	80%	20%	
2 persons	20%	80%	
3 persons		60%	40%
4 persons			70%
5+ persons			10%

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Appropriate Sized Renter Households						
One-Bedroom Unit		40.2%	*	80.0%	=	32.2%
	+	26.5%	*	20.0%	=	5.3%
	+	15.4%	*	0.0%	=	0.0%
	+	9.4%	*	0.0%	=	0.0%
	+	8.5%	*	0.0%	=	0.0%
	=					37.5%
Two-Bedroom Unit		40.2%	*	20.0%	=	8.0%
	+	26.5%	*	80.0%	=	21.2%
	+	15.4%	*	60.0%	=	9.2%
	+	9.4%	*	0.0%	=	0.0%
	+	8.5%	*	0.0%	=	0.0%
	=					38.5%
Three-Bedroom Unit		40.2%	*	0.0%	=	0.0%
	+	26.5%	*	0.0%	=	0.0%
	+	15.4%	*	40.0%	=	6.2%
	+	9.4%	*	70.0%	=	6.6%
	+	8.5%	*	10.0%	=	0.9%
	=					13.6%
Total						89.5%

ANNUAL CAPTURE RATE ANALYSIS

The second calculation derives an estimated market capture rate based on per annum demand. This is an indication of the percentage of the net demand in one year, both existing and proposed, that the Subject must attract to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition to determine net demand available to the Subject. The table following outlines the analysis of this methodology.

ANNUAL DEMAND

Calculation	PMA
Number of Renter Households in 2014	28,203
Increase in Number of Renter Households	863
Number of Renter Households in 2019	29,066
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	56.7%
Percentage of Income-Qualified Renter Households	18.7%
Number of Income-Qualified Renter Households	5,282
Losses to inventory via conversion or demolition	6.77%
Total Units Loss via Conversion or Demolition	358
Existing Income Qualified Renter Households	5,640
Percentage of Rent-Overburdened	30.7%
Existing Income-Qualified Renter Household Turnover	1,733
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	346
Percentage of Income-Qualified Renter Households	18.7%
New Rental Income Qualified Households	65
<i>Capture Rate Analysis</i>	
Number of Units in Subject	256
Occupied Units at Subject With Vacancy of: 5%	243
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	1,797
Portion Originating within PMA	80%
Total Demand (Turnover and Growth) from within PMA	2,247
Less: Existing LIHTC Projects in Absorption Process (Number of Units) 45	
Total Demand after Competition (Turnover and Growth)	2,202
Yielded Annual Capture Rate of Available Demand in 2016	11.0%
<i>Appropriate Sized Renter Households</i>	
1BD	2,202 * 37.5% = 826
2BD	2,202 * 38.5% = 848
3BD	2,202 * 13.6% = 299
<i>Capture Rate Analysis - Developer's Unit Mix</i>	
1BD	64 / 826 = 7.8%
2BD	128 / 848 = 15.1%
3BD	64 / 299 = 21.4%
Annual Capture Rate of Appropriately Sized Households	13.0%

The above calculation derives an estimate of the capture rate required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and

renter status, it is further adjusted by the number of units that are currently in lease-up or planned in the HMA. The demand estimate remaining is the number of units that will be unsatisfied in the market without the Subject. In this case it represents 2,202 units, of which 1,973 are appropriately sized households for the Subject. These un-accommodated units of demand will be forced to leave the market without the addition of multifamily housing units. The capture rate is the percentage that the Subject will capture of this demand. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates absorption pace longer than one year. The above calculation generates an overall capture rate of 13.0 percent, which indicates an expected absorption rate of less than one year. This annual capture rate is reasonable and indicative of a good rental market.

Additionally, it is important to note that the annual capture rate is conservative, as it only assumes that there is a leakage factor of 20 percent of tenants coming from outside of the HMA. According to US Census labor shed information, 98 percent of those employed in businesses within the area do not reside in the area. It is likely that a portion of the workers not residing in the area would consider housing options in the HMA in order to be closer to their jobs. As such, an even greater percentage of tenants at the Subject could originate from outside of the HMA. This data indicates that the annual capture rate is conservative. The annual demand for rental housing depends upon the following factors:

Existing Demand - Losses to Inventory via Conversion or Demolition (includes factor for frictional vacancy):

Demand from the HMA will stem from several sources in addition to new growth. These sources include demand from renter households that are forced from existing rental housing due to demolition or conversion of the housing units. Further, demand will stem from existing households that live in the area but move to a new home because people are searching for better housing or housing in a desired location (frictional vacancy). The calculation begins by determining the year 2010 base level eligible demand. This is then adjusted by the percentage of renters in the HMA.

This figure is then adjusted for losses of inventory via conversion or demolition (which also accounts for frictional vacancy in the market). To determine an appropriate percentage within the market we utilized/analyzed various housing characteristics.

The following table illustrates age of housing stock within the HMA.

AGE OF HOUSING STOCK IN PMA

Years	Number of Units	Percent of Housing Stock
1999-3/2000	362	0.7%
1995-1998	1,735	3.2%
1990-1994	2,403	4.4%
1980-1989	6,956	12.9%
1970-1979	10,475	19.4%
1960-1969	11,129	20.6%
1950-1959	10,232	18.9%
1940-1949	4,956	9.2%
1939 and Before	5,814	10.8%
Total	54,062	100.0%

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

As the table indicates, approximately 38.8 percent of the housing stock was constructed prior to 1960 in the HMA. It is reasonable to assume that a portion of the existing housing units constructed prior to 1960 will leave the market based upon the loss of functional or physical inadequacies of the units; therefore, we will assume approximately 2.5 percent of these units will leave the market, or 0.97 percent of the total housing supply.

It is also important to recognize demand for new rental housing will come from the market from households in inadequate living situations. According to the most recent census, approximately 0.3 percent of households in the Subject’s HMA lack complete plumbing facilities in their housing units.

We spoke with the Augusta Planning Department regarding demolished housing units. The planning department estimated that approximately 0.5 percent or less of the housing units (mostly single-family) in the Augusta are demolished or converted every year within the HMA.

Further, the demand needs to be adjusted for frictional vacancy within the market. According to The Dictionary of Real Estate Appraisal 5th Edition published in 2010 by the Appraisal Institute, frictional vacancy is the amount of vacant space in the market needed for orderly operation. It allows for tenant relocations as leases roll over and expire, and is considered a typical vacancy rate in a given market operating in equilibrium. We believe a frictional vacancy rate of approximately 5.0 percent is appropriate for this market. The following table illustrates our conclusion:

LOSSES TO INVENTORY VIA CONVERSION OR DEMOLITION	
Housing Stock older than 1960 to leave market due to functional or physical inadequacies	0.97%
Lacking Complete Plumbing Facilities	0.30%
Demolition or Conversion	0.50%
Frictional Vacancy	5.00%
Total Percentage	6.77%

In order to account for demand created by the previously described factors, we believe that adjusting the demand by 6.77 percent for losses of inventory via conversion or demolition, as well as frictional vacancy is conservative and reasonable.

New Renter Household Growth

Household population change as a result of new households moving in or out of the area: This was previously calculated, with the household population estimated to increase from 2014 to 2019.

