



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

**THE OVERLOOK AT WALKERS BEND
Walkers Bend Parkway
Covington, Newton County, Georgia**

**Effective Date: April 26, 2016
Report Date: May 6, 2016**

Prepared For

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Prepared By

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May 6, 2016

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

Re: Market Study for The Overlook at Walkers Bend in Covington, Georgia

Dear Mr. Maddox:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Covington, Newton County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, (Subject). The purpose of this market study is to assess the viability of the construction of The Overlook at Walkers Bend, a proposed Housing for Older Persons (HFOP) development, consisting of 60 units restricted to senior households ages 55 and older. There will be 51 revenue-generating LIHTC units restricted to 50 and 60 percent of the AMI and nine unrestricted market-rate units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

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

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

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

Respectfully submitted,



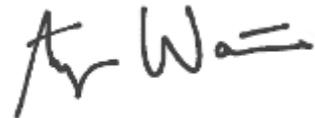
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1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
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10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

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

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

The Overlook at Walkers Bend will be a newly constructed elevator-serviced lowrise senior property located in Covington, Georgia. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent*	HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	700	4	\$445	\$171	\$616	\$640	\$773
2BR/2BA	900	8	\$520	\$217	\$737	\$767	\$916
<i>60% AMI</i>							
1BR/1BA	700	13	\$560	\$171	\$731	\$768	\$773
2BR/2BA	900	26	\$660	\$217	\$877	\$921	\$916
<i>Market Rate**</i>							
1BR/1BA	700	3	\$622	\$171	\$793	N/A	\$773
2BR/2BA	900	6	\$733	\$217	\$950	N/A	\$916
Total		60					

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

*Per the Georgia DCA 2016 Guidelines, the market study analyst must use the maximum rent and income limits effective January 1, 2016.

**Note that market-rate units do not operate with a utility allowance but in order to compare gross rents with with the proposed LIHTC rents, we have illustrates a utility allowance for the Subject's nine market-rate units

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwashers, ceiling fans, hand rails, microwaves, ovens, pull cords, refrigerators, in-unit washer and dryers, a business center/computer lab, a clubhouse/community room, elevators, an exercise facility, off-street parking, on-site management, picnic areas, and a library. Overall, the Subject's amenities will be competitive with those offered at the comparable properties.

2. Site Description/Evaluation:

The Subject site is located east of Washington Street on Walkers Bend Parkway. The Walkers Bend development was originally conceived as a market oriented subdivision in the mid-2000s. The development failed during the recession and was acquired by the City of Covington. The City has focused development efforts towards attracting high quality subsidized and targeted-tenancy properties. Immediate uses surrounding the site consist of vacant land and single-family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This

development was allocated tax credits in 2010 and is currently 100 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center, located directly east of the Subject site, is operated by the local Housing Authority and is utilized as transitional housing. There are 30 residential units, a commercial kitchen, retail, and community areas. The New Leaf Center also includes classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject, along Flat Shoals Road, is characterized by new single-family home subdivisions and older commercial uses. These homes are overall in good to excellent condition and values range from \$150,000 to \$170,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

Signage for the Subject will be placed along Washington Street, which will give the Subject good visibility. Views from the site consist of single-family homes in overall good condition and the LIHTC property, Village at Walkers Bend, which is in excellent condition. Overall, views from the site will be good.

3. Market Area Definition:

The PMA is defined by Walnut Grove Road and the Newton/Walton County line to the north, the Newton/Jasper County line and State Route 212 to the south, the Newton/Morgan County line to the east, and McDonough Highway to the west. This area includes Newton County and a portion of Rockdale County to the east. The area was defined based on interviews with the local property managers at comparable properties. Management at Harristown Park reported that the property has tenants from Covington as well as other areas of Newton County and from Conyers, which is located in neighboring Rockdale County. Management reported that

due the lack of senior housing in the area, tenants are willing to move from outside Newton County and that it is likely that a new senior property could draw tenants from surrounding counties. Additionally, property managers at several of the family LIHTC properties indicated that their senior tenants have moved to the area from other parts of the state in order to be closer to their families. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2016 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is 10.5 miles.

4. Community Demographic

Data:

Overall population growth in the PMA has been slightly less than the MSA and greater than the nation from 2000 to 2015. The senior population within the PMA has increased dramatically since 2000. The senior population increased slower than the MSA and faster than the nation from 2000 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

Senior owner-occupied housing dominates the PMA with 81.6 percent in 2015. However, the 18.4 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain stable through 2020, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject's units.

Household incomes earning under \$39,999 in the PMA comprise 64.4 percent of all income cohorts. The Subject will target senior households earning between \$13,200 and \$32,400, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 59.8 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

5. Economic Data:

Covington and Newton County in general were particularly hard hit by the national recession. Before 2009, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the decline in demand for their products.

Manufacturing, construction, and the retail trade made up 34.0 percent of employment by industry in 2015. All three of these industries are historically volatile in an economic downturn. Education and healthcare, historically stable employers, comprise the next highest industries with 20.2 percent.

Recent events, however, indicate the area has recovered from the recession. Notably, the MSA exceeded pre-recession employment levels in 2015. Additionally, Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The new technology park is located 12.9 miles from the Subject site. The facility is expected to be fully operational by 2018 with Baxter International hiring about 1,500 people from the local area. Additionally, the upcoming expansion of the Covington Municipal Airport signals the city's interest in attracting more businesses to the region.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues. The film industry in Covington is the main attraction for tourists.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 387 age and income qualified renter households in the PMA. The following table indicates the capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR/1BA @50%	\$18,330 - \$23,900	4	57	0	57	7.0%
2BR/1BA @50%	\$22,110 - \$27,300	8	96	0	96	8.3%
Overall @50%	\$18,330 - \$27,300	12	153	0	153	7.8%
1BR/1BA @60%	\$21,930 - \$28,680	13	52	0	52	24.9%
2BR/1BA @60%	\$26,310 - \$32,760	26	88	0	88	29.7%
Overall @60%	\$21,930 - \$32,760	39	140	0	140	27.9%
1BR/1BA Market Rate	\$23,880 - \$47,800	3	108	0	108	2.8%
2BR/1BA Market Rate	\$28,560 - \$54,600	6	182	0	182	3.3%
Overall Market Rate	\$23,880 - \$54,600	9	290	0	290	3.1%
1BR/1BA Overall	\$18,330 - \$47,800	20	144	0	144	13.9%
2BR/1BA Overall	\$22,110 - \$54,600	40	243	0	243	16.5%
Overall Overall	\$18,330 - \$54,600	60	387	0	387	15.5%

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

7. Competitive Rental Analysis:

The availability of LIHTC data is considered good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age-restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and two age-restricted LIHTC properties from outside the PMA as comparables in our analysis. These age-restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

The availability of market rate data is considered adequate, as seven of the comparable properties offer market rate data. These comparables were built or renovated between 1999 and 2011. Of the seven properties with market rate units, three are mixed income properties and four are conventional properties. We believe that the Subject will be more comparable to the mixed income properties in the

area and we have therefore used them as comparables in our analysis. The mixed income properties are newer and exhibit slightly superior condition than the conventional market rate comparable properties.

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

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

Subject Comparison to Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @50%	\$445	\$480	\$950	\$695	36%
2 BR @50%	\$520	\$538	\$1,450	\$836	38%
1 BR @60%	\$560	\$480	\$950	\$695	19%
2 BR @60%	\$660	\$538	\$1,450	\$836	21%
1 BR - Market Rate	\$622	\$480	\$950	\$695	11%
2 BR - Market Rate	\$733	\$538	\$1,450	\$836	12%

As illustrated the Subject’s proposed LIHTC rents are well below the surveyed average of the comparables. The Subject’s proposed 50 percent LIHTC rents are lower than the surveyed minimum market rent. The 60 percent AMI rents at Wellington Ridge, Retreat At Madison Place, and Arbor Lake Apartments are actually higher than Park View Apartments, a market rate property.

As a tax credit property, the Subject will be most similar to Harristown Park, which is located in Covington. Harristown Park keeps their rents artificially low to increase affordability and their property manager indicated that higher rents would be achievable given the strength of the local rental market. Additionally, Harristown Park is 100 percent occupied with an extensive waiting list. As a result, we believe that Harristown Park is not testing the market with regards to maximum achievable rents.

The Subject will be most similar to Somerset Apartments as a market rate property. This property will offer slightly superior property amenities, slightly superior in-unit features, slightly inferior location, inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Somerset Apartments is achieving market rents 27 to 41 percent higher than the proposed 60 percent LIHTC rents at the Subject. Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

The Subject's proposed rents are below all of the rents at the comparables, with the exception of Harristown Park and Magnolia Heights 60 percent units. Harristown Park is the newest property in the market and like the Subject, it targets senior tenants. It is also the only senior LIHTC property in the PMA. Harristown Park is 100 percent occupied and has an extensive waiting list. Harristown Park is not achieving maximum achievable LIHTC rents and it appears that management is not testing the highest achievable rents in the market. The Subject will be generally similar to this property and management at Harristown Park indicated that higher rents are achievable for senior tenants in the market. The biggest rent differential between the Subject and Harristown Park is in the two-bedroom 60 percent AMI units. The Subject's proposed rents are \$40 lower to \$110 higher than the rents at Harristown Park. The Subject's proposed 60 percent rent on a rent per square foot basis are \$0.12 to \$0.16 above the rents at Harristown Park. There is a greater differential between the Subject's proposed 60 percent rents and the 60 percent rents at Harristown Park. However, Harristown Park appears to be keeping their 50 and 60 percent rents similar, while the Subject's proposed 60 percent rents are below the overall average of 60 percent comparables, indicating that the Subject's proposed rents are achievable. The Subject's proposed rents are below the majority of the remaining senior comparables, which is reasonable given the Subject's new condition and that these comparables are located outside the PMA in superior locations closer to Atlanta. Overall, the Subject's proposed rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units in the PMA. This strong demand is illustrated by the 0.6 percent senior LIHTC

weighted average vacancy rate and the extensive waiting list at the one senior LIHTC comparable within the PMA. Therefore, we believe that the Subject will be able to achieve maximum allowable rents based on the anticipated excellent condition and competitive amenities that will be offered.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from five comparable properties, illustrated following.

ABSORPTION					
Property name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC/Market	Senior	2005	120	24
Wellington Ridge	LIHTC	Family	2003	220	14
Arbor Lake Apartments	LIHTC/Market	Family	2001	250	21

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a weighted vacancy rate of 0.6 percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and maintains an extensive waiting list. Given the zero percent vacancy rate and significant waiting list, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. The Subject's proposed rents are below the rents at all of the comparables with the exception of Harristown Park and Magnolia Heights. Harristown Park is the newest senior property in the market and it is the only senior LIHTC property in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 19 to 38 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

The Overlook at Walkers Bend, Covington, GA; Market Study

Summary Table:

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

Development Name:	The Overlook at Walkers Bend	Total # Units: 60
Location:	Walkers Bend Parkway	# LIHTC Units: 60
	Covington, GA	
PMA Boundary: North: Walnut Grove Road and the Newton/Walton County line; South: The Newton/Jasper County line and State Route 212; East: The Newton/Morgan County line; West: McDonough Highway		
		Farthest Boundary Distance to Subject: <u>10.5 miles</u>

Rental Housing Stock (found on page 46)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,736	17	99.0%
Market-Rate Housing	7	809	8	99.0%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	6	987	10	99.0%
Stabilized Comps	N/Ap	N/Ap	N/Ap	N/Ap
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	1BR at 50% AMI	1	700	\$445	\$695	\$0.99	36%	\$950	\$1.16
8	2BR at 50% AMI	1	900	\$520	\$836	\$0.93	38%	\$1,450	\$1.27
13	1BR at 60% AMI	1	700	\$560	\$695	\$0.99	19%	\$950	\$1.16
26	2BR at 60% AMI	1	900	\$660	\$836	\$0.93	21%	\$1,450	\$1.27
3	1BR Market Rate	1	700	\$622	\$695	\$0.99	11%	\$950	\$1.16
6	2BR Market Rate	1	900	\$733	\$836	\$0.93	12%	\$1,450	\$1.27

Demographic Data (found on page 32)

	2010		2015		Dec-18	
Renter Households	2,231	17.20%	2,717	18.40%	2,936	18.40%
Income-Qualified Renter HHs	890	39.88%	1,084	39.88%	1,171	39.88%

Targeted Income-Qualified Renter Household Demand (found on page 61)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	49	44	91	N/Ap	123
Existing Households (Overburdened + Substandard)	N/Ap	153	137	285	N/Ap	486
Homeowner conversion (Seniors)	N/Ap	4	4	5	N/Ap	5
Total Primary Market Demand	N/Ap	207	184	381	N/Ap	514
Less Comparable/Competitive Supply	N/Ap	0	0	0	N/Ap	0
Adjusted Income-qualified Renter HHs**	N/Ap	207	184	381	N/Ap	514

Capture Rates (found on page 61)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	7.80%	27.90%	3.10%	N/Ap	15.50%

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for bedroom specific demand

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

The Subject site is located on Walkers Bend Parkway in Covington, Newton County, Georgia.

Construction Type:

The Subject will consist of two three-story lowrise elevator serviced buildings. Both buildings will have a brick and cement fiber board exterior.

Occupancy Type:

Senior (55+).

Special Population Target:

None.

Number of Units by Bedroom Type and AMI Level:

See following property profile.

Unit Size:

See following property profile.

Structure Type:

See following property profile.

Rents and Utility Allowances:

See following property profile.

Existing or Proposed

Project Based Rental Assistance:

None of the units will operate with Project-Based Rental Assistance.

Proposed Development Amenities: See following property profile.

The Overlook at Walkers Bend, Covington, GA; Market Study

The Overlook At Walkers Bend	
Location	Walkers Bend Parkway Covington, GA 30014 Newton County (verified)
Units	60
Type	Lowrise (age-restricted)
Year Built / Renovated	2018 / n/a
Tenant Characteristics	Seniors 55+



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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Lowrise (3 stories)	4	700	\$445	\$0	@50%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	13	700	\$560	\$0	@60%	n/a	N/A	N/A	no	
1	1	Lowrise (3 stories)	3	700	\$622	\$0	Market	n/a	N/A	N/A	N/A	
2	1	Lowrise (3 stories)	8	900	\$520	\$0	@50%	n/a	N/A	N/A	no	
2	1	Lowrise (3 stories)	26	900	\$660	\$0	@60%	n/a	N/A	N/A	no	
2	1	Lowrise (3 stories)	6	900	\$733	\$0	Market	n/a	N/A	N/A	N/A	

Amenities		
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Hand Rails Microwave Garbage Disposals Oven Pull Cords Refrigerator Washer/Dryer Washer/Dryer hookup	Limited Access
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Off-Street Parking On-Site Management Picnic Area	Premium none
Services	none	Other Library

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

C. SITE EVALUATION

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

Talia Gbolahan visited the site on April 26, 2016.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

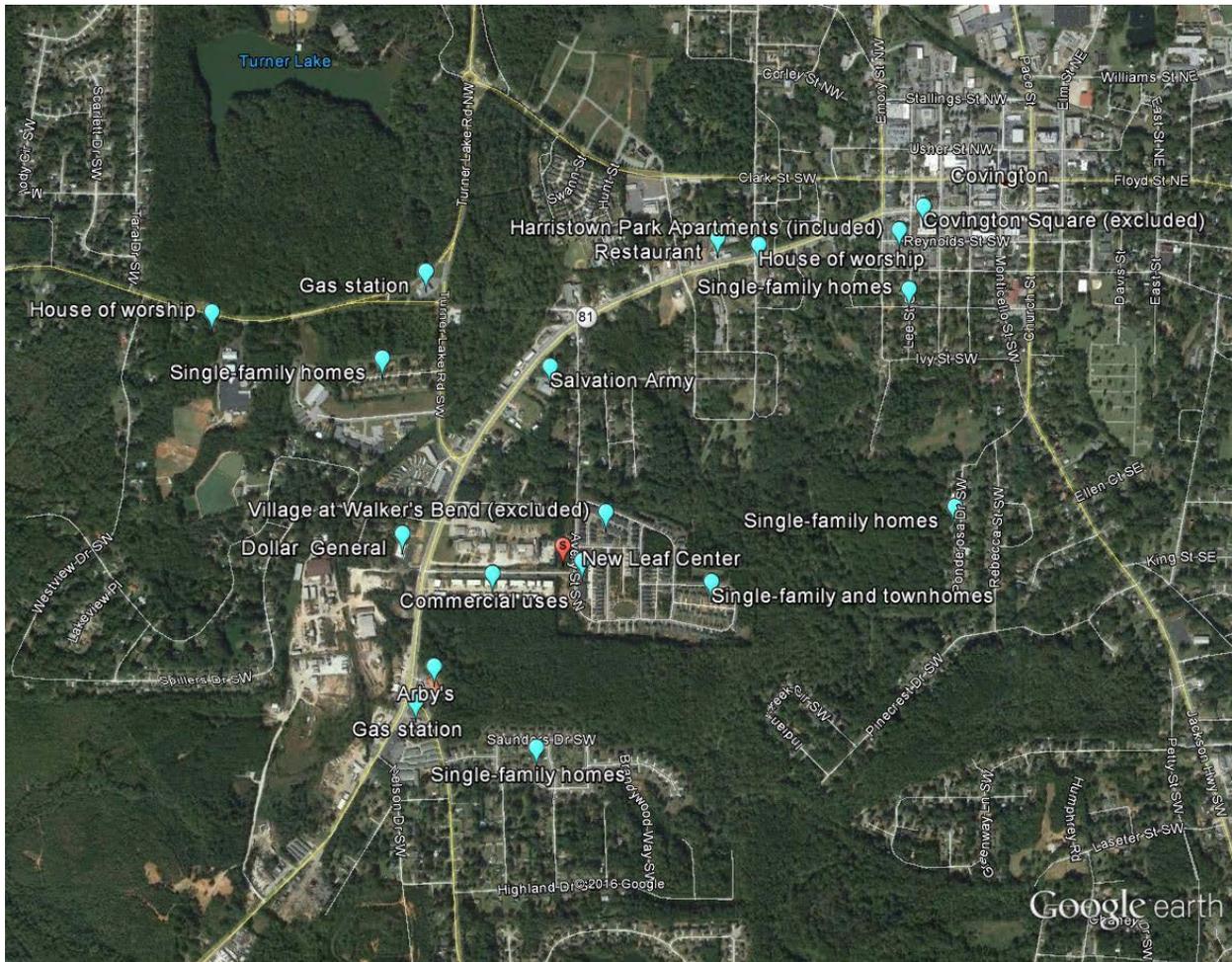
The Subject site has frontage along Walkers Bend Parkway and Avery Street.