Further, it should be noted that it is likely that new renter households will be entering the market due to the lack of multifamily housing in excellent condition within the HMA. We have adjusted for this using a leakage factor of 20 percent in the demand.

New Competition

According to the Augusta Planning Department and the Georgia Department of Community Affairs, the HMA has a significant number of multifamily projects in the pipeline, under construction, or recently completed. We have included a map and table for reference.

Map #	Name	Distance from Subject	Tenancy	Type	# of Units	# of Competitive	Estimated Completion	Application Date
1	Walton Oaks Family 2	7.1	Family	LIHTC	106	106	Complete	N/A
2	Legacy Walton Oaks 2	7.1	Senior	LIHTC	62	0	Complete	N/A
3	Freedoms Path	4.2	Veterans	LIHTC	78	0	Fall 2016	N/A
4	Helena Springs Apartments	3.1	Family	Market	250	0	Complete	Sep-13
5	Marks Church Apartments	1.5	Family	Market	108	0	Complete	May-12
6	St. Sabastian Way Apartments	4.6	Family	Market	106	0	Planned	Aug-14
7	Crane Creek Apartments	2.7	Family	Market	300	0	Planned	Oct-14

Source: Augusta Planning and Development Department, Georgia Department of Community Affairs, Novogradac & Company, LLP 4/2015

Only one of the projects, Walton Oaks Family 2, is directly competitive with the Subject. This project contains a total of 106 units. However, this development is stabilized; therefore we have not deducted any units from our demand analysis.

Summary of Effective Demand in One Year and Trends over the Forecast Period

The effective demand in one year is adjusted for income eligibility and renter status, and it is further adjusted by the number of units that are currently in lease-up or planned in the HMA. As such, the calculation generates a capture rate of 12.8 percent for the Subject, which indicates an expected absorption rate of less than one year.

ABSORPTION PERIOD

The *demand analysis* illustrates demand for the Subject based on capture rates of eligible income households. The Annual Demand Estimate calculates annual capture rates of 12.8 percent for the Subject’s units during the first year. The annual capture rates appear to be reasonable, indicating the Subject would be fully absorbed within one year of completion. The data demonstrates a significant portion of demand results from tenant turnover, i.e. tenants already housed within the HMA. The demographic data often underestimates the demand at lower income levels; it is possible that the Subject property could achieve a greater capture rate than illustrated in this analysis.

The Crest at Edinburgh opened in 2011, and thus, provided the most recent absorption information. However, this property offers units at both 50 and 60 percent of AMI. Based on this information, we anticipate that the Subject would absorb approximately 20 units per month, for an absorption period of 12 months, based on the size of the Subject property as well as the fact it will only offer units at 60 percent of AMI.

IMPACT ON EXISTING RENTAL INVENTORY INCLUDING FHA INSURED DEVELOPMENTS

The Subject will be equal or superior to all existing properties within the HMA due to the high quality product it will offer with excellent street appeal and a competitive amenity package. As shown in the *Demand Analysis* section, the Annual Demand estimate calculates an annual capture rate of 12.8 percent, which indicates an expected absorption rate of less than one year. This annual capture rate is good, and indicates there is demand for new rental housing within the HMA.

Further, there are 10 FHA-insured multifamily developments within the Subject’s HMA. The following table details the FHA-multifamily developments located within the Subject’s HMA.

FHA-INSURED MULTIFAMILT DEVELOPMENTS IN HMA

#	Name	Address	Target Tenancy	Number of Units	Affordable Units	Competitive Units	Waiting List
1	Bon Air Apartments	2101 Walton Way	Family	203	203	143	Yes
2	Goose Creek Apartments	West Side of Goose Creek Road	Family	204	0	0	N/Av
3	Center West Villas	1075 Betram Road	Family	160	0	0	N/Av
4	Unihealth Post-Acute Care Augusta	2122 Cumming Road	Senior	126	0	0	N/Av
5	Blair House	2541 Milledgeville Road	Senior	100	0	0	N/Av
6	Villa Marie Apartments	3200 Deans Bridge Road	Family	140	138	0	Yes
7	Shadowood Apartments	2506 Lumpkin Road	Family	79	79	0	Yes
8	Augusta Properties	1901 Broad Street	Family	88	88	0	Yes
9	Richmond Summit Apartments	744 Broad Street	Family	135	135	0	Yes
10	The Parc at Flowing Wells	1304 Flowing Wells Road	Family	346	0	0	Yes

The Subject’s addition to the HMA will compete for occupancy with all FHA-insured developments, current and under construction, within the HMA. However, of the ten developments, six have confirmed that they maintain waiting lists with zero vacancies. Additionally, Bon Air Apartments, Villa Marie Apartments, Shadowood Apartments, Augusta Properties, and Richmond Summit Apartments are Project-Based Section 8 developments which have HUD-guaranteed rents. Unihealth Post-Acute Care Augusta and Blair House are nursing homes for seniors with differing tenancies than the Subject. The Subject will primarily target

single and dual-income households with incomes ranging from \$21,771 to \$36,240. Household size will range from one to five persons, the majority being singles, couples, and small families. As such, we do not believe the Subject will hinder occupancy at the FHA-insured properties within the Subjects HMA due to the strength of the market and limited supply of good quality housing.

PENETRATION RATE

The following table illustrates the existing and under construction LIHTC and market rate properties in the HMA that were considered in the penetration rate analysis. This analysis takes into account all LIHTC properties within the Subject’s HMA.

EXISTING/UNDER CONSTRUCTION PROPERTIES IN HMA

#	Name	Address	Type	Status	Number of Units:	Distance
1	Underwood Senior Homes	610 Fairhope St	LIHTC	Placed in Service	75	7.4
2	Walton Oaks Family 2	401 Fairhope St	LIHTC	Placed in Service	106	7.1
3	Hale Street Apartments	403 Hale St	LIHTC	Placed in Service	16	5.7
4	Augusta Spring Apartments	1730 Sibley Rd	LIHTC	Placed in Service	100	0.6
5	Magnolia Park Phase 1	2133 Vandivere Rd	LIHTC	Placed in Service	171	1.3
6	Sandbar Manor	113 Tybee Ct	LIHTC	Placed in Service	79	7.2
7	Sandbar Manor 2	106 Tybee Ct	LIHTC	Placed in Service	11	7.2
8	Forest Brook Apartments	3122 Damascus Rd	LIHTC	Placed in Service	160	0.7
9	Olde Town Apartments	604 3rd St	LIHTC	Placed in Service	114	6.0
10	East Augusta Commons	420 E Boundary	LIHTC	Placed in Service	148	6.3
11	Linden Square Apartments	1425 Lee Beard Way	LIHTC	Placed in Service	48	4.0
12	Ashton Richmond Summit	744 Broad St	LIHTC	Placed in Service	136	6.1
13	Woodlake Club Apartments	1020 Amlie Way	LIHTC	Placed in Service	192	1.8
14	Bon Air Apartments	2101 Walton Way	LIHTC/Section 8	Placed in Service	202	3.2
15	Maxwell House Apartments	1002 Greene St	LIHTC	Placed in Service	216	5.2
16	Cedarwood Apartments	527 Richmond Hill Rd W	LIHTC	Placed in Service	184	2.5
17	Crest at Edinburgh	3227 Milledgeville Rd	LIHTC	Placed in Service	40	1.1
18	The Terrace at Edinburgh	2515 Kennedy Dr	LIHTC	Placed in Service	72	3.0
19	Legacy at Walton Oaks	601 Fairhope St	LIHTC	Placed in Service	75	7.4
20	Walton Oaks	602 Fairhope St	LIHTC	Placed in Service	75	7.4
21	Freedoms Path	950 15th St	LIHTC	Planned	78	3.1

As displayed in the table, we were able to identify 2,220 LIHTC units that are existing and 78 units that are proposed or under construction in the HMA.