Visibility/Views:

The Subject will be located along the eastern and western sides of Walkers Bend Parkway and the southern side of Avery Street. Visibility and views from the site will be good.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



Source: Google Earth, April 2016

The Subject site is located east of Washington Street on Walkers Bend Parkway. The Walkers Bend development was originally conceived as a market oriented subdivision in the mid-2000s. The development failed during the recession and was acquired by the City of Covington. The City has focused development efforts towards attracting high quality subsidized and targeted-tenancy properties. Immediate uses surrounding the site consist of vacant land and single-family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently 100 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center, located directly east of the Subject site, is operated by the local Housing Authority and is utilized as transitional housing. There are 30 residential units, a commercial kitchen, retail, and community areas. The New Leaf Center also includes classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject, along Flat Shoals Road, is characterized by new single-family home subdivisions and older commercial uses. These homes are overall in good to excellent condition and values range from \$150,000 to \$170,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

Positive/Negative Attributes of Site: The Subject's proximity to retail and other locational amenities as well as its surrounding uses, which are in good to excellent condition, are considered positive attributes. We did not witness any negative attributes in the Subject's immediate neighborhood.

3. Physical Proximity to Locational Amenities:

The Subject is located within 2.5 miles of all locational amenities. Additionally, it is within 35 miles of Atlanta, which offers several major employers.

4. Pictures of Site and Adjacent Uses:



Subject site



Subject site



View west along Walkers Bend



View north along Avery Street



View south along Avery Street



New Leaf Center, Support Living



Vacant Land for sale north of Subject site



The Village at Walker's Bend signage



The Village at Walker's Bend



The Village at Walker's Bend



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Dollar General west of Subject site



Commercial uses west of Subject site



Single-family homes west of Subject site



Commercial uses west of Subject site



Gas station



Industrial uses along Walkers Bend Parkway



View north along Washington Street



View south along Washington Street



Commercial Retail



Commercial Retail



The Salvation Army Service Center



Laundromat and Dry Cleaner



Gas station



Self-storage



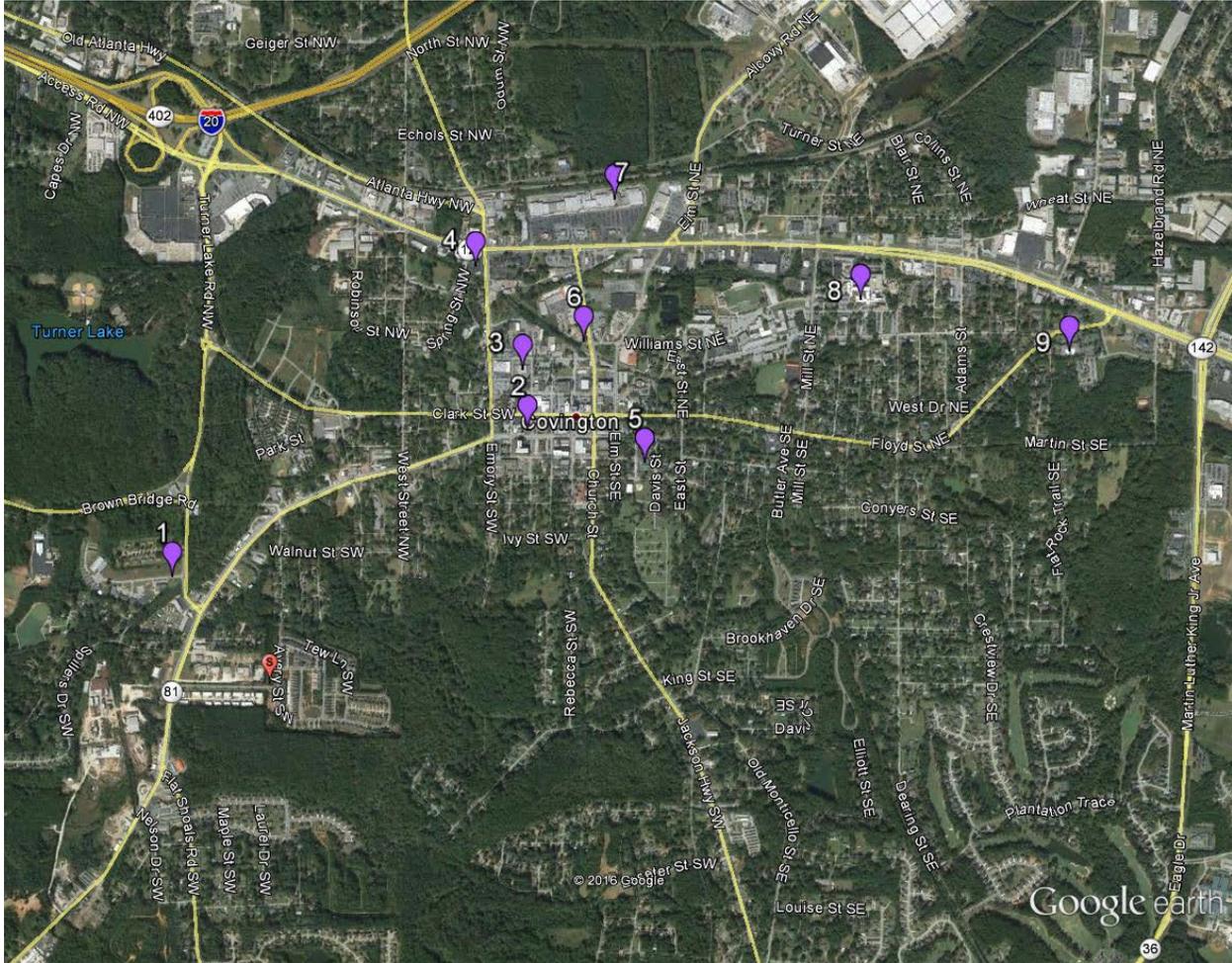
Downtown Covington



Ingles grocery store

5. Proximity to Locational Amenities:

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



Source: Google Earth, April 2016

Locational Amenities

Map #	Amenity	Type of Amenity	Distance
1	Shell	Gas Station	0.8 miles
2	United Bank	Bank	1.4 miles
3	Post Office - Covington	Post Office	1.6 miles
4	Rite Aid	Pharmacy	1.8 miles
5	Covington Police Department	Police Department	1.8 miles
6	Covington Fire Department	Fire Department	1.8 miles
7	Kroger	Grocery Store	2.0 miles
8	Newton Medical Center	Hospital	2.8 miles
9	Covington Branch Library	Library	3.4 miles

6. Description of Land Uses:

The Subject site is located east of Washington Street on Walkers Bend Parkway. The Walkers Bend development was originally conceived as a market oriented subdivision in the mid-2000s. The development failed during the

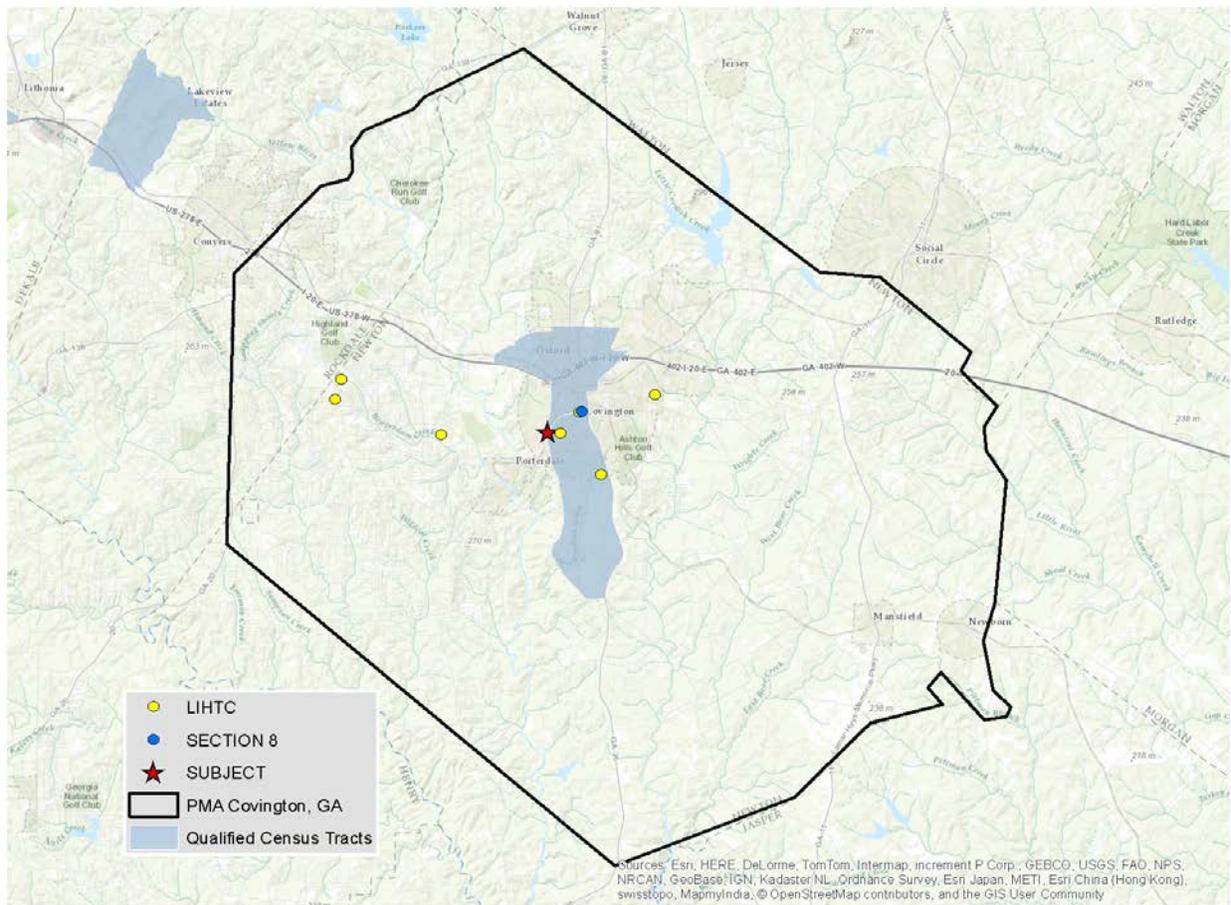
recession and was acquired by the City of Covington. The City has focused development efforts towards attracting high quality subsidized and targeted-tenancy properties. Immediate uses surrounding the site consist of vacant land and single-family homes and townhomes in overall good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently 100 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center, located directly east of the Subject site, is operated by the local Housing Authority and is utilized as transitional housing. There are 30 residential units, a commercial kitchen, retail, and community areas. The New Leaf Center also includes classroom and office space for the Housing and Financial Counseling Program, which provides job training and life skills counseling to residents of Covington. Smaller commercial developments and free standing retail are located west of the site along Washington Street. Downtown Covington is located approximately 1.2 miles northeast of the site. Downtown retail appeared to be 90 percent occupied. The area south of the Subject, along Flat Shoals Road, is characterized by new single-family home subdivisions and older commercial uses. These homes are overall in good to excellent condition and values range from \$150,000 to \$170,000. Overall, the Subject site is considered a desirable building site for senior rental housing. The uses surrounding the Subject are in good to excellent condition and the site has good proximity to downtown Covington and locational amenities.

7. Existing Assisted Rental Housing

Property Map:

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

Property Name	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject	Map Color
The Overlook At Walkers Bend	LIHTC	Senior	Subject	N/Ap	-	Red Star
Covington Square	Section 8	Senior	Excluded	All units subsidized	1.3 miles	Blue
Arbor Lake Apartments	LIHTC	Family	Included	N/Ap	3.7 miles	Yellow
Harristown Park	LIHTC	Senior	Included	N/Ap	1.2 miles	Yellow
Magnolia Heights	LIHTC	Family	Included	N/Ap	3.2 miles	Yellow
Orchard Cove	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles	Yellow
Salem Glen I, II, III	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles	Yellow
Village at Walters Bend	LIHTC	Family	Excluded	Dissimilar unit types	0.1 miles	Yellow
Wellington Ridge	LIHTC	Family	Included	N/Ap	3.8 miles	Yellow



Covington, GA



8. Road/Infrastructure

Proposed Improvements:

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

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

The Subject site can be accessed from Washington Street, a highly trafficked roadway containing a variety of commercial and retail uses. Signage for the Subject will be placed along Washington Street, giving it good visibility. Overall, access and visibility are considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

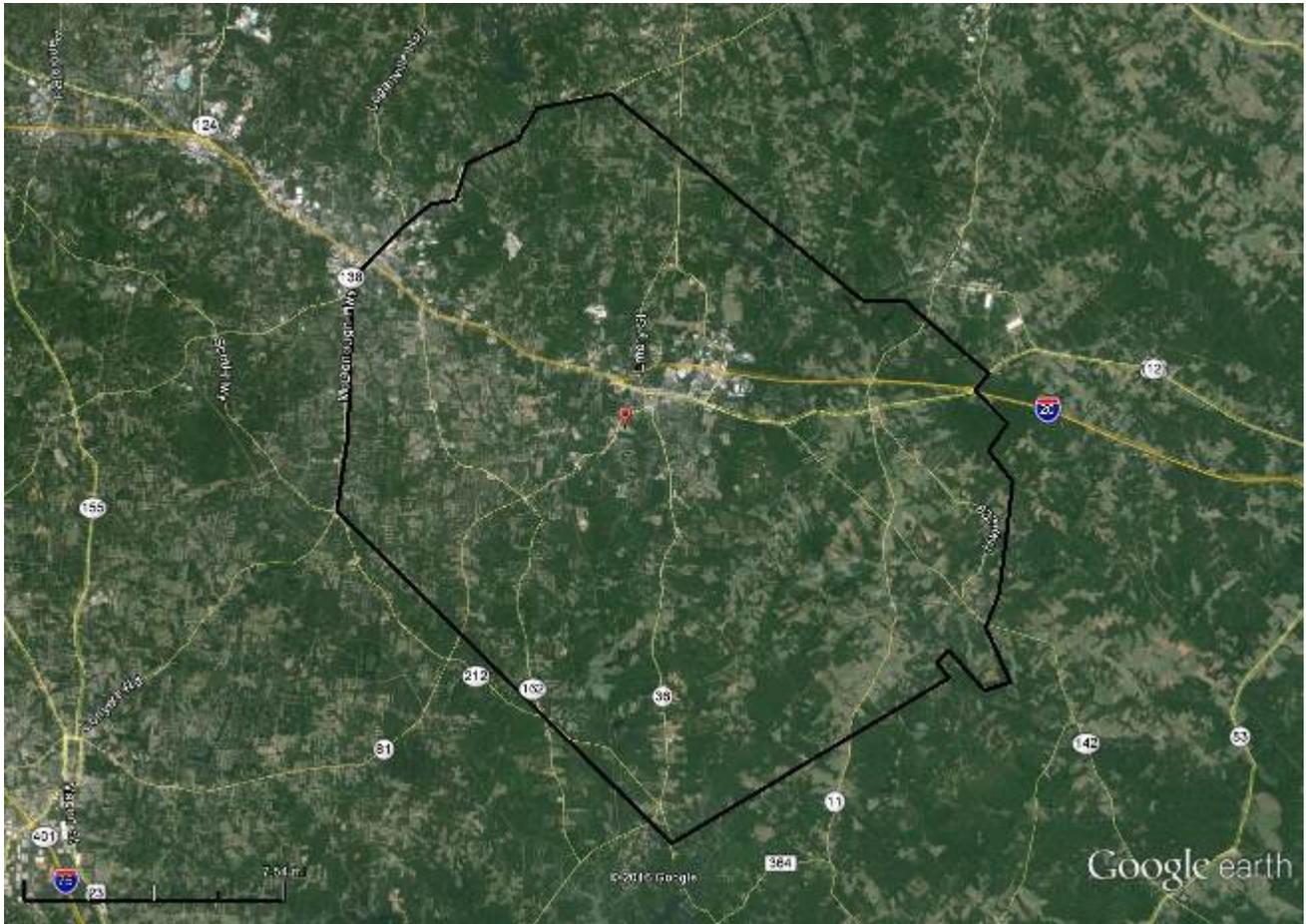
The Subject site is located at the intersection of Walkers Bend Parkway and Avery Street. Walkers Bend Parkway is accessed from Washington Street, a highly trafficked thoroughfare containing a variety of smaller retail and commercial development. The Subject site also has good proximity to downtown Covington, which contains a variety of retail and commercial uses. Overall retail occupancy in the area appeared to be 90 percent. Uses immediately surrounding the site consist of vacant land and newer single-family homes in good to excellent condition. The family LIHTC property Village at Walkers Bend is located northeast of the site. This development was allocated tax credits in 2010 and is currently 100 percent occupied. It contains 32 single-family homes and is in excellent condition. As a single-family home development targeting general households, Village at Walkers Bend will not compete with the Subject's age-restricted units upon completion. The Walker's Bend New Leaf Center is also located directly east of the Subject site and is in excellent condition. The mixed-use building is used as transitional housing by the local Housing Authority. Overall, the Subject site is considered desirable for a senior rental property.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, April 2016

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

The boundaries of the PMA are as follows:

- North – Walnut Grove Road and the Newtown/Walton County line
- South- The Newton/Jasper County line and State Route 212
- East- The Newton/Morgan County line

West- McDonough Highway

This area includes Newton County and a portion of Rockdale County to the east. The area was defined based on interviews with the local housing authority as well as local property managers at comparable properties. Management at Harristown Park reported that the property has tenants from Covington as well as other areas of Newton County and from Conyers, which is located in neighboring Rockdale County. Management reported that due the lack of senior housing in the area, tenants are willing to move from outside Newton County and that it is likely that a new senior property could draw tenants from surrounding counties. Additionally, property managers at several of the family LIHTC properties indicated that their senior tenants have moved to the area from other parts of the state in order to be closer to their families. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2016 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2020.