Market Penetration Analysis

We performed a market penetration analysis for the Subject's units.

PENETRATION RATE	
Number of Competitive LIHTC Units-Under Construction in HMA	0
	+
Number of LIHTC Units in the HMA	2,220
	+
Number of LIHTC Units-Proposed for Subject	256
	=
Total	2,476
	/
Income Eligible Households	5,282
	=
Overall Market Penetration Rate	47%

The overall market penetration rate is derived by taking the number of LIHTC units proposed or under construction within the HMA, combined with the number of existing LIHTC units and the number of the Subject's units divided by the number of income eligible households. This yields an overall market penetration rate of 47 percent for the Subject's units. This rate is considered good; however, this analysis accounts for **all** known LIHTC developments in the HMA, not necessarily competitive developments that have similar income qualifications or bedroom types.

**ADDITIONAL REQUIREMENTS FOR
ELDERLY PROJECTS**

ADDITIONAL REQUIREMENTS FOR ELDERLY PROJECTS

The Subject is a proposed LIHTC multifamily development that targets one to five-person households. Further, it will not be age-restricted, as such, this section does not apply.

**ADDITIONAL REQUIREMENTS/GUIDANCE
FOR INCOME RESTRICTED PROJECTS**

ADDITIONAL REQUIREMENTS/GUIDANCE FOR INCOME RESTRICTED PROJECTS

“Subsidized housing may be defined as single- or multifamily residential real estate targeted for ownership or occupancy by low- or moderate-income households as a result of public programs and other financial tools that assist or subsidize the developer, purchaser, or resident in exchange for restrictions on use and occupancy.” While HUD provides the primary definition of income and asset eligibility standards for low- and moderate-income households, other federal, state and local agencies define income eligibility standards for specific programs and developments under their jurisdictions.

The competency required of appraisers and market analysts to appraise or prepare market studies on subsidized housing extends beyond typical multifamily residential experience and requires an understanding of the various programs and definitions involved in the particular subsidy program applicable to the development. Practitioners should be capable of analyzing the impact of the programs in the local subsidized housing submarket, as well as in the general market that is unaffected by subsidized housing programs, and must be aware of possible political changes that will affect the continued availability of the subsidies and must fully understand the requirements for subsidy programs. A lack of knowledge and understanding of the impact of the unique influences that affect subsidized housing projects could lead to misleading conclusions.”

Novogradac & Company LLP Compliance and Competency Provision

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

Over the past five years, Novogradac has completed over 250 prior market studies and appraisals in Georgia with 10 of those being in the Augusta area. In addition, Mr. Cole has over 10 years of multifamily real estate experience and Ms. Carter has over three years of multifamily real estate experience.

DATA, ESTIMATES, AND FORECAST

DATA, ESTIMATES, AND FORECAST

SOURCES OF DATA

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing authority and planning department employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- City of Augusta, Georgia
- ESRI Demographics 2015
- Ribbon Demographics 2015
- US Department of Commerce, Bureau of Labor Statistics
- HUD, State of the Cities Data Systems
- Department of Housing and Urban Development (HUD)
- Augusta Economic Development Authority
- Georgia Department of Community Affairs
- August Utility Allowance
- REIS

The scope of the work undertaken included:

- Inspecting the site of the Subject and the general location.
- Analyzing appropriateness of the unit mix, rental 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 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 Subject.
- Establishing the Subject Housing Market Area
- This report was prepared in accordance with Section 7.5, Content and Format of the Market Study, of the current HUP MAP Guide

ADDENDUM A

Certification, Assumptions & Limiting Conditions

HUD MAP CERTIFICATION

I understand that my market study will be used by Regions Bank to document to the U.S. Department of Housing and Urban Development that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my review was in accordance with the HUD requirements applicable on the date of my review and that I have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Borrower, the general contractor, any subcontractors, the buyer or seller of the proposed property or engage in any business that might present a conflict of interest.

I am under contract by the MAP Lender (underwriter) for this specific assignment and I have no other side deals, agreements, or financial considerations with the MAP Lender or others in connection with this transaction.



John Cole
Partner



Kayla Carter
Analyst



Sterling Battle
Researcher

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the united states, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.

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 author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which was furnished by others, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the 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.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation, the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the consultant. Nor shall the consultant, firm, or professional organizations of which the consultant is a member be identified without written consent of the consultant.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the consultant is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations, or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.

21. 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.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The consultant reserves the right to review and/or modify this appraisal if said insulation exists on the Subject.
25. 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.

ADDENDUM B

Subject Photographs

Sibley Road, Augusta, Georgia



Subject From Sibley Road



Subject From Sibley Road



Subject Site From Sibley Road



Subject From North Leg Road



Subject From North Leg Road



Railroad Track, Northern Edge of Subject

Sibley Road, Augusta, Georgia



Looking West of Subject Across North Leg Road



Looking South Along North Leg Road



Looking North Along North Leg Road



Looking South Along Sibley Road



Facing East From Subject Across Sibley Road



Office Plaza South of Subject

Sibley Road, Augusta, Georgia



Gas Station Near Subject



Post Office Near Subject



Grocery Store Near Subject



Family Dollar Near Subject



Shopping Center Near Subject



Shopping Center Near Subject (Walmart)

Sibley Road, Augusta, Georgia



Vacant Retail Near Subject



Vacant Retail Near Subject



Single-Family Home Near Subject



Single-Family Home Near Subject



Single-Family Home Near Subject



Single-Family Home Near Subject

ADDENDUM C

Qualifications of Consultants

**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

KAYLA A. CARTER

Education

Texas A&M University

- Bachelor of Science: Agricultural Economics; Finance and Real Estate Option

Professional Affiliation

- Member of Commercial Real Estate Women (CREW) Network

Experience

Real Estate Analyst, Novogradac & Company, LLP (January 2014 – Present)

Researcher, Novogradac & Company, LLP (February 2012 – December 2013)

- Assists with market studies for proposed new construction and existing affordable and market rate multifamily and age-restricted 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.
- Assists on appraisals using the cost approach, income capitalization, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development and Section 8 properties. Additional assignments also include commercial land valuations.