TOTAL POPULATION

Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	73,831	-	4,263,438	-	281,421,906	-
2010	113,264	5.3%	5,286,728	2.4%	308,745,538	1.0%
2015	116,858	0.6%	5,527,230	0.9%	318,536,439	0.6%
Projected Mkt Entry December 2018	120,707	1.0%	5,749,647	1.2%	326,795,299	0.8%
2020	122,491	1.0%	5,852,718	1.2%	330,622,575	0.8%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

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Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
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2020	122,491	1.0%	5,852,718	1.2%	330,622,575	0.8%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

POPULATION BY AGE GROUP IN 2015

Atlanta-Sandy Springs-Roswell, GA MSA

Age Cohort	2000	2010	2015	Projected Mkt Entry December 2018	2020
0-4	318,972	380,735	371,886	380,734	384,835
5-9	326,062	394,306	387,048	388,680	389,437
10-14	314,313	390,992	399,704	407,781	411,524
15-19	290,180	378,372	376,375	390,938	397,686
20-24	289,654	341,650	385,828	376,014	371,466
25-29	364,046	377,057	389,860	419,528	433,276
30-34	382,158	386,120	387,615	413,662	425,733
35-39	396,792	417,987	383,343	404,056	413,654
40-44	360,050	415,233	414,369	399,351	392,391
45-49	307,308	411,635	398,674	401,951	403,469
50-54	267,500	364,330	397,500	389,815	386,254
55-59	186,754	301,331	350,838	367,703	375,518
60-64	131,059	252,453	285,360	315,591	329,601
65-69	101,856	170,690	234,503	254,422	263,653
70-74	82,809	114,130	151,299	189,907	207,799
75-79	65,303	81,144	94,524	117,528	128,188
80-84	42,357	57,082	61,073	69,449	73,331
85+	36,265	51,481	57,431	62,537	64,903
Total	4,263,438	5,286,728	5,527,230	5,749,647	5,852,718

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Atlanta-Sandy Springs-Roswell, GA MSA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
2000	73,829	66,767	7,062	4,263,438	3,934,848	328,590
2010	113,264	102,163	11,101	5,286,728	4,812,201	474,527
2015	116,858	103,135	13,723	5,527,230	4,928,400	598,830
Projected Mkt Entry December 2018	120,707	105,313	15,394	5,749,647	5,055,803	693,843
2020	122,491	106,322	16,169	5,852,718	5,114,844	737,874

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

Overall population growth in the PMA has been greater than the nation and slightly less than the MSA through 2015. The senior population within the PMA has increased dramatically since 2000. The senior population increased slightly faster than the MSA and significantly faster than the nation from 2000 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow slightly faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF RENTER HOUSEHOLDS						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	6,604	-	517,998	-	35,664,348	-
2010	10,689	6.2%	658,819	2.7%	40,730,218	1.4%
2015	12,322	2.9%	759,745	2.9%	44,726,626	1.9%
Projected Mkt Entry December 2017	12,617	1.0%	783,113	1.3%	45,701,331	0.9%
2020	12,932	1.0%	808,092	1.3%	46,743,256	0.9%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

TOTAL NUMBER OF HOUSEHOLDS 55+						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	8,148	-	389,452	-	36,459,725	-
2010	12,988	5.9%	612,737	5.7%	45,892,687	2.6%
2015	14,787	2.6%	689,646	2.4%	50,825,452	2.0%
Projected Mkt Entry December 2017	15,955	3.3%	757,514	4.1%	53,841,992	2.5%
2020	17,203	3.3%	830,062	4.1%	57,066,571	2.5%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.77	-	2.68	-	2.59	-
2010	2.84	0.2%	2.68	0.0%	2.58	-0.1%
2015	2.86	0.1%	2.68	0.0%	2.57	0.0%
Projected Mkt Entry December 2017	2.86	0.1%	2.68	0.0%	2.57	0.0%
2020	2.87	0.1%	2.67	0.0%	2.57	0.0%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

The number of households in the PMA has grown slowly from 2010 to 2015, but is expected to grow at a slightly faster rate than the nation and slightly slower than the MSA through 2020. Senior households in the MSA grew at 2.6 percent annually from 2010 to 2015, which is slightly faster than the MSA and the nation. These rates will remain stable in the PMA through 2020. Average household size is projected to increase marginally at a 0.1 percent increase annually through 2020.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2020.

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)								
Year	PMA		Atlanta-Sandy Springs-Roswell, GA MSA		PMA		Atlanta-Sandy Springs-Roswell, GA MSA	
	Owner-Occupied Units	Renter-Occupied Units	Owner-Occupied Units	Renter-Occupied Units	Number	Percentage	Number	Percentage
2000	-	-	-	-	-	-	-	-
2010	10,757	82.8%	2,231	17.2%	479,032	78.2%	133,705	21.8%
2015	12,070	81.6%	2,717	18.4%	532,303	77.2%	157,343	22.8%
Projected Mkt Entry December 2017	13,019	81.6%	2,936	18.4%	583,941	77.1%	173,573	22.9%
2020	14,033	81.6%	3,170	18.4%	639,140	77.0%	190,922	23.0%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

Senior owner-occupied housing dominates the PMA with 81.6 percent in 2015. However, the 18.4 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain constant through 2020, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject’s units.

2c. Households by Income

The following table depicts senior household income in 2010, 2015, December 2017 and 2020 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry December 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,550	14.5%	2,013	16.3%	2,097	16.5%	2,137	16.5%
\$10,000-19,999	1,770	16.6%	2,261	18.4%	2,342	18.4%	2,379	18.4%
\$20,000-29,999	1,524	14.3%	1,970	16.0%	2,066	16.2%	2,111	16.3%
\$30,000-39,999	1,534	14.3%	1,687	13.7%	1,699	13.3%	1,704	13.2%
\$40,000-49,999	1,154	10.8%	1,267	10.3%	1,319	10.4%	1,344	10.4%
\$50,000-59,999	924	8.6%	944	7.7%	972	7.6%	985	7.6%
\$60,000-74,999	785	7.3%	751	6.1%	771	6.0%	780	6.0%
\$75,000-99,999	855	8.0%	906	7.4%	920	7.2%	927	7.2%
\$100,000-124,999	322	3.0%	293	2.4%	314	2.5%	324	2.5%
\$125,000-149,999	89	0.8%	82	0.7%	87	0.7%	90	0.7%
\$150,000-199,999	78	0.7%	67	0.5%	64	0.5%	63	0.5%
\$200,000+	105	1.0%	80	0.6%	87	0.7%	90	0.7%
Total	10,689	100.0%	12,322	100.0%	12,739	100.0%	12,932	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, April 2016

Senior household earning under \$39,999 in income in the PMA comprise 64.4 percent of all income cohorts in 2015. The Subject will target senior households earning between \$13,200 and \$32,400, therefore, the Subject should be well-positioned to service this market.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2010		2015		Projected Mkt Entry December 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,694	25.7%	2,643	24.7%	3,089	25.1%	3,231	25.4%	3,297	25.5%
With 2 Persons	1,756	26.6%	2,475	23.2%	2,817	22.9%	2,893	22.7%	2,927	22.6%
With 3 Persons	1,309	19.8%	1,949	18.2%	2,248	18.2%	2,321	18.2%	2,356	18.2%
With 4 Persons	932	14.1%	1,779	16.6%	2,015	16.4%	2,061	16.2%	2,083	16.1%
With 5+ Persons	913	13.8%	1,844	17.2%	2,153	17.5%	2,232	17.5%	2,269	17.5%
Total Renter Households	6,604	100.0%	10,689	100.0%	12,322	100.0%	12,739	100.0%	12,932	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, April 2016

Senior renter households in the PMA with two persons or less made up 59.8 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the proposed Subject.

Conclusion

Overall population growth in the PMA has been slightly less than the MSA and greater than the nation from 2000 to 2015. The senior population within the PMA has increased dramatically since 2000. The senior population increased slower than the MSA and faster than the nation from 2000 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

Senior owner-occupied housing dominates the PMA with 81.6 percent in 2015. However, the 18.4 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain stable through 2020, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject's units.

Household incomes earning under \$39,999 in the PMA comprise 64.4 percent of all income cohorts. The Subject will target senior households earning between \$13,200 and \$32,400, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 59.8 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The Subject is located in Covington, Newton County, Georgia. The Subject, as proposed, will be a senior property with strict income limits.

Covington and Newton County in general were particularly hard hit by the housing market crash of 2007 and 2008. Before 2009, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the downturn in demand for their products.

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

Recent events indicate the area has recovered from the recession. Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The new technology park is located 12.9 miles from the Subject site. The facility is expected to be fully operational by 2018 with Baxter International hiring about 1,200 people from the local area.

According to a *Rockdale Citizen* article from April 12, 2016, the Covington Municipal Airport received state funding to build an additional terminal at the airport. This is particularly notable because airports are seen as a driving economic force and can entice new employers to relocate to the area. Construction is scheduled to begin in June and potentially be complete by the end of this year.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is also a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues. The film industry in Covington is the main attraction for tourists.

Additionally, according to a *Newton Citizen* article dated March 21, 2015, the Georgia General Assembly recently passed the Newton County Community Improvement Act. This act established the U.S. Highway 278 Community Improvement District. The purpose of this legislation is to beautify and improve the highways, while increasing property values and attracting new interest from investors and developers. The U.S. Highway 278 Community Improvement District is still in the planning stages. Proposed projects include landscaping, adding sidewalks, new LED traffic signals, pedestrian-scale solar lighting, and relocation of overhead utilities to underground.

1. Total Jobs

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

Total Jobs in Newton County, Georgia		
Year	Total Employment	% Change
2006	41,716	-
2007	43,991	5.17%
2008	44,131	0.32%
2009	41,333	-6.77%
2010	41,899	1.35%
2011	42,424	1.24%
2012	43,010	1.36%
2013	43,432	0.97%
2014	44,532	2.47%
2015	45,045	1.14%
2016 YTD Average	45,045	0.00%
Feb-15	44,684	-
Feb-16	45,658	2.13%

Source: U.S. Bureau of Labor Statistics
 YTD as of February 2016

As illustrated in the table above, Newton County experienced a weakening economy during the national recession with a 6.77 percent decrease in employment in 2009. Employment levels began to recover in 2010, and have been rising ever since. In 2014, covered employment in Newton County surpassed pre-recession level. In the 12 months prior to February 2016, Newton County saw a 2.13 percent increase in covered employment.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the Newton County February 2016.

**February 2016 Covered Employment
Newton County, Georgia**

	Number	Percent
Total, all industries	18,942	-
Goods-producing	5,987	-
Natural resources and mining	46	0.24%
Construction	1,334	7.04%
Manufacturing	4,607	24.32%
Service-providing	12,955	-
Trade, transportation, and utilities	4,177	22.05%
Information	431	2.28%
Financial activities	461	2.43%
Professional and business services	2,544	13.43%
Education and health services	2,453	12.95%
Leisure and hospitality	2,309	12.19%
Other services	417	2.20%
Unclassified	163	0.86%

Source: Bureau of Labor Statistics, 2015

Service-providing industries comprise 68 percent of total employment in Newton County. Construction and manufacturing comprise approximately 31 percent of employment. These industries are particularly vulnerable in economic downturns because they are historically volatile industries. Education and health services comprise fewer than 13 percent of employment, and these are historically stable industries.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,592	12.3%	15,651,841	10.6%
Construction	5,141	11.3%	9,392,204	6.4%
Retail Trade	4,770	10.5%	17,089,319	11.6%
Educational Services	4,724	10.4%	13,529,510	9.2%
Health Care/Social Assistance	4,493	9.9%	20,205,674	13.7%
Public Administration	2,859	6.3%	7,099,307	4.8%
Accommodation/Food Services	2,556	5.6%	10,915,815	7.4%
Other Services (excl Publ Adm)	2,227	4.9%	7,548,482	5.1%
Transportation/Warehousing	2,117	4.6%	6,200,837	4.2%
Prof/Scientific/Tech Services	1,915	4.2%	9,981,082	6.8%
Finance/Insurance	1,834	4.0%	7,026,905	4.8%
Admin/Support/Waste Mgmt Svcs	1,832	4.0%	6,242,568	4.2%
Wholesale Trade	1,508	3.3%	3,742,526	2.5%
Information	1,462	3.2%	2,965,498	2.0%
Real Estate/Rental/Leasing	1,009	2.2%	2,759,067	1.9%
Arts/Entertainment/Recreation	669	1.5%	3,193,724	2.2%
Utilities	435	1.0%	1,190,608	0.8%
Agric/Forestry/Fishing/Hunting	247	0.5%	1,941,156	1.3%
Mining	107	0.2%	997,794	0.7%
Mgmt of Companies/Enterprises	69	0.2%	115,436	0.1%
Total Employment	45,566	100.0%	147,789,353	100.0%

Source: Esri Demographics 2010, Novogradac & Company LLP, April 2016

Manufacturing, construction, and the retail trade made up 34.0 percent of employment by industry in 2015. All three of these industries are historically volatile in an economic downturn. Newton County was extremely hard hit by the recent national recession, and this can be attributed to these particularly volatile industries. The area has experience a resurgence as the housing market has rebounded and construction has increased throughout the PMA and MSA.

3. Major Employers

The following table is a list of the top employers in Covington, Georgia.

Major Employers - Covington, GA

Rank	Company	Industry	No. Employees
1	C. R. Bard Inc.	Manufacturing	565
2	Pactiv Corp.	Manufacturing	492
3	General Mills Inc.	Manufacturing	363
4	Guardian Automotive Corp.	Manufacturing	320
5	Clarion Metals	Manufacturing	270

Source: Covington Newton County Chamber of Commerce, April 2016

The previous tables illustrate the top employers in Newton County, Georgia. All of the top companies are in the manufacturing industry, indicating that Covington and Newton County are favorable areas for manufacturing companies, especially with the addition of Baxter International. There are a sizeable number of public employees such as school system staff and local government workers, but accurate data for these groups was not available.

Newton County Economic Development

We spoke with Serra Hall, Director of Commercial Development at the Newton County Economic Development regarding the general economic outlook for the area. One major announcement Ms. Hall focused on was the Baxter Pharmaceutical Plant. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles. Construction on the plant began in late 2014, with production at the plant beginning in 2018. The large investment in the local economy is a positive sign for the area, which was significantly affected by the recent national recession.

According to the Georgia Department of Labor, there have been no Worker Adjustment and Retraining Notifications (WARN) from 2012 to year-to-date 2015 in Newton County.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2002 to 2016.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Atlanta-Sandy Springs-Roswell, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,324,880	-	5.0%	-	136,933,000	-	4.7%	-
2003	2,347,173	1.0%	4.9%	-0.2%	136,485,000	-0.3%	5.8%	1.1%
2004	2,382,163	1.5%	4.8%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2005	2,445,674	2.7%	5.4%	0.6%	139,252,000	1.1%	5.5%	-0.5%
2006	2,538,141	3.8%	4.7%	-0.7%	141,730,000	1.8%	5.1%	-0.4%
2007	2,618,825	3.2%	4.4%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2008	2,606,822	-0.5%	6.2%	1.7%	146,047,000	1.1%	4.6%	0.0%
2009	2,452,057	-5.9%	9.9%	3.8%	145,362,000	-0.5%	5.8%	1.2%
2010	2,440,037	-0.5%	10.3%	0.4%	139,877,000	-3.8%	9.3%	3.5%
2011	2,486,369	1.9%	9.9%	-0.3%	139,064,000	-0.6%	9.6%	0.3%
2012	2,543,486	2.3%	8.8%	-1.1%	139,869,000	0.6%	8.9%	-0.7%
2013	2,573,517	1.2%	7.8%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2014	2,615,644	1.6%	6.8%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2015	2,658,286	1.6%	5.7%	-1.2%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	2,704,482	1.7%	5.2%	-0.5%	149,548,500	2.2%	5.3%	-1.0%
Jan-2015	2,631,341	-	6.2%	-	146,552,000	-	6.1%	-
Jan-2016	2,704,482	2.8%	5.2%	-1.0%	149,037,000	1.7%	5.3%	-0.8%

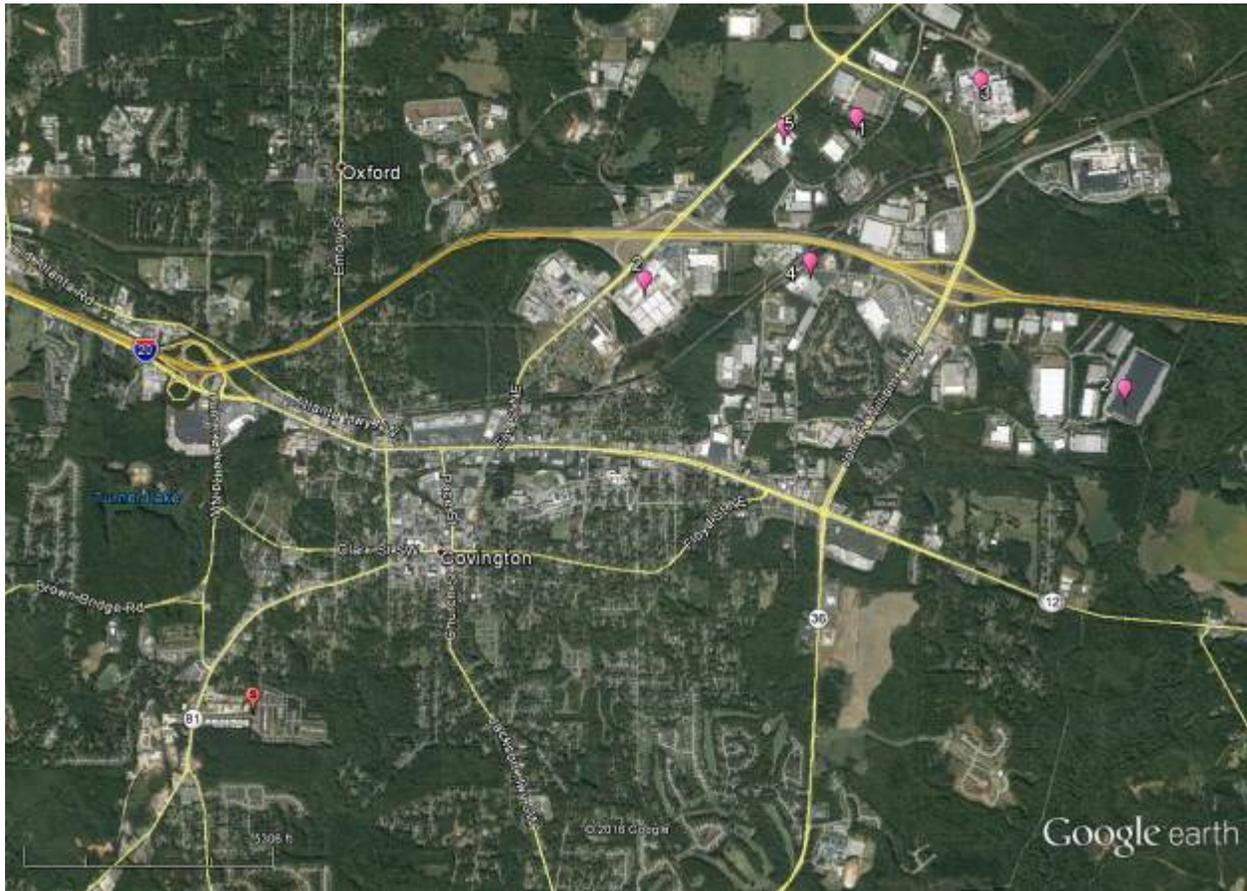
Source: U.S. Bureau of Labor Statistics April 2016

*2016 data is through Dec

Total employment within the MSA increased from 2002 to 2007. However, during the national recession the total employment within the MSA declined significantly more than the nation. Beginning in 2011, total employment increased slightly faster than the nation. In 2015, the MSA exceeded pre-recession employment figures, and 2016 YTD values continue to increase. The unemployment rate in the MSA had historically remained below the nation; however, the unemployment rate in the MSA spiked above national rates from 2007 to 2011, corresponding to the national recession. Since 2012, the unemployment rate in the MSA has fallen back below that of the nation. The 2016 YTD average unemployment rate is 10 basis points lower than the national unemployment rate. Overall, the local economy is in a period of expansion and is growing at a faster rate than that of the nation.

5. Map of Site and Major Employment Concentrations

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



Source: Google Earth, April 2016

Major Employers - Covington, GA

Map #	Company	Industry
1	C. R. Bard Inc.	Manufacturing
2	Pactiv Corp.	Manufacturing
3	General Mills Inc.	Manufacturing
4	Guardian Automotive Corp.	Manufacturing
5	Clarion Metals	Manufacturing

Source: Covington-Newton County Chamber of Commerce, April 2016

Conclusion

Covington and Newton County in general were particularly hard hit by the national recession. Before 2009, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the decline in demand for their products.

Manufacturing, construction, and the retail trade made up 34.0 percent of employment by industry in 2015. All three of these industries are historically volatile in an economic downturn. Education and healthcare, historically stable employers, comprise the next highest industries with 20.2 percent.

Recent events, however, indicate the area has recovered from the recession. Notably, the MSA exceeded pre-recession employment levels in 2015. Additionally, Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The new technology park is located 12.9 miles from the Subject site. The facility is expected to be fully operational by 2018 with Baxter International hiring about 1,500 people from the local area. Additionally, the upcoming expansion of the Covington Municipal Airport signals the city's interest in attracting more businesses to the region.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues. The film industry in Covington is the main attraction for tourists.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

3. Demand

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

3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized December 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to December 2018 by interpolation of the difference between 2015 estimates and 2020 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in December 2018. This number takes the overall growth from 2015 to 2018 and applies it to its respective income cohorts by percentage. This

number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. Demand from Existing Households

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

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

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

3C. Secondary Market Area

Per the 2016 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. Other

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

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

ADDITIONS TO SUPPLY

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

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

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. There have been no comparable properties funded, placed in service, or under construction since 2014, or projects placed in service prior to 2014, which have not reached stabilized occupancy. Therefore, no deductions have been made in the demand analysis.

PMA Occupancy

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

PMA OCCUPANCY

Property Name	Occupancy Rate	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Arbor Lake Apartments	95%	LIHTC	Family	Included	N/Ap	3.7 miles
Covington Square	100%	Section 8	Senior	Excluded	All units subsidized	1.3 miles
Fieldcrest Walk	100%	Market	Family	Excluded	More comparable properties available	2.6 miles
Harristown Park	100%	LIHTC	Senior	Included	N/Ap	1.2 miles
Leafstone Apartments	97%	Market	Family	Included	N/Ap	1.6 miles
Magnolia Heights	100%	LIHTC	Family	Included	N/Ap	3.2 miles
Orchard Cove	100%	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles
Park View Apartments	100%	Market	Family	Included	N/Ap	2.7 miles
Porterdale Mill Lofts	100%	Market	Family	Included	N/Ap	3.7 miles
Salem Glen I, II, III	99%	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles
Sumerset Apartments	98%	Market	Family	Included	N/Ap	3.9 miles
Village at Walters Bend	100%	LIHTC	Family	Excluded	Dissimilar unit types	0.1 miles
Wellington Ridge	99%	LIHTC	Family	Included	N/Ap	3.8 miles
Average	99%					

Rehab Developments and PBRA

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

Capture Rates

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

Renter Household Income Distribution 2015-2020							
The Overlook At Walkers Bend							
PMA							
	2015		Projected Mkt Entry December 2018		2020		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	472	17.4%	536	17.7%	565	17.8%	16.5%
\$10,000-19,999	701	25.8%	785	25.9%	825	26.0%	15.0%
\$20,000-29,999	425	15.6%	478	15.8%	503	15.9%	15.6%
\$30,000-39,999	312	11.5%	340	11.2%	353	11.1%	11.5%
\$40,000-49,999	145	5.3%	155	5.1%	160	5.0%	9.2%
\$50,000-59,999	201	7.4%	223	7.4%	234	7.4%	14.0%
\$60,000-74,999	129	4.8%	150	5.0%	160	5.0%	19.0%
\$75,000-99,999	111	4.1%	119	3.9%	122	3.9%	9.2%
\$100,000-124,999	117	4.3%	128	4.2%	134	4.2%	12.6%
\$125,000-149,999	42	1.5%	47	1.6%	49	1.6%	15.9%
\$150,000-199,999	33	1.2%	31	1.0%	30	1.0%	-7.4%
\$200,000+	30	1.1%	34	1.1%	36	1.1%	15.6%
Total	2,717	100.0%	3,027	100.0%	3,170	100.0%	14.3%

Renter Household Income Distribution 2015 to Projected Market Entry December 2018					
The Overlook At Walkers Bend					
PMA					
	2015		Projected Mkt Entry December 2018		Percent Growth
	#	%	#	%	
\$0-9,999	472	17.4%	536	17.7%	11.9%
\$10,000-19,999	701	25.8%	785	25.9%	10.8%
\$20,000-29,999	425	15.6%	478	15.8%	11.2%
\$30,000-39,999	312	11.5%	340	11.2%	8.1%
\$40,000-49,999	145	5.3%	155	5.1%	6.4%
\$50,000-59,999	201	7.4%	223	7.4%	10.0%
\$60,000-74,999	129	4.8%	150	5.0%	13.8%
\$75,000-99,999	111	4.1%	119	3.9%	6.5%
\$100,000-124,999	117	4.3%	128	4.2%	9.0%
\$125,000-149,999	42	1.5%	47	1.6%	11.5%
\$150,000-199,999	33	1.2%	31	1.0%	-4.9%
\$200,000+	30	1.1%	34	1.1%	11.2%
Total	2,717	100.0%	3,027	100.0%	10.2%

Tenure Prj Mrkt Entry December 2018	
Renter	18.4%
Owner	81.6%
Total	100.0%

Renter Household Size for Prj Mrkt Entry December 2018		
Size	Number	Percentage
1 Person	1,570	51.9%
2 Person	730	24.1%
3 Person	338	11.2%
4 Person	150	5.0%
5+ Person	238	7.9%
Total	3,027	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,694	25.7%
2 Person	1,756	26.6%
3 Person	1,309	19.8%
4 Person	932	14.1%
5+ Person	913	13.8%
Total	6,604	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$18,480		
Maximum Income Limit			\$27,300		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	December 2018			
\$0-9,999	536	17.7%			
\$10,000-19,999	785	25.9%	\$1,519	15.2%	119
\$20,000-29,999	478	15.8%	\$7,300	73.0%	349
\$30,000-39,999	340	11.2%			
\$40,000-49,999	155	5.1%			
\$50,000-59,999	223	7.4%			
\$60,000-74,999	150	5.0%			
\$75,000-99,999	119	3.9%			
\$100,000-124,999	128	4.2%			
\$125,000-149,999	47	1.6%			
\$150,000-199,999	31	1.0%			
\$200,000+	34	1.1%			
	3,027	100.0%			469
Percent of renter households within limits versus total number of renter households					15.48%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$18,480		
Maximum Income Limit			\$27,300		
Income Category	New Renter Households - Total Change in Households PMA 2015 to		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Prj Mrkt Entry	December 2018			
\$0-9,999	55	17.7%			
\$10,000-19,999	80	25.9%	\$1,519	15.2%	12
\$20,000-29,999	49	15.8%	\$7,300	73.0%	36
\$30,000-39,999	35	11.2%			
\$40,000-49,999	16	5.1%			
\$50,000-59,999	23	7.4%			
\$60,000-74,999	15	5.0%			
\$75,000-99,999	12	3.9%			
\$100,000-124,999	13	4.2%			
\$125,000-149,999	5	1.6%			
\$150,000-199,999	3	1.0%			
\$200,000+	3	1.1%			
	310	100.0%			48
Percent of renter households within limits versus total number of renter households					15.48%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry December 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,766		
\$54,368		
\$7,602		
16.3%		
2.7%		
2.7%	Two year adjustment	1.0000
\$27,300		
\$27,300		
2		
50%		
\$611		
\$611		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	50%
New Renter Households PMA	310
Percent Income Qualified	15.5%
New Renter Income Qualified Households	48

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	3,027
Income Qualified	15.5%
Income Qualified Renter Households	469
Percent Rent Overburdened Prj Mrkt Entry December 2018	31.3%
Rent Overburdened Households	147

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	469
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	13,411
Rural Versus Urban	0.03%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households		154
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		154
Total New Demand		48
Total Demand (New Plus Existing Households)		202

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	51.9%	105
Two Persons	24.1%	49
Three Persons	11.2%	23
Four Persons	5.0%	10
Five Persons	7.9%	16
Total	100.0%	202

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	50%	52
Of two-person households in 1BR units	10%	5
Of one-person households in 2BR units	50%	52
Of two-person households in 2BR units	90%	44
Of three-person households in 2BR units	70%	16
Of three-person households in 3BR units	30%	7
Of four-person households in 3BR units	80%	8
Of five-person households in 3BR units	70%	11
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	5
Total Demand		202
Total Demand by Bedroom		50%
1 BR		57
2 BR		96
Total Demand		153
Additions To Supply 2015 to Prj Mrkt Entry December 2018		50%
1 BR		0
2 BR		0
Total		0
Net Demand		50%
1 BR		57
2 BR		96
Total		153
Developer's Unit Mix		50%
1 BR		4
2 BR		8
Total		12
Capture Rate Analysis		50%
1 BR		7.0%
2 BR		8.3%
Total		7.8%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$23,040		
Maximum Income Limit			\$32,760		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	December 2018			
\$0-9,999	536	17.7%			
\$10,000-19,999	785	25.9%			
\$20,000-29,999	478	15.8%	\$6,959	69.6%	333
\$30,000-39,999	340	11.2%	\$2,760	27.6%	94
\$40,000-49,999	155	5.1%			
\$50,000-59,999	223	7.4%			
\$60,000-74,999	150	5.0%			
\$75,000-99,999	119	3.9%			
\$100,000-124,999	128	4.2%			
\$125,000-149,999	47	1.6%			
\$150,000-199,999	31	1.0%			
\$200,000+	34	1.1%			
	3,027	100.0%			427
Percent of renter households within limits versus total number of renter households					14.10%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$23,040		
Maximum Income Limit			\$32,760		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Prj Mrkt Entry	December 2018			
\$0-9,999	55	17.7%			
\$10,000-19,999	80	25.9%			
\$20,000-29,999	49	15.8%	\$6,959	69.6%	34
\$30,000-39,999	35	11.2%	\$2,760	27.6%	10
\$40,000-49,999	16	5.1%			
\$50,000-59,999	23	7.4%			
\$60,000-74,999	15	5.0%			
\$75,000-99,999	12	3.9%			
\$100,000-124,999	13	4.2%			
\$125,000-149,999	5	1.6%			
\$150,000-199,999	3	1.0%			
\$200,000+	3	1.1%			
	310	100.0%			44
Percent of renter households within limits versus total number of renter households					14.10%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry December 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,766		
\$54,368		
\$7,602		
16.3%		
2.7%		
2.7%	Two year adjustment	1.0000
\$32,760		
\$32,760		
\$2		
60%		
\$768		
\$768		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	60%
New Renter Households PMA	310
Percent Income Qualified	14.1%
New Renter Income Qualified Households	44

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	3,027
Income Qualified	14.1%
Income Qualified Renter Households	427
Percent Rent Overburdened Prj Mrkt Entry December 2018	31.3%
Rent Overburdened Households	134

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	427
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	13,411
Rural Versus Urban	0.03%
Senior Demand Converting from Homeownership	4

Total Demand

Total Demand from Existing Households	140
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	140
Total New Demand	44
Total Demand (New Plus Existing Households)	184

Demand from Seniors Who Convert from Homeownership	4
Percent of Total Demand From Homeownership Conversion	2.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	51.9%	95
Two Persons	24.1%	44
Three Persons	11.2%	21
Four Persons	5.0%	9
Five Persons	7.9%	14
Total	100.0%	184

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	50%	48
Of two-person households in 1BR units	10%	4
Of one-person households in 2BR units	50%	48
Of two-person households in 2BR units	90%	40
Of three-person households in 2BR units	70%	14
Of three-person households in 3BR units	30%	6
Of four-person households in 3BR units	80%	7
Of five-person households in 3BR units	70%	10
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	4
Total Demand		184
Total Demand by Bedroom		60%
1 BR		52
2 BR		88
Total Demand		140
Additions To Supply 2015 to Prj Mrkt Entry December 2018		60%
1 BR		0
2 BR		0
Total		0
Net Demand		60%
1 BR		52
2 BR		88
Total		140
Developer's Unit Mix		60%
1 BR		13
2 BR		26
Total		39
Capture Rate Analysis		60%
1 BR		24.9%
2 BR		29.7%
Total		27.9%

Market Rate

Note that we have assumed 100 percent of AMI for the maximum income limits for the proposed Subject's market rate units.