Commercial Property Assistant, **World Class Capital Group, LLC.**

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

California
Texas
Pennsylvania
Oregon
Florida
Alabama
Connecticut
Hawaii

Louisiana
North Carolina
Mississippi
Arizona
New York
Missouri
Washington, D.C
Indiana

New Jersey
New Hampshire
Washington
Virginia
Arkansas
U.S. Virgin Islands
Puerto Rico
Michigan

ADDENDUM D

Site/Floor Plans and Survey

UNIT MATRIX PHASE 1																		
UNIT TYPE	BUILDING TYPE A						BUILDING TYPE B						AREA				% MIX	
	1000	2000	3000	4000	5000	6000	1000	2000	3000	4000	5000	6000	TOTAL UNITS	NET AREA	GROSS AREA	TOTAL NET AREA		TOTAL GROSS AREA
1 BEDROOM																		
A1	12	12	12	12	8	8	0	0	0	0	0	0	64	788 SF	845 SF	50,463 SF	54,090 SF	25%
2 BEDROOMS																		
B1	0	0	0	0	0	0	12	12	12	12	8	8	64	1,140 SF	1,204 SF	72,982 SF	77,072 SF	25%
2 BEDROOMS																		
B2	0	0	0	0	0	0	12	12	12	12	8	8	64	1,170 SF	1,229 SF	74,879 SF	78,668 SF	25%
3 BEDROOMS																		
C1	12	12	12	12	8	8	0	0	0	0	0	0	64	1,385 SF	1,511 SF	88,645 SF	96,694 SF	25%
													256			286,969 SF	306,525 SF	100%

PARKING SCHEDULE PHASE 1	
TOTAL PARKING SPACES REQUIRED	TOTAL PARKING SPACES PROVIDED
512	598

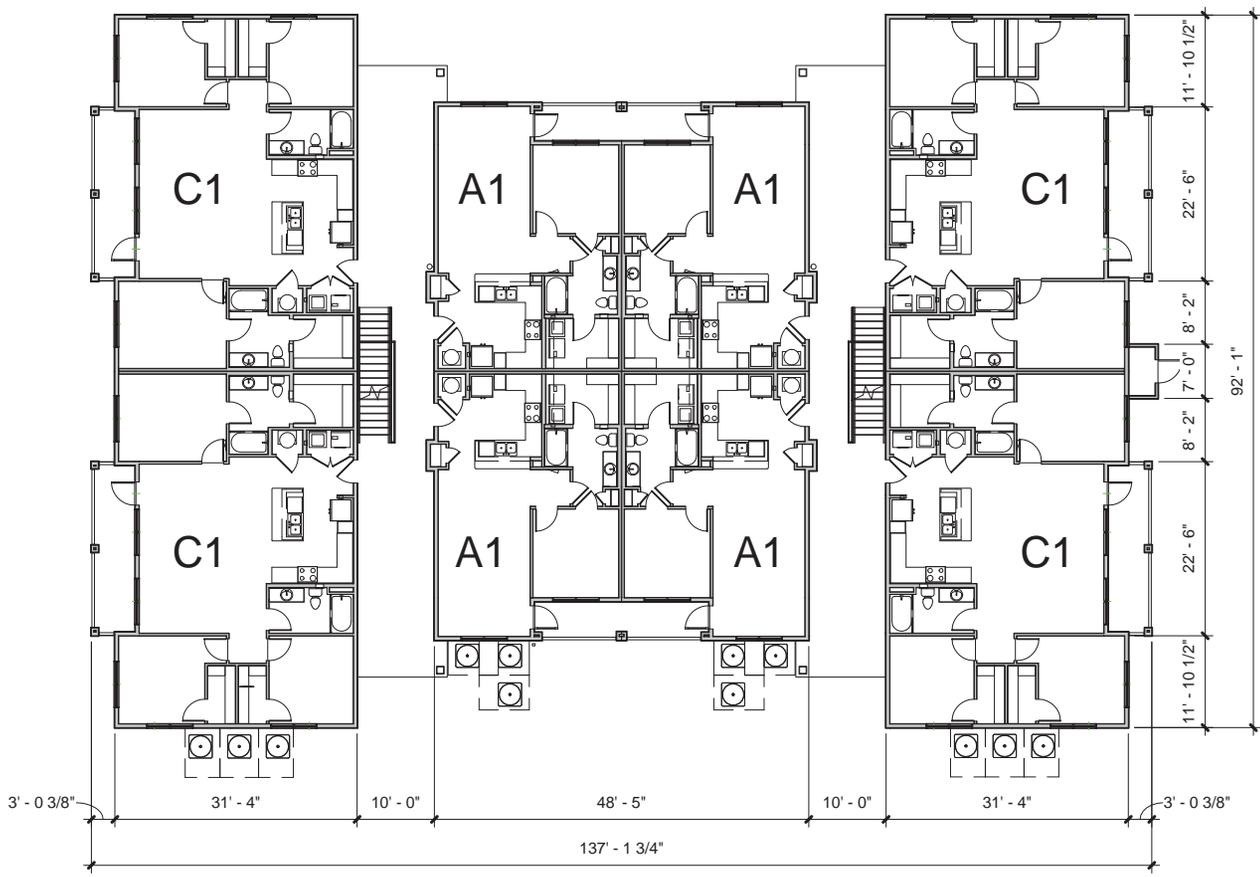
SITE PLAN LEGEND

- CLUB HOUSE
- UNIT A1
- UNIT B1
- UNIT B2
- UNIT C1



SIBLEY ROAD
 2045 SIBLEY RD,
 AUGUSTA, GA

BUILDING A	
NUMBER OF FLOORS:	3
NUMBER OF UNITS:	24
TYPICAL FLOOR GROSS AREA:	11,023 SF
ADDITIONAL AREA :	30 SF
TOTAL GROSS AREA:	33,099 SF



1 BUILDING TYPE A - FIRST FLOOR PLAN
1/16" = 1'-0"

dwell design studio

3655 BROOKSIDE PKWY, SUITE 150, ALPHARETTA, GA, 30022
PHONE: 770.864.1035
dwelldesignstudio.com

SIBLEY ROAD

2045 SIBLEY RD, AUGUSTA, GA

DISCLAIMER:
THIS DRAWING AND ASSOCIATED DOCUMENTS ARE THE EXCLUSIVE PROPERTY OF DWELL DESIGN STUDIO, AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO. ANY REPRODUCTION OR COPIING OF THIS DRAWING OR ANY PART THEREOF WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO IS STRICTLY PROHIBITED. SCALES AS NOTED ON THIS DRAWING ARE VALID ON THE ORIGINAL DRAWING ONLY. THE DIMENSIONS OF WHICH ARE 1/16" IN 1" DIMENSIONS.

SHEET NAME:
BLDG TYPE A FLOOR PLAN

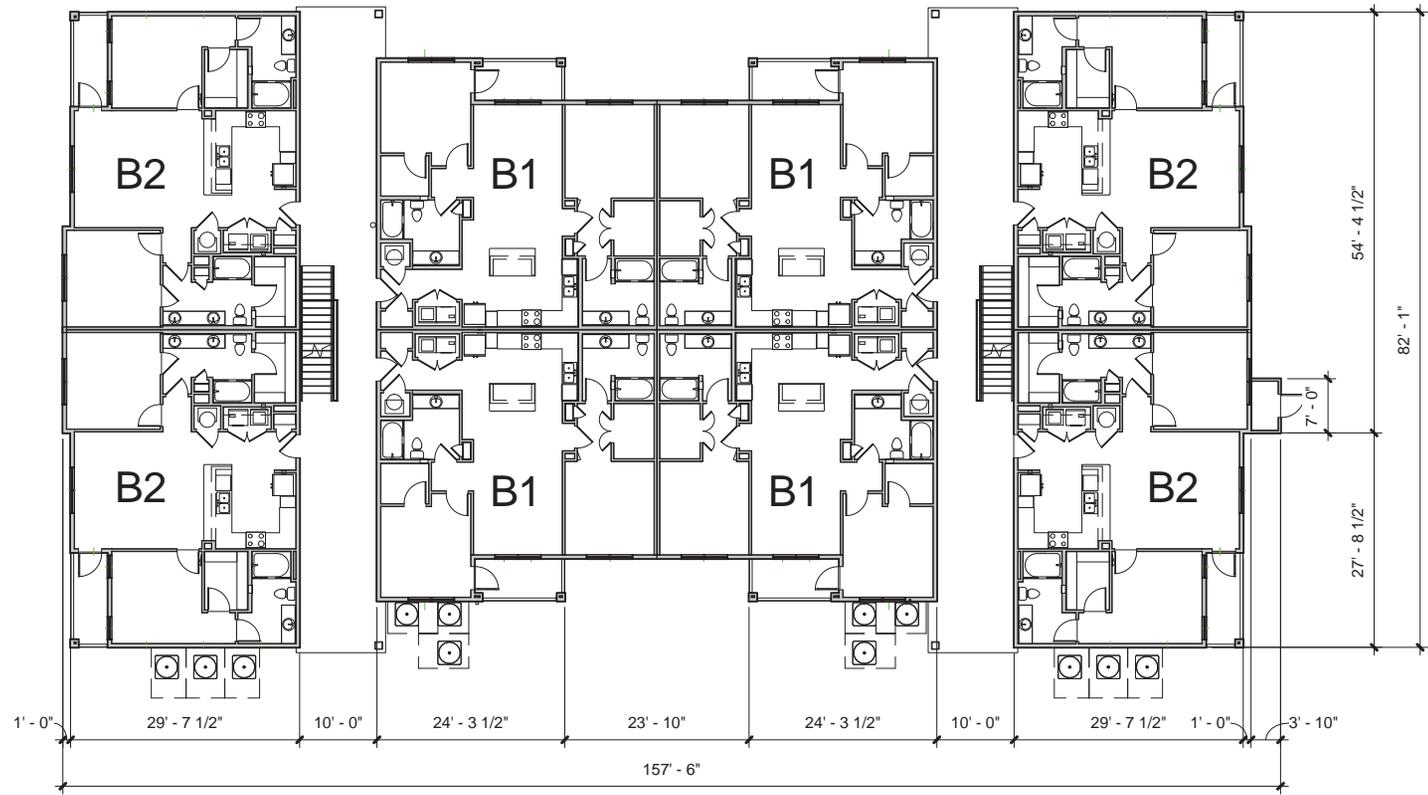
JOB NUMBER: 155201

DRAWN BY	DATE
Author	Checker

UA-01A

© dwell design studio - ALL RIGHTS RESERVED

BUILDING B	
NUMBER OF FLOORS:	3
NUMBER OF UNITS:	24
TYPICAL FLOOR GROSS AREA:	11,398 SF
ADDITIONAL AREA:	28 SF
TOTAL GROSS AREA:	34,222 SF



1 BUILDING TYPE B - FIRST FLOOR PLAN
1/16" = 1'-0"

dwell design studio

3655 BROOKSIDE PKWY, SUITE 150, ALPHARETTA, GA, 30022
PHONE: 770.864.1035
dwelldesignstudio.com

SIBLEY ROAD

2045 SIBLEY RD, AUGUSTA, GA

DISCLAIMER:
THIS DRAWING AND ASSOCIATED DOCUMENTS ARE THE EXCLUSIVE PROPERTY OF DWELL DESIGN STUDIO, AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO. THESE DRAWINGS AND ASSOCIATED DOCUMENTS ARE ONLY TO BE USED FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN AND ARE NOT TO BE USED ON ANY OTHER PROJECT WITHOUT WRITTEN PERMISSION OF DWELL DESIGN STUDIO.
SCALES AS NOTED ON THIS DRAWING ARE VALID ON THE ORIGINAL DRAWING ONLY. THE DIMENSIONS OF WHICH ARE 11" X 17" PLOTS.

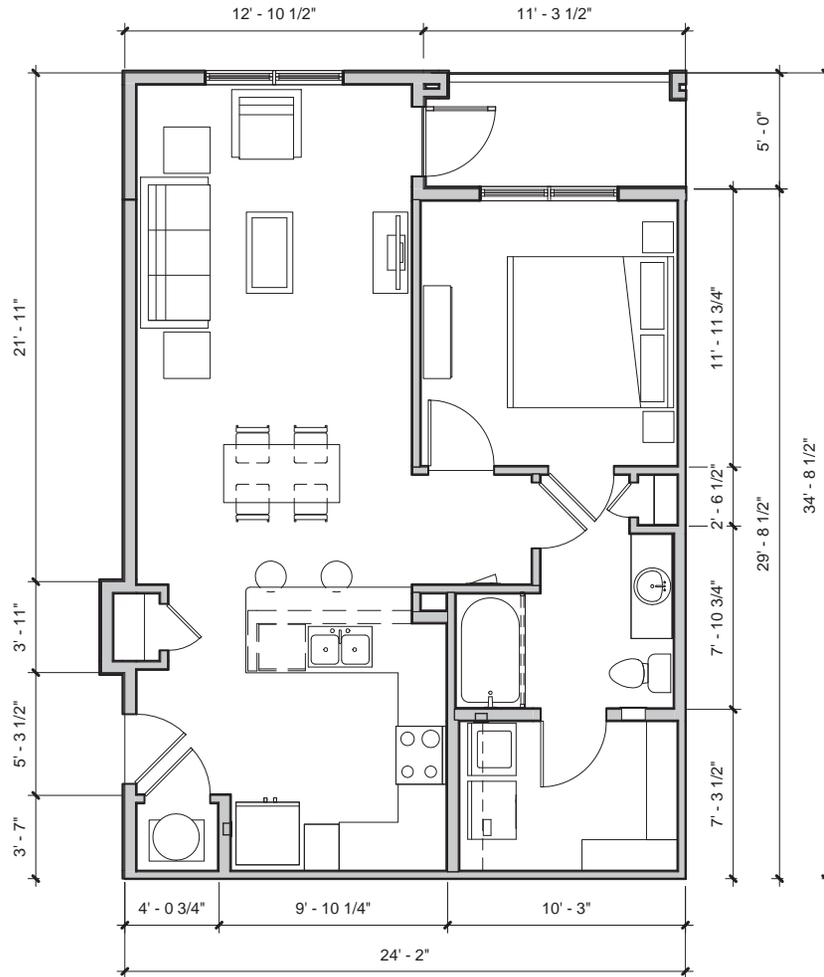
SHEET NAME:
**BLDG TYPE B
FLOOR PLAN**

JOB NUMBER: 155201

DRAWN BY	DATE
Author	Checker

UA-01B

© dwell design studio - ALL RIGHTS RESERVED



1 UA - A1
3/16" = 1'-0"

UNIT A1	
NET AREA:	788 SF
GROSS AREA :	845 SF
# OF UNITS:	64
APPROVED:	