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

Percent of AMI Level Minimum Income Limit Maximum Income Limit		Market Rate			
				\$23,790	
				\$54,600	
Income Category	Total Renter Households PMA Prj Mrkt Entry December 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	536			
\$10,000-19,999	785	25.9%			
\$20,000-29,999	478	15.8%	\$6,209	62.1%	297
\$30,000-39,999	340	11.2%	\$9,999	100.0%	340
\$40,000-49,999	155	5.1%	\$9,999	100.0%	155
\$50,000-59,999	223	7.4%	\$4,600	46.0%	103
\$60,000-74,999	150	5.0%			
\$75,000-99,999	119	3.9%			
\$100,000-124,999	128	4.2%			
\$125,000-149,999	47	1.6%			
\$150,000-199,999	31	1.0%			
\$200,000+	34	1.1%			
		3,027	100.0%		895
Percent of renter households within limits versus total number of renter households					29.56%

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

Percent of AMI Level Minimum Income Limit Maximum Income Limit		Market Rate			
				\$23,790	
				\$54,600	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry December 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	54.76			
\$10,000-19,999	80.32	25.9%			
\$20,000-29,999	48.92	15.8%	\$6,209	62.1%	30
\$30,000-39,999	34.76	11.2%	\$9,999	100.0%	35
\$40,000-49,999	15.84	5.1%	\$9,999	100.0%	16
\$50,000-59,999	22.84	7.4%	\$4,600	46.0%	11
\$60,000-74,999	15.33	5.0%			
\$75,000-99,999	12.16	3.9%			
\$100,000-124,999	13.12	4.2%			
\$125,000-149,999	4.80	1.6%			
\$150,000-199,999	3.17	1.0%			
\$200,000+	3.49	1.1%			
		310	100.0%		91
Percent of renter households within limits versus total number of renter households					29.56%

- Does the Project Benefit from Rent Subsidy? (Y/N)
- Type of Housing (Family vs Senior)
- Location of Subject (Rural versus Urban)
- Percent of Income for Housing
- 2000 Median Income
- 2015 Median Income
- Change from 2015 to Prj Mrkt Entry December 2018
- Total Percent Change
- Average Annual Change
- Inflation Rate
- Maximum Allowable Income
- Maximum Allowable Income Inflation Adjusted
- Maximum Number of Occupants
- Rent Income Categories
- Initial Gross Rent for Smallest Unit
- Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Urban
40%
\$46,766
\$54,368
\$7,602
16.3%
2.7%
2.7%
Two year adjustment
1.0000
\$54,600
\$54,600
2
Market Rate
\$796
\$796

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

	Market Rate
Income Target Population	
New Renter Households PMA	310
Percent Income Qualified	29.6%
New Renter Income Qualified Households	91

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	3,027
Income Qualified	29.6%
Income Qualified Renter Households	895
Percent Rent Overburdened Prj Mrkt Entry December 2018	31.3%
Rent Overburdened Households	280

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	895
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	6

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

Senior Households Converting from Homeownership

	Market Rate
Income Target Population	
Total Senior Homeowners	13,411
Rural Versus Urban	0.03%
Senior Demand Converting from Homeownership	5

Total Demand

Total Demand from Existing Households		291
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		291
Total New Demand		91
Total Demand (New Plus Existing Households)		382

Demand from Seniors Who Convert from Homeownership	5
Percent of Total Demand From Homeownership Conversion	1.2%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	51.9%	198
Two Persons	24.1%	92
Three Persons	11.2%	43
Four Persons	5.0%	19
Five Persons	7.9%	30
Total	100.0%	382

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	50%	99
Of two-person households in 1BR units	10%	9
Of one-person households in 2BR units	50%	99
Of two-person households in 2BR units	90%	83
Of three-person households in 2BR units	70%	30
Of three-person households in 3BR units	30%	13
Of four-person households in 3BR units	80%	15
Of five-person households in 3BR units	70%	21
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	9
Total Demand		382

Total Demand by Bedroom	Market Rate
1 BR	108
2 BR	182
Total Demand	290

Additions To Supply 2015 to Prj Mrkt Entry December 2018	Market Rate
1 BR	0
2 BR	0
Total	0

Net Demand	Market Rate
1 BR	108
2 BR	182
Total	290

Developer's Unit Mix	Market Rate
1 BR	3
2 BR	6
Total	9

Capture Rate Analysis	Market Rate
1 BR	2.8%
2 BR	3.3%
Total	3.1%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$18,480		
Maximum Income Limit			\$54,600		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	December 2018			
\$0-9,999	536	17.7%			
\$10,000-19,999	785	25.9%	\$1,519	15.2%	119
\$20,000-29,999	478	15.8%	\$9,999	100.0%	478
\$30,000-39,999	340	11.2%	\$9,999	100.0%	340
\$40,000-49,999	155	5.1%	\$9,999	100.0%	155
\$50,000-59,999	223	7.4%	\$4,600	46.0%	103
\$60,000-74,999	150	5.0%			
\$75,000-99,999	119	3.9%			
\$100,000-124,999	128	4.2%			
\$125,000-149,999	47	1.6%			
\$150,000-199,999	31	1.0%			
\$200,000+	34	1.1%			
	3,027	100.0%			1,195
Percent of renter households within limits versus total number of renter households					39.49%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$18,480		
Maximum Income Limit			\$54,600		
Income Category	New Renter Households - Total Change in Households PMA 2015 to		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Prj Mrkt Entry	December 2018			
\$0-9,999	55	17.7%			
\$10,000-19,999	80	25.9%	\$1,519	15.2%	12
\$20,000-29,999	49	15.8%	\$9,999	100.0%	49
\$30,000-39,999	35	11.2%	\$9,999	100.0%	35
\$40,000-49,999	16	5.1%	\$9,999	100.0%	16
\$50,000-59,999	23	7.4%	\$4,600	46.0%	11
\$60,000-74,999	15	5.0%			
\$75,000-99,999	12	3.9%			
\$100,000-124,999	13	4.2%			
\$125,000-149,999	5	1.6%			
\$150,000-199,999	3	1.0%			
\$200,000+	3	1.1%			
	310	100.0%			122
Percent of renter households within limits versus total number of renter households					39.49%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry December 2018

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$46,766		
\$54,368		
\$7,602		
16.3%		
2.7%		
2.7%	Two year adjustment	1.0000
\$54,600		
\$54,600		
2		
Overall		
\$611		
\$611		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	50%	50%	0%	0%	0%	100%
2	0%	10%	90%	0%	0%	0%	100%
3	0%	0%	70%	30%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

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

Income Target Population		Overall
New Renter Households PMA		310
Percent Income Qualified		39.5%
New Renter Income Qualified Households		122

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		3,027
Income Qualified		39.5%
Income Qualified Renter Households		1,195
Percent Rent Overburdened Prj Mrkt Entry December 2018		31.3%
Rent Overburdened Households		374

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,195
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		8

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		13,411
Rural Versus Urban	0.03%	
Senior Demand Converting from Homeownership		5

Total Demand

Total Demand from Existing Households		387
Adjustment Factor - Leakage from SMA (use 115% for I	100%	0
Adjusted Demand from Existing Households		387
Total New Demand		122
Total Demand (New Plus Existing Households)		509

Demand from Seniors Who Convert from Homeownership		5
Percent of Total Demand From Homeownership Conversion		0.9%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	51.9%	264
Two Persons	24.1%	123
Three Persons	11.2%	57
Four Persons	5.0%	25
Five Persons	7.9%	40
Total	100.0%	509

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	50%	132
Of two-person households in 1BR units	10%	12
Of one-person households in 2BR units	50%	132
Of two-person households in 2BR units	90%	111
Of three-person households in 2BR units	70%	40
Of three-person households in 3BR units	30%	17
Of four-person households in 3BR units	80%	20
Of five-person households in 3BR units	70%	28
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	12
Total Demand		509
Total Demand by Bedroom		Overall
1 BR		144
2 BR		243
Total Demand		387
Additions To Supply 2015 to Prj Mrkt Entry December 2018		Overall
1 BR		0
2 BR		0
Total		0
Net Demand		Overall
1 BR		144
2 BR		243
Total		387
Developer's Unit Mix		Overall
1 BR		20
2 BR		40
Total		60
Capture Rate Analysis		Overall
1 BR		13.9%
2 BR		16.5%
Total		15.5%

Conclusions

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

- The number of senior renter households in the PMA is expected to increase 2.9 percent annually between 2015 and 2020.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 7.0 to 8.3 percent, with an overall capture rate of 7.8 percent. The Subject's 60 percent AMI capture rates range from 24.9 to 29.7 percent, with an overall capture rate of 27.9 percent. Assuming a maximum income of 100 percent of the AMI; the Subject's market rate capture rates range from 2.8 to 3.3 percent, with an overall capture rate of 3.1 percent. The overall capture rate for the project's units is 15.5 percent. Therefore, we believe there is adequate demand for the Subject.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR/1BA @ 50%	\$18,330 - \$23,900	4	57	0	57	7.0%	Six months	\$695	\$480 - \$950	\$445
2BR/1BA @ 50%	\$22,110 - \$27,300	8	96	0	96	8.3%	Six months	\$836	\$538 - \$1,450	\$520
Overall @ 50%	\$18,330 - \$27,300	12	153	0	153	7.8%	Six months	-	-	-
1BR/1BA @ 60%	\$21,930 - \$28,680	13	52	0	52	24.9%	Six months	\$695	\$480 - \$950	\$560
2BR/1BA @ 60%	\$26,310 - \$32,760	26	88	0	88	29.7%	Six months	\$836	\$538 - \$1,450	\$660
Overall @ 60%	\$21,930 - \$32,760	39	140	0	140	27.9%	Six months	-	-	-
1BR/1BA Market Rate	\$23,880 - \$47,800	3	108	0	108	2.8%	Six months	\$695	\$480 - \$950	\$622
2BR/1BA Market Rate	\$28,560 - \$54,600	6	182	0	182	3.3%	Six months	\$836	\$538 - \$1,450	\$733
Overall Market Rate	\$23,880 - \$54,600	9	290	0	290	3.1%	Six months	-	-	-
1BR/1BA Overall	\$18,330 - \$47,800	20	144	0	144	13.9%	Six months	-	-	-
2BR/1BA Overall	\$22,110 - \$54,600	40	243	0	243	16.5%	Six months	-	-	-
Overall Overall	\$18,330 - \$54,600	60	387	0	387	15.5%	Six months	-	-	-

Demand and Net Demand

	HH at 50% AMI (\$18,330 to \$27,300)	HH at 60% AMI (\$21,930 to \$32,760)	HH > 60% AMI (\$23,880 to \$54,600)	All Tax Credit Households
Demand from New Households (age and income appropriate)	48	44	91	122
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	3	3	6	8
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	147	134	280	374
PLUS	+	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0	0
Sub Total	198	180	378	505
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	4	4	5	5
Equals Total Demand	202	184	382	509
Less	-	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0	0
Equals Net Demand	202	184	382	509

*Not adjusted for bedroom specific demand

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 10 “true” comparable properties containing 1,736 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered good; however, there is only one age-restricted property in the PMA. Harristown Park was allocated tax credits in 2009 and is located 1.2 miles from the Subject. This property targets senior tenants 55 and older and will directly compete with the Subject. Therefore, we have used it as a comparable in our analysis. The availability of age-restricted data is considered limited. We have used two family LIHTC properties from inside the PMA and two age-restricted LIHTC properties from outside the PMA as comparables in our analysis. These age-restricted comparables are located in Decatur and Stone Mountain, Georgia, approximately 25 to 28 miles from the Subject site.

The availability of market rate data is considered adequate, as seven of the comparable properties offer market rate data. These comparables were built or renovated between 1999 and 2011. Of the seven properties with market rate units, three are mixed income properties and four are conventional properties. We believe that the Subject will be more comparable to the mixed income properties in the area and we have therefore used them as comparables in our analysis. The mixed income properties are newer and exhibit slightly superior condition than the conventional market rate comparable properties.

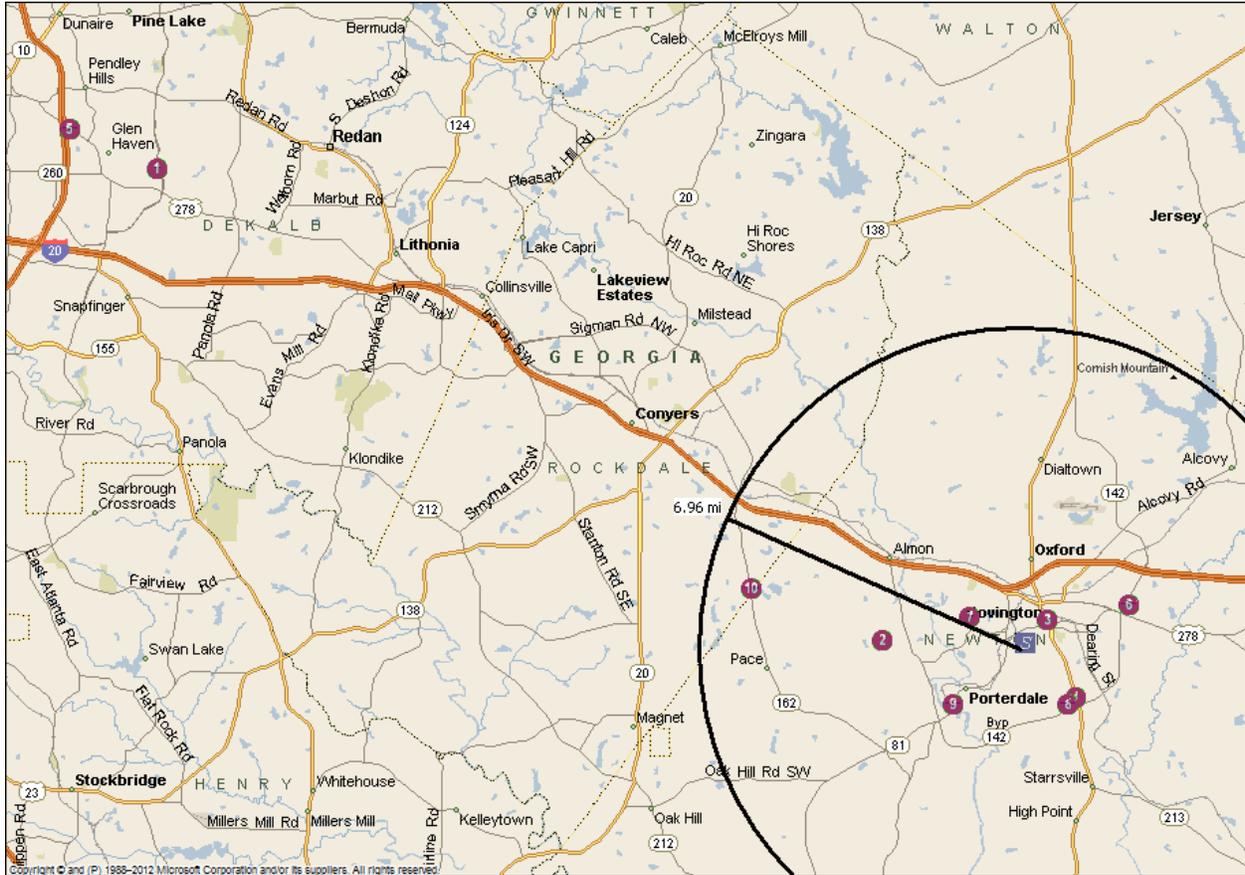
Excluded Properties

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

EXCLUDED PROPERTIES

Name	Occupancy	Type	Tenancy	Reason for Exclusion	Distance from the Subject
Covington Square	100%	Section 8	Senior	All units are subsidized	1.3 miles
Salem Glen I, II, III	90%	LIHTC	Family	More comparable properties available	10.5 miles
Orchard Cove	96%	LIHTC	Family	More comparable properties available	10.3 miles
Century Lakeside	99%	LIHTC	Family	More comparable properties available	11.1 miles
Village at Walkers Bend	94%	LIHTC	Family	Dissimilar unit types	0.1 miles
Fieldcrest Walk	90%	Market	Family	More comparable properties available	2.6 miles

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Antioch Manor Estates	Stone Mountain	@ 30%, @ 50%, @ 60%, Market	25.2 miles
2	Arbor Lake Apartments	Covington	@ 60%, Market	3.7 miles
3	Harristown Park	Covington	@ 50%, @ 60%	1.2 miles
4	Magnolia Heights	Covington	@ 60%, Market	3.2 miles
5	Retreat At Madison Place	Decatur	@ 60%	28.4 miles
6	Wellington Ridge	Covington	@ 60%	3.9 miles
7	Leafstone Apartments	Covington	Market	1.6 miles
8	Park View Apartments	Covington	Market	2.7 miles
9	Porterdale Mill Lofts	Porterdale	Market	3.7 miles
10	Sumerset Apartments	Conyers	Market	3.9 miles