dwell design studio

3655 BROOKSIDE PKWY, SUITE 150, ALPHARETTA, GA, 30022
PHONE: 770.864.1035
dwelldesignstudio.com

SIBLEY ROAD

2045 SIBLEY RD, AUGUSTA, GA

DISCLAIMER:
THIS DRAWING AND ASSOCIATED DOCUMENTS ARE THE EXCLUSIVE PROPERTY OF DWELL DESIGN STUDIO, AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO. THESE DOCUMENTS ARE ONLY TO BE USED FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN AND ARE NOT TO BE USED ON ANY OTHER PROJECT WITHOUT WRITTEN CONSENT OF DWELL DESIGN STUDIO. SCALES AS NOTED ON THIS DRAWING ARE VALID ON THE ORIGINAL DRAWING ONLY. THE DIMENSIONS OF WHICH ARE 1/16" IN 1" DIMENSIONS.

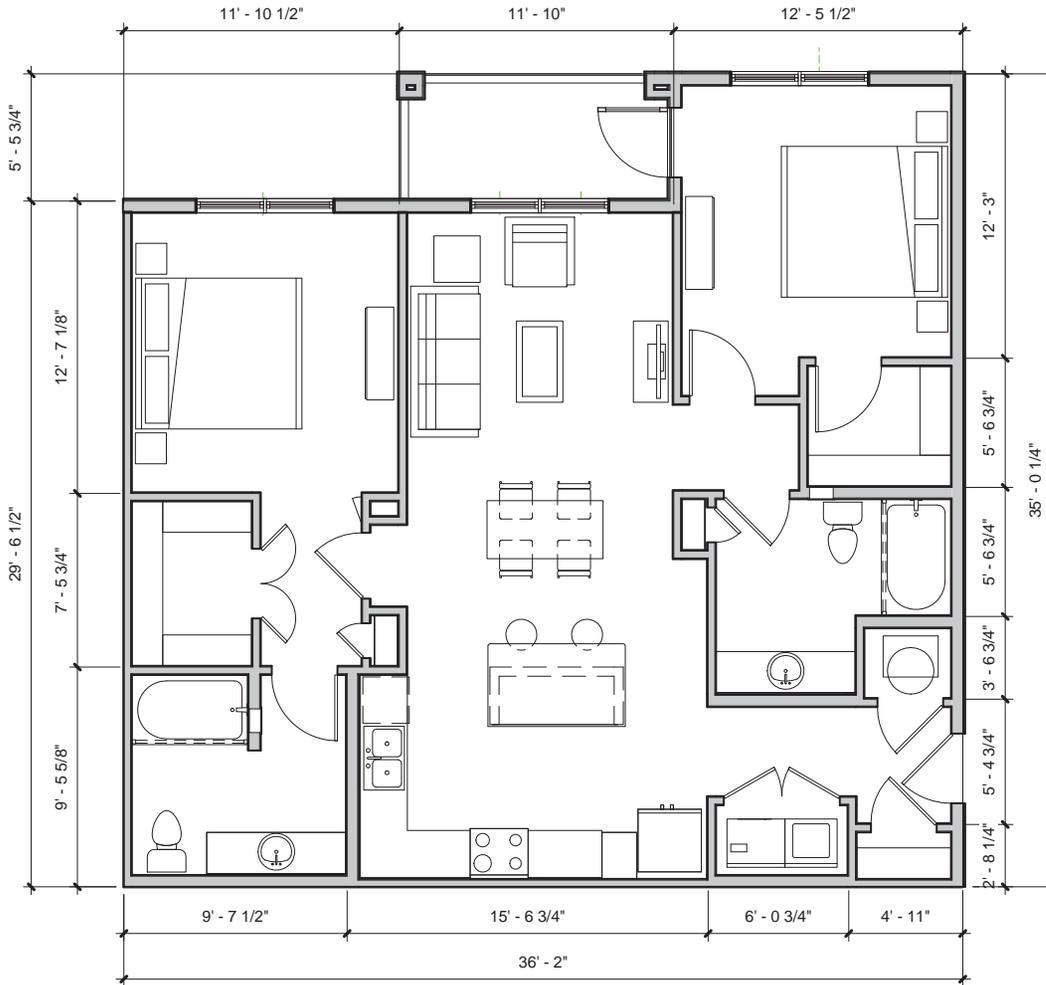
SHEET NAME:
UNIT APPROVAL A1

JOB NUMBER: 155201

DRAWN BY	DATE
Author	Checker

UA-A1

© dwell design studio - ALL RIGHTS RESERVED



1 UA - B1
3/16" = 1'-0"

UNIT B1	
NET AREA:	1,140 SF
GROSS AREA :	1,204 SF
# OF UNITS:	64
APPROVED:	

dwell design studio

3655 BROOKSIDE PKWY, SUITE 150, ALPHARETTA, GA, 30022
PHONE: 770.864.1035
dwelldesignstudio.com

SIBLEY ROAD

2045 SIBLEY RD, AUGUSTA, GA

DISCLAIMER:
THIS DRAWING AND ASSOCIATED DOCUMENTS ARE THE EXCLUSIVE PROPERTY OF DWELL DESIGN STUDIO, AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO. ANY REPRODUCTION OR COPIING OF THIS DRAWING OR ANY PART THEREOF FOR ANY OTHER PROJECT OR PURPOSE IS STRICTLY PROHIBITED. DWELL DESIGN STUDIO SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED HEREIN. SCALES AS NOTED ON THIS DRAWING ARE VALID ON THE ORIGINAL DRAWING ONLY. THE DIMENSIONS OF WHICH ARE 1/4" = 1'-0".

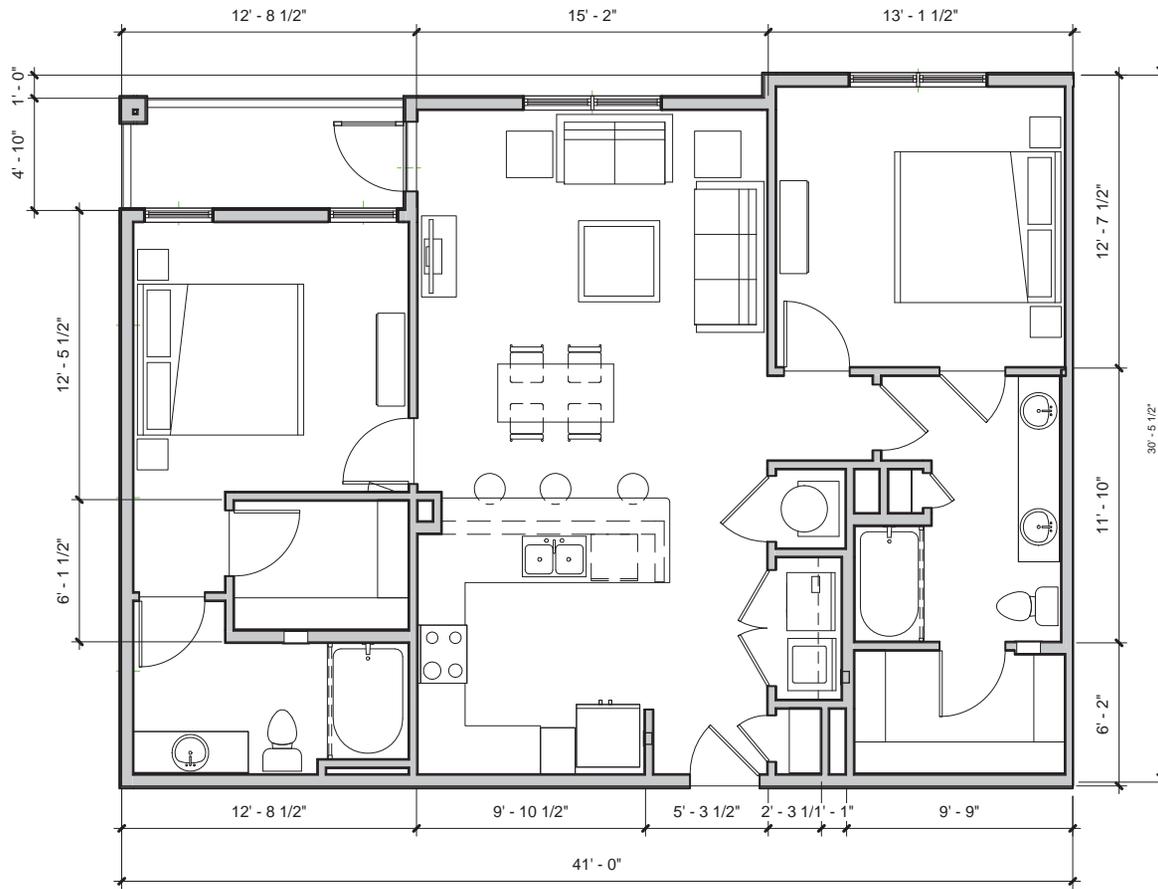
SHEET NAME:
UNIT APPROVAL B1

JOB NUMBER: 155201

DRAWN BY	DATE
Author	Checker

UA-B1

© dwell design studio - ALL RIGHTS RESERVED



UNIT B2	
NET AREA:	1,170 SF
GROSS AREA :	1,229 SF
# OF UNITS:	64
APPROVED:	

1 **UA - B2**
3/16" = 1'-0"

© dwell design studio - ALL RIGHTS RESERVED

dwell design studio

3655 BROOKSIDE PKWY, SUITE 150, ALPHARETTA, GA, 30022
PHONE: 770.864.1035
dwelldesignstudio.com

SIBLEY ROAD

2045 SIBLEY RD, AUGUSTA, GA

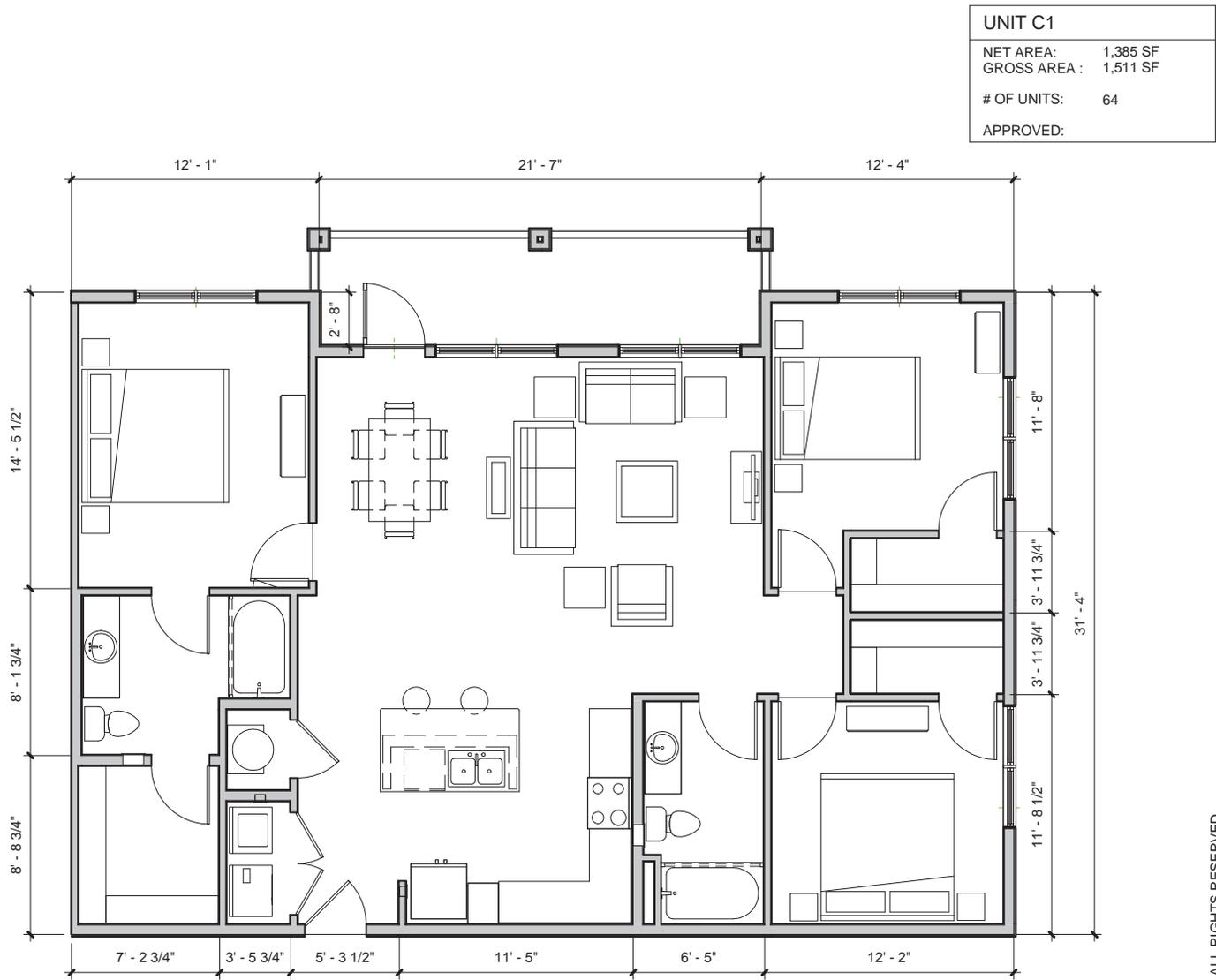
DISCLAIMER:
THIS DRAWING AND ASSOCIATED DOCUMENTS ARE THE EXCLUSIVE PROPERTY OF DWELL DESIGN STUDIO, AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO. CONSENT OF DWELL DESIGN STUDIO, AS NOTED ON THIS DRAWING, IS VALID ON THE ORIGINAL DRAWING ONLY. THE DIMENSIONS OF WHICH ARE 1/16" IN 1" INCHES.