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	The Overlook At Walkers Bend Walkers Bend Parkway Covington, GA 30014 Newton County	n/a	Lowrise (age-restricted) (3 stories) 2018 / n/a	@50%, @60%, Market	1BR / 1BA	4	6.70%	@50%	\$445	700	no		N/A	N/A
					1BR / 1BA	13	21.70%	@60%	\$560	700	no	N/A	N/A	
					1BR / 1BA	3	5.00%	Market	\$622	700	n/a	N/A	N/A	
					2BR / 1BA	8	13.30%	@50%	\$520	900	no	N/A	N/A	
					2BR / 1BA	26	43.30%	@60%	\$660	900	no	N/A	N/A	
					2BR / 1BA	6	10.00%	Market	\$733	900	n/a	N/A	N/A	
1	Antioch Manor Estates 4711 Bishop Ming Boulevard Stone Mountain, GA 30088 DeKalb County	25.2 miles	Lowrise (age-restricted) (3 stories) 2005 / n/a	@30%, @50%, @60%, Market	Studio / 1BA	2	1.70%	@30%	\$244	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.70%	@50%	\$550	450	yes	Yes	0	0.00%
					Studio / 1BA	2	1.70%	Market	\$632	450	n/a	Yes	0	0.00%
					1BR / 1BA	5	4.20%	@30%	\$218	600	yes	Yes	0	0.00%
					1BR / 1BA	20	16.70%	@50%	\$496	600	yes	Yes	0	0.00%
					1BR / 1BA	15	12.50%	@60%	\$635	600	yes	Yes	0	0.00%
					1BR / 1BA	8	6.70%	Market	\$778	600	n/a	Yes	0	0.00%
					2BR / 1BA	6	5.00%	@30%	\$249	800	yes	Yes	0	0.00%
					2BR / 1BA	26	21.70%	@50%	\$582	800	yes	Yes	0	0.00%
					2BR / 1BA	13	10.80%	@60%	\$749	800	yes	Yes	0	0.00%
					2BR / 1BA	3	2.50%	Market	\$1,145	800	n/a	Yes	0	0.00%
					2BR / 2BA	1	0.80%	@30%	\$249	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@50%	\$582	850	yes	Yes	0	0.00%
					2BR / 2BA	3	2.50%	@60%	\$749	850	yes	Yes	0	0.00%
					2BR / 2BA	11	9.20%	Market	\$1,145	850	n/a	Yes	0	0.00%
					2	Arbor Lake Apartments 431 Kirkland Road Covington, GA 30016 Newton County	3.7 miles	Garden (3 stories) 2001 / n/a	@60%, Market	1BR / 1BA	36	14.40%	@60%	\$735
1BR / 1BA	N/A	N/A	Market	\$792						975	n/a	No	N/A	N/A
2BR / 2BA	166	66.40%	@60%	\$847						1,150	no	No	N/A	N/A
2BR / 2BA	N/A	N/A	Market	\$867						1,150	n/a	No	N/A	N/A
3BR / 2BA	48	19.20%	@60%	\$829						1,350	no	No	N/A	N/A
3BR / 2BA	N/A	N/A	Market	\$968						1,350	n/a	No	N/A	N/A
3	Harristown Park 2135 Reynolds Street SW Covington, GA 30014 Newton County	1.2 miles	Lowrise (age-restricted) (4 stories) 2011 / n/a	@50%, @60%	1BR / 1BA	2	3.30%	@50%	\$480	750	no	Yes	0	0.00%
					1BR / 1BA	10	16.70%	@60%	\$480	750	no	Yes	0	0.00%
					2BR / 1BA	7	11.70%	@50%	\$550	900	no	Yes	0	0.00%
					2BR / 1BA	41	68.30%	@60%	\$550	900	no	Yes	0	0.00%
						60	100%						0	0.00%
						120	100%						0	0.00%
4	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	3.2 miles	Garden (2 stories) 2001 / n/a	@60%, Market	1BR / 1BA	10	5.00%	Market	\$585	975	n/a	Yes	0	0.00%
					1BR / 1BA	22	11.00%	@60%	\$530	975	no	Yes	0	0.00%
					2BR / 2BA	41	20.50%	Market	\$623	1,150	n/a	Yes	0	0.00%
					2BR / 2BA	103	51.50%	@60%	\$538	1,150	no	Yes	1	1.00%
					3BR / 2BA	8	4.00%	Market	\$764	1,350	n/a	Yes	0	0.00%
					3BR / 2BA	16	8.00%	@60%	\$704	1,350	no	Yes	0	0.00%
5	Retreat At Madison Place 3907 Redwing Circle Decatur, GA 30032 DeKalb County	28.4 miles	Midrise (age-restricted) (4 stories) 2007 / n/a	@60%	1BR / 1BA	40	25.00%	@60%	\$690	697	yes	No	0	0.00%
					2BR / 2BA	120	75.00%	@60%	\$816	987	no	No	2	1.70%
						160	100%						2	1.30%
						200	100%						1	0.50%
						40	25.00%	@60%	\$661	651	yes	Yes	0	0.00%
						23	10.50%	@60%	\$661	835	yes	Yes	0	0.00%
6	Wellington Ridge 9145 Wellington Drive Covington, GA 30014 Newton County	3.9 miles	Garden (3 stories) 2003 / n/a	@60%	1BR / 1BA	23	10.50%	@60%	\$661	902	yes	Yes	0	0.00%
					1BR / 1BA	24	10.90%	@60%	\$661	902	yes	Yes	0	0.00%
					2BR / 2BA	30	13.60%	@60%	\$782	1,050	yes	Yes	1	3.30%
					2BR / 2BA	30	13.60%	@60%	\$782	1,163	yes	Yes	0	0.00%
					2BR / 2BA	31	14.10%	@60%	\$782	1,199	yes	Yes	0	0.00%
					2BR / 2BA	31	14.10%	@60%	\$782	1,316	yes	Yes	0	0.00%
7	Leafstone Apartments 10100 Browns Bridge Rd Covington, GA 30014 Newton County	1.6 miles	Garden (3 stories) 2000 / n/a	Market	1BR / 1BA	63	27.20%	Market	\$781	816	n/a	No	N/A	N/A
					2BR / 2BA	136	58.60%	Market	\$866	1,072	n/a	No	N/A	N/A
					3BR / 2BA	33	14.20%	Market	\$1,016	1,292	n/a	No	N/A	N/A
						232	100%						8	3.40%
						10	10.00%	Market	\$575	735	n/a	No	0	0.00%
						9	9.00%	Market	\$675	880	n/a	No	0	0.00%
8	Park View Apartments 10920 Covington Bypass Covington, GA 30014 Newton County	2.7 miles	Garden (3 stories) 1993 / 2011	Market	2BR / 2BA	46	46.00%	Market	\$695	880	n/a	No	0	0.00%
					3BR / 2BA	35	35.00%	Market	\$795	1,152	n/a	No	0	0.00%
						100	100%						0	0.00%
						N/A	N/A	Market	\$850	796	n/a	Yes	0	N/A
						N/A	N/A	Market	\$950	855	n/a	Yes	0	N/A
						N/A	N/A	Market	\$750	738	n/a	Yes	0	N/A
9	Porterdale Mill Lofts 1109 Main Street Porterdale, GA 30014 Newton County	3.7 miles	Midrise 1899 / 2006	Market	2BR / 2BA	N/A	N/A	Market	\$1,250	1,205	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,450	1,280	n/a	Yes	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$950	1,130	n/a	Yes	0	N/A
					3BR / 2BA	3	1.90%	Market	\$1,445	1,694	n/a	Yes	0	0.00%
					3BR / 2BA	N/A	N/A	Market	\$1,595	1,694	n/a	Yes	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,295	1,694	n/a	Yes	0	N/A
10	Sumerset Apartments 50 Greenleaf Road Conyers, GA 30013 Newton County	3.9 miles	Garden (3 stories) 1999 / n/a	Market	1BR / 1BA	18	7.50%	Market	\$787	636	n/a	No	0	0.00%
					1BR / 1BA	42	17.50%	Market	\$816	722	n/a	No	1	2.40%
					2BR / 1BA	48	20.00%	Market	\$841	894	n/a	No	2	4.20%
					2BR / 2BA	114	47.50%	Market	\$881	1,051	n/a	No	2	1.80%
					3BR / 2BA	18	7.50%	Market	\$1,081	1,304	n/a	No	0	0.00%
						240	100%						5	2.10%

The Overlook at Walkers Bend, Covington, GA; Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Apr-16	Units Surveyed:	1736	Weighted Occupancy:	98.20%
			Market Rate	726	Market Rate	98.20%
			Tax Credit	1010	Tax Credit	98.20%
One Bedroom One Bath			Two Bedrooms One Bath			
RENT	Property	Average	Property	Average	Property	Average
	Porterdale Mill Lofts	\$950	Porterdale Mill Lofts (2BA)	\$1,450		
	Porterdale Mill Lofts	\$850	Porterdale Mill Lofts (2BA)	\$1,250		
	Sumerset Apartments	\$816	Antioch Manor Estates * (M)	\$1,145		
	Arbor Lake Apartments * (M)	\$792	Porterdale Mill Lofts (2BA)	\$950		
	Sumerset Apartments	\$787	Arbor Lake Apartments * (2BA M)	\$867		
	Leafstone Apartments	\$781	Leafstone Apartments (2BA)	\$866		
	Antioch Manor Estates * (M)	\$778	Arbor Lake Apartments * (2BA 60%)	\$847		
	Porterdale Mill Lofts	\$750	Sumerset Apartments	\$841		
	Arbor Lake Apartments * (60%)	\$735	Retreat At Madison Place * (2BA 60%)	\$816		
	Retreat At Madison Place * (60%)	\$690	Wellington Ridge * (2BA 60%)	\$782		
	Wellington Ridge * (60%)	\$661	Wellington Ridge * (2BA 60%)	\$782		
	Wellington Ridge * (60%)	\$661	Wellington Ridge * (2BA 60%)	\$782		
	Wellington Ridge * (60%)	\$661	Wellington Ridge * (2BA 60%)	\$782		
	Antioch Manor Estates * (60%)	\$635	Antioch Manor Estates * (60%)	\$749		
	The Overlook At Walkers Bend * (M)	\$622	The Overlook At Walkers Bend * (M)	\$733		
	Magnolia Heights * (M)	\$585	Park View Apartments	\$675		
	Park View Apartments	\$575	The Overlook At Walkers Bend * (60%)	\$660		
	The Overlook At Walkers Bend * (60%)	\$560	Magnolia Heights * (2BA M)	\$623		
	Magnolia Heights * (60%)	\$530	Antioch Manor Estates * (50%)	\$582		
	Antioch Manor Estates * (50%)	\$496	Harristown Park * (50%)	\$550		
	Harristown Park * (50%)	\$480	Harristown Park * (60%)	\$550		
	Harristown Park * (60%)	\$480	Magnolia Heights * (2BA 60%)	\$538		
	The Overlook At Walkers Bend * (50%)	\$445	The Overlook At Walkers Bend * (50%)	\$520		
	Antioch Manor Estates * (30%)	\$218	Antioch Manor Estates * (30%)	\$249		
SQUARE FOOTAGE	Arbor Lake Apartments * (60%)	975	Wellington Ridge * (2BA 60%)	1,316		
	Arbor Lake Apartments * (M)	975	Porterdale Mill Lofts (2BA)	1,280		
	Magnolia Heights * (M)	975	Porterdale Mill Lofts (2BA)	1,205		
	Magnolia Heights * (60%)	975	Wellington Ridge * (2BA 60%)	1,199		
	Wellington Ridge * (60%)	902	Wellington Ridge * (2BA 60%)	1,163		
	Porterdale Mill Lofts	855	Arbor Lake Apartments * (2BA 60%)	1,150		
	Wellington Ridge * (60%)	835	Arbor Lake Apartments * (2BA M)	1,150		
	Leafstone Apartments	816	Magnolia Heights * (2BA M)	1,150		
	Porterdale Mill Lofts	796	Magnolia Heights * (2BA 60%)	1,150		
	Harristown Park * (50%)	750	Porterdale Mill Lofts (2BA)	1,130		
	Harristown Park * (60%)	750	Leafstone Apartments (2BA)	1,072		
	Porterdale Mill Lofts	738	Wellington Ridge * (2BA 60%)	1,050		
	Park View Apartments	735	Retreat At Madison Place * (2BA 60%)	987		
	Sumerset Apartments	722	The Overlook At Walkers Bend * (50%)	900		
	The Overlook At Walkers Bend * (50%)	700	The Overlook At Walkers Bend * (60%)	900		
	The Overlook At Walkers Bend * (60%)	700	The Overlook At Walkers Bend * (M)	900		
	The Overlook At Walkers Bend * (M)	700	Harristown Park * (50%)	900		
	Retreat At Madison Place * (60%)	697	Harristown Park * (60%)	900		
	Wellington Ridge * (60%)	651	Sumerset Apartments	894		
	Sumerset Apartments	636	Park View Apartments	880		
	Antioch Manor Estates * (30%)	600	Antioch Manor Estates * (30%)	800		
	Antioch Manor Estates * (50%)	600	Antioch Manor Estates * (50%)	800		
	Antioch Manor Estates * (60%)	600	Antioch Manor Estates * (60%)	800		
	Antioch Manor Estates * (M)	600	Antioch Manor Estates * (M)	800		
RENT PER SQUARE FOOT	Antioch Manor Estates * (M)	\$1.30	Antioch Manor Estates * (M)	\$1.43		
	Sumerset Apartments	\$1.24	Porterdale Mill Lofts (2BA)	\$1.13		
	Sumerset Apartments	\$1.13	Porterdale Mill Lofts (2BA)	\$1.04		
	Porterdale Mill Lofts	\$1.11	Sumerset Apartments	\$0.94		
	Porterdale Mill Lofts	\$1.07	Antioch Manor Estates * (60%)	\$0.94		
	Antioch Manor Estates * (60%)	\$1.06	Porterdale Mill Lofts (2BA)	\$0.84		
	Porterdale Mill Lofts	\$1.02	Retreat At Madison Place * (2BA 60%)	\$0.83		
	Wellington Ridge * (60%)	\$1.02	Leafstone Apartments (2BA)	\$0.81		
	Retreat At Madison Place * (60%)	\$0.99	The Overlook At Walkers Bend * (M)	\$0.81		
	Leafstone Apartments	\$0.96	Park View Apartments	\$0.77		
	The Overlook At Walkers Bend * (M)	\$0.89	Arbor Lake Apartments * (2BA M)	\$0.75		
	Antioch Manor Estates * (50%)	\$0.83	Wellington Ridge * (2BA 60%)	\$0.74		
	Arbor Lake Apartments * (M)	\$0.81	Arbor Lake Apartments * (2BA 60%)	\$0.74		
	Wellington Ridge * (60%)	\$0.79	Antioch Manor Estates * (50%)	\$0.73		
	Park View Apartments	\$0.78	The Overlook At Walkers Bend * (60%)	\$0.73		
	The Overlook At Walkers Bend * (60%)	\$0.80	Wellington Ridge * (2BA 60%)	\$0.67		
	Arbor Lake Apartments * (60%)	\$0.75	Wellington Ridge * (2BA 60%)	\$0.65		
	Wellington Ridge * (60%)	\$0.73	Harristown Park * (50%)	\$0.61		
	Harristown Park * (50%)	\$0.64	Harristown Park * (60%)	\$0.61		
	Harristown Park * (60%)	\$0.64	Wellington Ridge * (2BA 60%)	\$0.59		
	The Overlook At Walkers Bend * (50%)	\$0.64	The Overlook At Walkers Bend * (50%)	\$0.58		
	Magnolia Heights * (M)	\$0.60	Magnolia Heights * (2BA M)	\$0.54		
	Magnolia Heights * (60%)	\$0.54	Magnolia Heights * (2BA 60%)	\$0.47		
	Antioch Manor Estates * (30%)	\$0.36	Antioch Manor Estates * (30%)	\$0.31		

PROPERTY PROFILE REPORT

Antioch Manor Estates

Effective Rent Date 4/19/2016

Location 4711 Bishop Ming Boulevard
Stone Mountain, GA 30088
DeKalb County

Distance 25.2 miles

Units 120

Vacant Units 0

Vacancy Rate 0.0%

Type Lowrise (age-restricted) (3 stories)

Year Built/Renovated 2005 / N/A

Marketing Began 10/01/2004

Leasing Began 8/01/2005

Last Unit Leased 1/01/2006

Major Competitors Retreat at Madison, Spring Chase II

Tenant Characteristics Dekalb County residents 55+, average age is 80

Contact Name Brandy

Phone 770-322-8839



Market Information

Program @30%, @50%, @60%, Market

Annual Turnover Rate 10%

Units/Month Absorbed 24

HCV Tenants 0%

Leasing Pace Preleased

Annual Chg. in Rent None

Concession None

Utilities

A/C included -- central

Cooking included -- electric

Water Heat included -- gas

Heat included -- electric

Other Electric included

Water included

Sewer included

Trash Collection included

Antioch Manor Estates, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	2	450	\$387	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$693	\$0	@50%	Yes	0	0.0%	yes	None
0	1	Lowrise (3 stories)	2	450	\$775	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Lowrise (3 stories)	5	600	\$415	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	20	600	\$693	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	15	600	\$832	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	8	600	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	6	800	\$499	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	26	800	\$832	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	13	800	\$999	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	3	800	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	1	850	\$499	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$832	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	3	850	\$999	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	11	850	\$1,395	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$387	\$0	\$387	-\$143	\$244	Studio / 1BA	\$693	\$0	\$693	-\$143	\$550
1BR / 1BA	\$415	\$0	\$415	-\$197	\$218	1BR / 1BA	\$693	\$0	\$693	-\$197	\$496
2BR / 1BA	\$499	\$0	\$499	-\$250	\$249	2BR / 1BA	\$832	\$0	\$832	-\$250	\$582
2BR / 2BA	\$499	\$0	\$499	-\$250	\$249	2BR / 2BA	\$832	\$0	\$832	-\$250	\$582
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$832	\$0	\$832	-\$197	\$635	Studio / 1BA	\$775	\$0	\$775	-\$143	\$632
2BR / 1BA	\$999	\$0	\$999	-\$250	\$749	1BR / 1BA	\$975	\$0	\$975	-\$197	\$778
2BR / 2BA	\$999	\$0	\$999	-\$250	\$749	2BR / 1BA	\$1,395	\$0	\$1,395	-\$250	\$1,145
						2BR / 2BA	\$1,395	\$0	\$1,395	-\$250	\$1,145

Antioch Manor Estates, continued

Amenities

In-Unit

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

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

Security

In-Unit Alarm
Limited Access
Perimeter Fencing
Video Surveillance

Services

Computer Tutoring
Shuttle Service

Property

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

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

Premium

Hairdresser / Barber
Medical Professional

Other

None

Comments

This property does not accept Housing Choice Vouchers. The contact did not know the length of the waiting list. There are 19 project-based rental assistance units at this property. Nine are one-bedroom units, eight are two-bedroom units, and two are studios. The contact did not specify the restriction level on the project-based units. The contact also reported that almost all tenants are between the ages of 70 and 100.