SHEET NAME:
UNIT APPROVAL B2

JOB NUMBER: 155201

DRAWN BY	DATE
Author	Checker

UA-B2



UNIT C1	
NET AREA:	1,385 SF
GROSS AREA :	1,511 SF
# OF UNITS:	64
APPROVED:	

1 UA - C1
3/16" = 1'-0"

© dwell design studio - ALL RIGHTS RESERVED

dwell design studio

3655 BROOKSIDE PKWY, SUITE 150, ALPHARETTA, GA, 30022
PHONE: 770.864.1035
dwelldesignstudio.com

SIBLEY ROAD

2045 SIBLEY RD, AUGUSTA, GA

DISCLAIMER:
THIS DRAWING AND ASSOCIATED DOCUMENTS ARE THE EXCLUSIVE PROPERTY OF DWELL DESIGN STUDIO, AND ARE NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF DWELL DESIGN STUDIO. CONSULT DWELL DESIGN STUDIO FOR ALL SCALES AS NOTED ON THIS DRAWING ARE VALID ON THE ORIGINAL DRAWING ONLY. THE DIMENSIONS OF WHICH ARE 1/16" IN 1" DIMENSIONS.

SHEET NAME:
UNIT APPROVAL C1

JOB NUMBER: 155201

DRAWN BY	DATE
Author	Checker

UA-C1

ADDENDUM E

Engagement Letter



1180 West Peachtree Street, NW Suite 1400
Atlanta, GA 30305
(404)279-7400 office
(404)279-7475 fax

March 18, 2015

John Cole
Novogradac & Company LLP
11044 Research Boulevard,
Suite 400, Bldg. C
Austin, TX 78759

RE: MARKET STUDY CONTRACT LETTER FOR A NEW CONSTRUCTION/SUBSTANTIAL REHABILITATION UNDER THE HUD 221(d)(4) PROGRAM between Regions Bank, "Lender", and Novogradac & Company LLP, "Contractor"

Subject: Sibley Rd
2045 Sibley Road
Augusta, GA 30909
250 Units

Dear Mr. Cole:

This letter is to confirm Regions Bank, ("Regions") request for you to complete a Market Study assignment for the real property described above. The Market Study should be addressed to Regions Bank, and updated to reflect current information.

The market study shall conform to HUD/MAP Guidelines for Market Studies as required for a New Construction/Substantial Rehabilitation under HUD 221(d)(4) Multifamily. **Contractor agrees that it will not contact HUD directly regarding this project without a Regions representative present.** Please also provide proof within the final reports, as applicable, that you are certified by your state of residency to perform a market study of this scope.

The instructions and requirements set forth in this contract letter are to be copied and included in the Addendum of the Market study Report.

Regions' reserves the right to convey a copy of the market study to third parties. Also, please note that you may be requested to meet with us, and possible third parties, to discuss the analysis and valuation conclusions in the market study without any additional charges. The terms and conditions of this engagement letter supersede the assumptions and limiting conditions of the market study. Assumptions, opinions and conclusions in the market study are not being communicated to anyone except the undersigned.

It is our understanding that drafts of the market study will be submitted as follows by **April 18, 2015**, with the final reports due three days from receipt of Lender's comments, based on prompt delivery of all pertinent information necessary to complete this assignment.

We request that an electronic copy of the report be delivered to Regions Bank on or before the due date set forth above.



1180 West Peachtree Street, NW Suite 1400
Atlanta, GA 30305
(404)279-7400 office
(404)279-7475 fax

Reports are to be addressed and delivered to:

Ed Williams
FHA Chief Underwriter
Regions Bank
1180 West Peachtree Street NW, Suite 1400
Atlanta, GA 30309
(404) 279-7450
ed.williams@regions.com

Invoices are to be emailed to realestatecapitalmarkets@regions.com

The market study fee for this assignment is [**\$4,000.00**]. Upon confirmation by the underwriter that the market study complies with the terms and conditions set forth in this letter and HUD Guidelines, Regions will pay the market study fee within thirty days of receipt of two (2) bound copies of the completed market study, and an electronic copy on CD, and confirmation. Regions reserves the right to suspend payment of the fee if the market analyst's performance under this agreement is deemed unsatisfactory and the market analyst fails to cure such unsatisfactory performance within 10 days of such notice.

If the draft and/or final market study is not completed and delivered to the underwriter by the date stated above, Regions reserves the right to (1) cancel the assignment for cause and no fee will be paid, (2) reduce the market study fee by five (5) percent per business day commencing on the completion date and thereafter, until the market study is received. The penalty will be deducted from the agreed upon market study fee stated in this letter. If a delay is anticipated, contact the undersigned immediately to discuss an extension of the completion date.

Your capacity in this assignment is an independent contractor and not as an employee or agent of Regions. Nor are you authorized to represent yourself as a Regions employee or agent, by implication or otherwise.

You agree to indemnify, defend and hold Regions and its directors, officers, employees, harmless from any and all claims losses, costs (including attorney's fees), and liabilities caused by negligence, fraud or wrongful acts in preparing the market study for Regions.

You warrant that you are in compliance with all applicable state and federal licensing and certification regulations in the state where the subject property is located.

Upon execution, this Services Order between Contractor and Regions shall be a binding contract, provided, that one counterpart original of this Services Order, with Contractor's original signature, must be returned to Regions within five (5) business days. The parties hereto have executed this Services Order to be effective as of the Commencement Date. If the Services Order is not executed and emailed to Regions' Representative by 5:00 p.m. of the business day following the date set out below Regions' Signature, the Services Order will be null and void.



1180 West Peachtree Street, NW Suite 1400
Atlanta, GA 30305
(404)279-7400 office
(404)279-7475 fax

REGIONS BANK

CONTRACTOR

Novogradac & Company LLP

By: _____
Name: Ed Williams
Title: Managing Director/FHA Chief Underwriter
Date: March 18, 2015

By: _____
Name: _____
Title: _____
State License/Certification # _____
Date: _____

Site Contact Information:

Marvin Wilmoth
Miller Valentine Group
Cell: 917-331-0136
Email: marvin.wilmoth@mvg.com

Appointments for access to the Property should be made at least 48 hours in advance.



1180 West Peachtree Street, NW Suite 1400
Atlanta, GA 30305
(404)279-7400 office
(404)279-7475 fax

REGIONS BANK

CONTRACTOR

Novogradac & Company LLP

A handwritten signature in blue ink, appearing to read "Ed Williams", on a light-colored background.

By: _____
Name: Ed Williams
Title: Managing Director/FHA Chief Underwriter
Date: March 18, 2015

By: _____
Name: _____
Title: _____
State License/Certification # _____
Date: _____

Site Contact Information:

Marvin Wilmoth
Miller Valentine Group
Cell: 917-331-0136
Email: marvin.wilmoth@mvg.com

Appointments for access to the Property should be made at least 48 hours in advance.