Antioch Manor Estates, continued

Trend Report

Vacancy Rates

1Q15	3Q15	1Q16	2Q16
0.0%	2.5%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$415	\$0	\$415	\$218
2015	3	0.0%	\$415	\$0	\$415	\$218
2016	1	0.0%	\$415	\$0	\$415	\$218
2016	2	0.0%	\$415	\$0	\$415	\$218

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$498	\$0	\$498	\$248
2015	3	0.0%	\$498	\$0	\$498	\$248
2016	1	0.0%	\$499	\$0	\$499	\$249
2016	2	0.0%	\$499	\$0	\$499	\$249

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$498	\$0	\$498	\$248
2015	3	0.0%	\$498	\$0	\$498	\$248
2016	1	0.0%	\$499	\$0	\$499	\$249
2016	2	0.0%	\$499	\$0	\$499	\$249

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$387	\$0	\$387	\$244
2015	3	0.0%	\$387	\$0	\$387	\$244
2016	1	0.0%	\$387	\$0	\$387	\$244
2016	2	0.0%	\$387	\$0	\$387	\$244

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$691	\$0	\$691	\$494
2015	3	0.0%	\$691	\$0	\$691	\$494
2016	1	0.0%	\$693	\$0	\$693	\$496
2016	2	0.0%	\$693	\$0	\$693	\$496

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$830	\$0	\$830	\$580
2015	3	0.0%	\$830	\$0	\$830	\$580
2016	1	0.0%	\$832	\$0	\$832	\$582
2016	2	0.0%	\$832	\$0	\$832	\$582

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$830	\$0	\$830	\$580
2015	3	0.0%	\$830	\$0	\$830	\$580
2016	1	0.0%	\$832	\$0	\$832	\$582
2016	2	0.0%	\$832	\$0	\$832	\$582

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$646	\$0	\$646	\$503
2015	3	0.0%	\$646	\$0	\$646	\$503
2016	1	0.0%	\$693	\$0	\$693	\$550
2016	2	0.0%	\$693	\$0	\$693	\$550

Antioch Manor Estates, continued

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$765	\$0	\$765	\$568
2015	3	0.0%	\$765	\$0	\$765	\$568
2016	1	0.0%	\$832	\$0	\$832	\$635
2016	2	0.0%	\$832	\$0	\$832	\$635

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$905	\$0	\$905	\$655
2015	3	0.0%	\$905	\$0	\$905	\$655
2016	1	0.0%	\$999	\$0	\$999	\$749
2016	2	0.0%	\$999	\$0	\$999	\$749

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$915	\$0	\$915	\$665
2015	3	0.0%	\$915	\$0	\$915	\$665
2016	1	0.0%	\$999	\$0	\$999	\$749
2016	2	0.0%	\$999	\$0	\$999	\$749

Studio / 1BA

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

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$975	\$0	\$975	\$778
2015	3	12.5%	\$975	\$0	\$975	\$778
2016	1	0.0%	\$975	\$0	\$975	\$778
2016	2	0.0%	\$975	\$0	\$975	\$778

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$1,345	\$0	\$1,345	\$1,095
2015	3	66.7%	\$1,345	\$0	\$1,345	\$1,095
2016	1	0.0%	\$1,345	\$0	\$1,345	\$1,095
2016	2	0.0%	\$1,395	\$0	\$1,395	\$1,145

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$1,395	\$0	\$1,395	\$1,145
2015	3	0.0%	\$1,395	\$0	\$1,395	\$1,145
2016	1	0.0%	\$1,395	\$0	\$1,395	\$1,145
2016	2	0.0%	\$1,395	\$0	\$1,395	\$1,145

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$775	\$0	\$775	\$632
2015	3	0.0%	\$775	\$0	\$775	\$632
2016	1	0.0%	\$775	\$0	\$775	\$632
2016	2	0.0%	\$775	\$0	\$775	\$632

Trend: Comments

- 1Q15** The property maintains a waiting list of 111 households. According to management, there is significant demand for additional senior housing in the area. The property typically remains fully occupied year round. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property.
- 3Q15** The property maintains a waiting list of 150 households. A total of 21 of the property's LIHTC units are subsidized with a Project-Based voucher.
- 1Q16** The contact reported that typical occupancy is 100 percent. The contact was unable to provide an updated turnover rate; however, she did say that it is very rare that a tenant will voluntarily move out. Most turnover is due to illness or tenant needing to move to assisted living.
- 2Q16** This property does not accept Housing Choice Vouchers. The contact did not know the length of the waiting list. There are 19 project-based rental assistance units at this property. Nine are one-bedroom units, eight are two-bedroom units, and two are studios. The contact did not specify the restriction level on the project-based units. The contact also reported that almost all tenants are between the ages of 70 and 100.

Antioch Manor Estates, continued

Photos



PROPERTY PROFILE REPORT

Arbor Lake Apartments

Effective Rent Date	4/18/2016
Location	431 Kirkland Road Covington, GA 30016 Newton County
Distance	3.7 miles
Units	250
Vacant Units	13
Vacancy Rate	5.2%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge, Leafstone
Tenant Characteristics	None identified
Contact Name	Tina
Phone	770-385-6166



Market Information

Program	@60%, Market
Annual Turnover Rate	34%
Units/Month Absorbed	21
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased three to nine percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	975	\$714	\$0	@60%	No	N/A	N/A	no	None
1	1	Garden (3 stories)	N/A	975	\$771	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	166	1,150	\$826	\$0	@60%	No	N/A	N/A	no	None
2	2	Garden (3 stories)	N/A	1,150	\$846	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	48	1,350	\$808	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (3 stories)	N/A	1,350	\$947	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$714	\$0	\$714	\$21	\$735	1BR / 1BA	\$771	\$0	\$771	\$21	\$792
2BR / 2BA	\$826	\$0	\$826	\$21	\$847	2BR / 2BA	\$846	\$0	\$846	\$21	\$867
3BR / 2BA	\$808	\$0	\$808	\$21	\$829	3BR / 2BA	\$947	\$0	\$947	\$21	\$968

Arbor Lake Apartments, continued

Amenities

In-Unit

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

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

Security

Limited Access

Services

Afterschool Program

Property

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Tennis Court

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

Premium

None

Other

None

Comments

This property does not maintain a waiting list. The contact could not report the unit breakdown of the vacancies. Parking at this property is free and unassigned, and the contact indicated that there was adequate parking for all the tenants.

Arbor Lake Apartments, continued

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q16
5.2%	7.2%	5.2%	5.2%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$625	\$0	\$625	\$646
2015	1	N/A	\$651	\$0	\$651	\$672
2015	2	11.1%	\$651	\$0	\$651	\$672
2016	2	N/A	\$714	\$0	\$714	\$735

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	4.8%	\$700	\$0	\$700	\$721
2015	1	N/A	\$755	\$0	\$755	\$776
2015	2	3.6%	\$774	\$0	\$774	\$795
2016	2	N/A	\$826	\$0	\$826	\$847

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	8.3%	\$803	\$0	\$803	\$824
2015	1	N/A	\$878	\$0	\$878	\$899
2015	2	6.2%	\$878	\$0	\$878	\$899
2016	2	N/A	\$808	\$0	\$808	\$829

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$650	\$0	\$650	\$671
2015	1	N/A	\$726	\$0	\$726	\$747
2015	2	N/A	\$709	\$0	\$709	\$730
2016	2	N/A	\$771	\$0	\$771	\$792

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$750	\$0	\$750	\$771
2015	1	N/A	\$817	\$0	\$817	\$838
2015	2	N/A	\$817	\$0	\$817	\$838
2016	2	N/A	\$846	\$0	\$846	\$867

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$850	\$0	\$850	\$871
2015	1	N/A	\$1,126	\$0	\$1,126	\$1,147
2015	2	N/A	\$917	\$0	\$917	\$938
2016	2	N/A	\$947	\$0	\$947	\$968

Trend: Comments

- 2Q14** The the one and two-bedroom LIHTC rents decreased two to five percent. The market rate rents increased two to three percent.
- 1Q15** The manager stated that the property utilizes LRO with market rate rents that fluctuate daily. Management was unable to provide detailed vacancy by unit type, but stated the majority of vacancies are amongst market rate units.
- 2Q15** The manager stated that the property utilizes LRO with market rate rents that fluctuate daily. Management was unable to provide detailed vacancy by unit type, but stated the majority of vacancies are amongst LIHTC units and could not provide a reasoning as to why.
- 2Q16** This property does not maintain a waiting list. The contact could not report the unit breakdown of the vacancies. Parking at this property is free and unassigned, and the contact indicated that there was adequate parking for all the tenants.

Arbor Lake Apartments, continued

Photos



PROPERTY PROFILE REPORT

Harristown Park

Effective Rent Date	4/21/2016
Location	2135 Reynolds Street SW Covington, GA 30014 Newton County
Distance	1.2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (4 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	11/01/2011
Leasing Began	12/01/2011
Last Unit Leased	4/30/2012
Major Competitors	Covington Square
Tenant Characteristics	Seniors 55 and older
Contact Name	Melissa
Phone	678-625-3235



Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	11
HCV Tenants	5%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased five to six percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (4 stories)	2	750	\$480	\$0	@50%	Yes	0	0.0%	no	None
1	1	Lowrise (4 stories)	10	750	\$480	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (4 stories)	7	900	\$550	\$0	@50%	Yes	0	0.0%	no	None
2	1	Lowrise (4 stories)	41	900	\$550	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$480	\$0	\$480	\$0	\$480	1BR / 1BA	\$480	\$0	\$480	\$0	\$480
2BR / 1BA	\$550	\$0	\$550	\$0	\$550	2BR / 1BA	\$550	\$0	\$550	\$0	\$550

Harristown Park, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer

Carpeting
Dishwasher
Garbage Disposal
Oven
Refrigerator

Security

Intercom (Buzzer)
Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Exercise Facility
On-Site Management

Premium

None

Other

Walking path; community

Comments

The property maintains an extensive waiting list, and the contact estimated that there are over 1,000 households on the waiting list. The contact was unable to estimate the average age of tenants. The contact was unable to give a reason why rents are below the maximum. The contact confirmed that there are no fees associated with parking.

Harristown Park, continued

Trend Report

Vacancy Rates

1Q14	2Q14	2Q15	2Q16
5.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$430	\$0	\$430	\$430
2014	2	0.0%	\$430	\$0	\$430	\$430
2015	2	0.0%	\$455	\$0	\$455	\$455
2016	2	0.0%	\$480	\$0	\$480	\$480

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$490	\$0	\$490	\$490
2014	2	0.0%	\$490	\$0	\$490	\$490
2015	2	0.0%	\$515	\$0	\$515	\$515
2016	2	0.0%	\$550	\$0	\$550	\$550

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$430	\$0	\$430	\$430
2014	2	0.0%	\$430	\$0	\$430	\$430
2015	2	0.0%	\$455	\$0	\$455	\$455
2016	2	0.0%	\$480	\$0	\$480	\$480

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	7.3%	\$500	\$0	\$500	\$500
2014	2	0.0%	\$500	\$0	\$500	\$500
2015	2	0.0%	\$525	\$0	\$525	\$525
2016	2	0.0%	\$550	\$0	\$550	\$550

Trend: Comments

1Q14 The waiting list is approximately 2,500 households long.

2Q14 N/A

2Q15 The property maintains an extensive waiting list, but the contact was unable to give the exact length. The contact was unable to estimate the average age of tenants.

2Q16 The property maintains an extensive waiting list, and the contact estimated that there are over 1,000 households on the waiting list. The contact was unable to estimate the average age of tenants. The contact was unable to give a reason why rents are below the maximum. The contact confirmed that there are no fees associated with parking.

Harristown Park, continued

Photos



PROPERTY PROFILE REPORT

Magnolia Heights

Effective Rent Date 4/14/2016
Location 10156 Magnolia Heights Circle
 Covington, GA 30014
 Newton County
Distance 3.2 miles
Units 200
Vacant Units 1
Vacancy Rate 0.5%
Type Garden (2 stories)
Year Built/Renovated 2001 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Wellington Ridge; Parkview
Tenant Characteristics None identified
Contact Name Tasha
Phone 770-786-0458



Market Information

Program @60%, Market
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 35%
Leasing Pace Preleased
Annual Chg. in Rent Increased two percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	975	\$630	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	22	975	\$575	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	41	1,150	\$685	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	103	1,150	\$600	\$0	@60%	Yes	1	1.0%	no	None
3	2	Garden (2 stories)	8	1,350	\$845	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,350	\$785	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	-\$45	\$530	1BR / 1BA	\$630	\$0	\$630	-\$45	\$585
2BR / 2BA	\$600	\$0	\$600	-\$62	\$538	2BR / 2BA	\$685	\$0	\$685	-\$62	\$623
3BR / 2BA	\$785	\$0	\$785	-\$81	\$704	3BR / 2BA	\$845	\$0	\$845	-\$81	\$764

Magnolia Heights, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

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

Security

Limited Access
Patrol
Perimeter Fencing

Services

None

Property

Basketball Court
Courtyard
Central Laundry
On-Site Management
Swimming Pool

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Playground

Premium

None

Other

Ice-maker in units

Comments

This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list. The contact reported that the one vacant unit has already been preleased. Parking at this property is free and unassigned, and the contact estimated there are two parking spaces for each unit. The contact indicated that there is high demand for affordable housing.

Magnolia Heights, continued

Trend Report

Vacancy Rates

2Q14	1Q15	3Q15	2Q16
10.0%	9.5%	0.0%	0.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$563	\$0	\$563	\$518
2015	1	N/A	\$563	\$0	\$563	\$518
2015	3	0.0%	\$563	\$0	\$563	\$518
2016	2	0.0%	\$575	\$0	\$575	\$530

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$675	\$0	\$675	\$613
2015	1	N/A	\$625	\$0	\$625	\$563
2015	3	0.0%	\$590	\$0	\$590	\$528
2016	2	1.0%	\$600	\$0	\$600	\$538

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$775	\$0	\$775	\$694
2015	1	N/A	\$775	\$0	\$775	\$694
2015	3	0.0%	\$775	\$0	\$775	\$694
2016	2	0.0%	\$785	\$0	\$785	\$704

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$620	\$0	\$620	\$575
2015	1	N/A	\$620	\$0	\$620	\$575
2015	3	0.0%	\$620	\$0	\$620	\$575
2016	2	0.0%	\$630	\$0	\$630	\$585

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$720	\$0	\$720	\$658
2015	1	N/A	\$675	\$0	\$675	\$613
2015	3	0.0%	\$675	\$0	\$675	\$613
2016	2	0.0%	\$685	\$0	\$685	\$623

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$850	\$0	\$850	\$769
2015	1	N/A	\$820	\$0	\$820	\$739
2015	3	0.0%	\$820	\$0	\$820	\$739
2016	2	0.0%	\$845	\$0	\$845	\$764

Trend: Comments

- 2Q14** The contact noted that the majority of the vacancies are in the market rate units. The contact stated that four of the vacancies are currently pre-leased. The contact added that the current vacancy level is typical for all times of the year.
- 1Q15** The contact noted that the majority of the vacancies are in the market rate units, but could not provide a unit breakdown of current vacancies. The contact stated that the current vacancy level is typical for the property, but could not provide an explanation for the level being lower than typical within the market.
- 3Q15** The contact noted that the property currently has a waiting list for most bedroom types that averages approximately ten households.
- 2Q16** This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list. The contact reported that the one vacant unit has already been preleased. Parking at this property is free and unassigned, and the contact estimated there are two parking spaces for each unit. The contact indicated that there is high demand for affordable housing.

Photos



PROPERTY PROFILE REPORT

Retreat At Madison Place

Effective Rent Date 4/18/2016
Location 3907 Redwing Circle
 Decatur, GA 30032
 Dekalb County
Distance 28.4 miles
Units 160
Vacant Units 2
Vacancy Rate 1.3%
Type Midrise (age-restricted) (4 stories)
Year Built/Renovated 2007 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Could not identify
Tenant Characteristics Most tenants 55-62; 60%+ previous homeowners; tenants from downtown ATL, Decatur, Stn Mtn, Lithonia; 10% out of state (AL, NY, CA), 5% employed
Contact Name Ray
Phone 404-289-8393



Market Information

Program @60%
Annual Turnover Rate 30%
Units/Month Absorbed 14
HCV Tenants 10%
Leasing Pace Within one week
Annual Chg. in Rent Decreased five to eight percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	40	697	\$756	\$0	@60%	No	0	0.0%	yes	None
2	2	Midrise (4 stories)	120	987	\$899	\$0	@60%	No	2	1.7%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$756	\$0	\$756	-\$66	\$690
2BR / 2BA	\$899	\$0	\$899	-\$83	\$816

Retreat At Madison Place, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Refrigerator

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer hookup

Security

Limited Access
Perimeter Fencing

Services

Adult Education
Shuttle Service

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management
Theatre

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

Walking trails, game room,

Comments

The contact indicated that maximum rents are not achievable for the two-bedroom units because these units are less desirable to senior tenants.

Retreat At Madison Place, continued

Trend Report

Vacancy Rates

2Q15	3Q15	1Q16	2Q16
5.6%	3.8%	6.9%	1.3%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	12.5%	\$699	\$0	\$699	\$633
2015	3	5.0%	\$699	\$0	\$699	\$633
2016	1	N/A	\$729	\$0	\$729	\$663
2016	2	0.0%	\$756	\$0	\$756	\$690

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	3.3%	\$729	\$0	\$729	\$646
2015	3	3.3%	\$729	\$0	\$729	\$646
2016	1	N/A	\$799	\$0	\$799	\$716
2016	2	1.7%	\$899	\$0	\$899	\$816

Trend: Comments

- 2Q15** Contact stated that the property currently has more vacancies than normal due to tenants moving out to go to assisted living facilities. The property does not currently have a waiting list. The property has reduced rents to \$699 for one-bedroom units and \$729 for two-bedroom units to try to get the units leased quickly.
- 3Q15** The property does not currently have a waiting list.
- 1Q16** The contact reported that the vacancy rate was typical for this time of year; however, a previous interview with the property during the first quarter of 2015 indicates that the property was 100 percent occupied at that time. Management refused to comment further on the vacancy rate. Additional interviews with this property indicate that since the second quarter of 2015, Retreat at Madison Place has maintained vacancy rates between 3.6 and 6.9 percent, with an average of 4.6 percent. While these vacancy rates are considered relatively healthy, they are above the vacancy rates at the other senior LIHTC properties in the local market, indicating that the elevated vacancy at Retreat at Madison Place is likely property specific. The property is for seniors 55 and older, and the average age is 60. The contact was unable to separate vacancy by unit type.
- 2Q16** The contact indicated that maximum rents are not achievable for the two-bedroom units because these units are less desirable to senior tenants.

Photos



PROPERTY PROFILE REPORT

Wellington Ridge

Effective Rent Date 4/12/2016
Location 9145 Wellington Drive
 Covington, GA 30014
 Newton County
Distance 3.9 miles
Units 220
Vacant Units 2
Vacancy Rate 0.9%
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 Magnolia Heights
Tenant Characteristics Families; 15 percent senior
Contact Name Santanna
Phone 678-625-2777



Market Information

Program @60%
Annual Turnover Rate 16%
Units/Month Absorbed 14
HCV Tenants 40%
Leasing Pace Within one week
Annual Chg. in Rent Decreased one to two percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	23	651	\$640	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	23	835	\$640	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	24	902	\$640	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	30	1,050	\$761	\$0	@60%	Yes	1	3.3%	yes	None
2	2	Garden (3 stories)	30	1,163	\$761	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	31	1,199	\$761	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	31	1,316	\$761	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	14	1,353	\$863	\$0	@60%	Yes	1	7.1%	yes	None
3	2	Garden (3 stories)	14	1,424	\$863	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$640	\$0	\$640	\$21	\$661
2BR / 2BA	\$761	\$0	\$761	\$21	\$782
3BR / 2BA	\$863	\$0	\$863	\$21	\$884

Wellington Ridge, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

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

Security

In-Unit Alarm
Limited Access

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Sport Court

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground
Swimming Pool

Premium

None

Other

Library

Comments

The contact attributed the decrease in rents to a change in the utilities allowance. The property maintains a short interest list but not a formal waiting list.

Wellington Ridge, continued

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q16
5.0%	5.0%	1.8%	0.9%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$648	\$0	\$648	\$669
2015	1	N/A	\$651	\$0	\$651	\$672
2015	2	0.0%	\$651	\$0	\$651	\$672
2016	2	0.0%	\$640	\$0	\$640	\$661

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$771	\$0	\$771	\$792
2015	1	N/A	\$774	\$0	\$774	\$795
2015	2	1.6%	\$775	\$0	\$775	\$796
2016	2	0.8%	\$761	\$0	\$761	\$782

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$874	\$0	\$874	\$895
2015	1	N/A	\$878	\$0	\$878	\$899
2015	2	7.1%	\$875	\$0	\$875	\$896
2016	2	3.6%	\$863	\$0	\$863	\$884

Trend: Comments

2Q14	The property is 100 percent preleased and 95 percent occupied. The waiting list has approximately 10 applicants. The high turnover is due to evictions and tenants purchasing homes.
1Q15	The manager maintains a short interest list, but it is not a formal waiting list with qualified applicants. Management stated that there are applicants for several units and the property is 97 percent leased. Management could not provide a detailed vacancy by unit type.
2Q15	The manager maintains a short interest list, but it is not a formal waiting list with qualified applicants. Management could not provide a detailed vacancy by unit type, but stated there are currently two, two-bedroom units available and two three-bedroom units.
2Q16	The contact attributed the decrease in rents to a change in the utilities allowance. The property maintains a short interest list but not a formal waiting list.

PROPERTY PROFILE REPORT

Leafstone Apartments

Effective Rent Date	4/12/2016
Location	10100 Browns Bridge Rd Covington, GA 30014 Newton County
Distance	1.6 miles
Units	232
Vacant Units	8
Vacancy Rate	3.4%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fieldcrest Walk; Wellington Ridge; Summerset
Tenant Characteristics	None identified
Contact Name	Heather
Phone	770-784-8044



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased two to three percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	63	816	\$760	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	136	1,072	\$845	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	33	1,292	\$995	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$760	\$0	\$760	\$21	\$781
2BR / 2BA	\$845	\$0	\$845	\$21	\$866
3BR / 2BA	\$995	\$0	\$995	\$21	\$1,016

Leafstone Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator
Walk-In Closet

Blinds
Central A/C
Exterior Storage
Oven
Vaulted Ceilings
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Playground

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. The contact did not provide a breakdown of vacancies by unit type but did confirm that there was at least one vacant unit for each. The contact indicated that the market is stable.

Leafstone Apartments, continued

Trend Report

Vacancy Rates

1Q14	2Q14	1Q15	2Q16
0.9%	0.9%	3.9%	3.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$630	\$0	\$630	\$651
2014	2	0.0%	\$630	\$0	\$630	\$651
2015	1	4.8%	\$650	\$0	\$650	\$671
2016	2	N/A	\$760	\$0	\$760	\$781

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	1.5%	\$730	\$0	\$730	\$751
2014	2	1.5%	\$730	\$0	\$730	\$751
2015	1	4.4%	\$750	\$0	\$750	\$771
2016	2	N/A	\$845	\$0	\$845	\$866

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$835	\$0	\$835	\$856
2014	2	0.0%	\$835	\$0	\$835	\$856
2015	1	0.0%	\$850	\$0	\$850	\$871
2016	2	N/A	\$995	\$0	\$995	\$1,016

Trend: Comments

1Q14 Management reported that the rental market is strong.

2Q14 N/A

1Q15 Management reported that the rental market is strong. Rent increased in late 2014 by \$20 for the one and two-bedroom units, and \$15 for the three-bedroom units.

2Q16 This property does not accept Housing Choice Vouchers. The contact did not provide a breakdown of vacancies by unit type but did confirm that there was at least one vacant unit for each. The contact indicated that the market is stable.

PROPERTY PROFILE REPORT

Park View Apartments

Effective Rent Date	4/18/2016
Location	10920 Covington Bypass Covington, GA 30014 Newton County
Distance	2.7 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1993 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Orchard Cove, Wellington Ridge
Tenant Characteristics	Young professionals; 10 percent seniors
Contact Name	Ritchie
Phone	770-786-8500



Market Information

Program	Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	10	735	\$575	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	9	880	\$675	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	46	880	\$695	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	35	1,152	\$795	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	\$0	\$575
2BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 2BA	\$695	\$0	\$695	\$0	\$695
3BR / 2BA	\$795	\$0	\$795	\$0	\$795

Park View Apartments, continued

Amenities

In-Unit

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

Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Patrol

Services

Daycare

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. The contact indicated that there is a \$20 premium for units with upgraded appliances. Parking at this property is free and unassigned, and the contact estimated there are as many as three parking spots per unit.

Park View Apartments, continued

Trend Report

Vacancy Rates

1Q14	2Q14	1Q15	2Q16
1.0%	1.0%	6.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$625	\$0	\$625	\$625
2014	2	0.0%	\$625	\$0	\$625	\$625
2015	1	20.0%	\$625	\$0	\$625	\$625
2016	2	0.0%	\$575	\$0	\$575	\$575

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$695	\$0	\$695	\$695
2014	2	0.0%	\$695	\$0	\$695	\$695
2015	1	0.0%	\$675	\$0	\$675	\$675
2016	2	0.0%	\$675	\$0	\$675	\$675

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$695	\$0	\$695	\$695
2014	2	0.0%	\$695	\$0	\$695	\$695
2015	1	6.5%	\$695	\$0	\$695	\$695
2016	2	0.0%	\$695	\$0	\$695	\$695

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	2.9%	\$795	\$0	\$795	\$795
2014	2	2.9%	\$795	\$0	\$795	\$795
2015	1	2.9%	\$795	\$0	\$795	\$795
2016	2	0.0%	\$795	\$0	\$795	\$795

Trend: Comments

1Q14 The daycare service is population among the family tenants.

2Q14 N/A

1Q15 Management stated that the property has undergone minor renovations over the past several years that included new kitchen cabinets, countertops, appliances and lighting in the units. Therefore, the rents reflected above are for units that have received these updates.

2Q16 This property does not accept Housing Choice Vouchers. The contact indicated that there is a \$20 premium for units with upgraded appliances. Parking at this property is free and unassigned, and the contact estimated there are as many as three parking spots per unit.

Park View Apartments, continued

Photos



PROPERTY PROFILE REPORT

Porterdale Mill Lofts

Effective Rent Date	4/18/2016
Location	1109 Main Street Porterdale, GA 30014 Newton County
Distance	3.7 miles
Units	154
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise
Year Built/Renovated	1899 / 2006
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Young professionals; average age of tenants is 25
Contact Name	Maggie
Phone	770-786-8283



Market Information

Program	Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased six to 13 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise	N/A	796	\$850	\$0	Market	Yes	0	N/A	N/A	AVG
1	1	Midrise	N/A	855	\$950	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise	N/A	738	\$750	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Midrise	N/A	1,205	\$1,250	\$0	Market	Yes	0	N/A	N/A	AVG
2	2	Midrise	N/A	1,280	\$1,450	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Midrise	N/A	1,130	\$950	\$0	Market	Yes	0	N/A	N/A	LOW
3	2	Midrise	3	1,694	\$1,445	\$0	Market	Yes	0	0.0%	N/A	AVG
3	2	Midrise	N/A	1,694	\$1,595	\$0	Market	Yes	0	N/A	N/A	HIGH
3	2	Midrise	N/A	1,694	\$1,295	\$0	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750 - \$950	\$0	\$750 - \$950	\$0	\$750 - \$950
2BR / 2BA	\$950 - \$1,450	\$0	\$950 - \$1,450	\$0	\$950 - \$1,450
3BR / 2BA	\$1,295 - \$1,595	\$0	\$1,295 - \$1,595	\$0	\$1,295 - \$1,595

Porterdale Mill Lofts, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer

Carpet/Hardwood
Coat Closet
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Exercise Facility
Off-Street Parking
Recreation Areas

Garage
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. There are 30 households on the waiting list for this property, and the two-bedroom units are particularly in demand. The contact indicated that although the majority of tenants are young professionals, there are a small number of senior tenants.

Porterdale Mill Lofts, continued

Trend Report

Vacancy Rates

1Q14	2Q14	2Q15	2Q16
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950
2014	2	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950
2015	2	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950
2016	2	N/A	\$750 - \$950	\$0	\$750 - \$950	\$750 - \$950

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250
2014	2	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250
2015	2	N/A	\$950 - \$1,250	\$0	\$950 - \$1,250	\$950 - \$1,250
2016	2	N/A	\$950 - \$1,450	\$0	\$950 - \$1,450	\$950 - \$1,450

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$1,350	\$0	\$1,350	\$1,350
2016	2	N/A	\$1,295 - \$1,595	\$0	\$1,295 - \$1,595	\$1,295 - \$1,595

Trend: Comments

1Q14 N/A

2Q14 The property maintains a waiting list of 10 households.

2Q15 The property maintains a waiting list. The contact could not give the exact length of the waiting list, but indicated that it tends to move quickly.

2Q16 This property does not accept Housing Choice Vouchers. There are 30 households on the waiting list for this property, and the two-bedroom units are particularly in demand. The contact indicated that although the majority of tenants are young professionals, there are a small number of senior tenants.

Porterdale Mill Lofts, continued

Photos



PROPERTY PROFILE REPORT

Sumerset Apartments

Effective Rent Date	4/18/2016
Location	50 Greenleaf Road Conyers, GA 30013 Newton County
Distance	3.9 miles
Units	240
Vacant Units	5
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Terraces at Fieldstone, Orchard Cove, Arbor Lake
Tenant Characteristics	None identified
Contact Name	Lori
Phone	770-788-1165



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased five to seven percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	636	\$766	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	42	722	\$795	\$0	Market	No	1	2.4%	N/A	None
2	1	Garden (3 stories)	48	894	\$820	\$0	Market	No	2	4.2%	N/A	None
2	2	Garden (3 stories)	114	1,051	\$860	\$0	Market	No	2	1.8%	N/A	None
3	2	Garden (3 stories)	18	1,304	\$1,060	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$766 - \$795	\$0	\$766 - \$795	\$21	\$787 - \$816
2BR / 1BA	\$820	\$0	\$820	\$21	\$841
2BR / 2BA	\$860	\$0	\$860	\$21	\$881
3BR / 2BA	\$1,060	\$0	\$1,060	\$21	\$1,081

Sumerset Apartments, continued

Amenities

In-Unit

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

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

Security

Limited Access
Patrol

Services

None

Property

Exercise Facility
Off-Street Parking
Playground
Tennis Court

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers; this change took place in December 2015 when the property changed management.

Sumerset Apartments, continued

Trend Report

Vacancy Rates

1Q14	2Q14	1Q15	2Q16
0.4%	0.4%	2.1%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$605 - \$640	\$0	\$605 - \$640	\$626 - \$661
2014	2	0.0%	\$605 - \$640	\$0	\$605 - \$640	\$626 - \$661
2015	1	1.7%	\$695 - \$715	\$0	\$695 - \$715	\$716 - \$736
2016	2	1.7%	\$766 - \$795	\$0	\$766 - \$795	\$787 - \$816

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$700	\$0	\$700	\$721
2014	2	0.0%	\$700	\$0	\$700	\$721
2015	1	4.2%	\$795	\$0	\$795	\$816
2016	2	4.2%	\$820	\$0	\$820	\$841

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.9%	\$735	\$0	\$735	\$756
2014	2	0.9%	\$735	\$0	\$735	\$756
2015	1	1.8%	\$835	\$0	\$835	\$856
2016	2	1.8%	\$860	\$0	\$860	\$881

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$925	\$0	\$925	\$946
2014	2	0.0%	\$925	\$0	\$925	\$946
2015	1	0.0%	\$920	\$0	\$920	\$941
2016	2	0.0%	\$1,060	\$0	\$1,060	\$1,081

Trend: Comments

1Q14 N/A

2Q14 Management reported that the local rental market is strong.

1Q15 Management reported that the local rental market is strong and current performance at the property is typical. Management stated that the property uses the LRO rent system with rents that change daily.

2Q16 This property does not accept Housing Choice Vouchers; this change took place in December 2015 when the property changed management.

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

Housing Choice Vouchers

TENANTS WITH VOUCHERS			
Comparable Property	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Antioch Manor Estates	LIHTC/Market	Senior	0%
Arbor Lake Apartments	LIHTC/Market	Family	5%
Harristown Park	LIHTC	Senior	5%
Magnolia Heights	LIHTC/Market	Family	35%
Retreat At Madison Place	LIHTC	Senior	10%
Wellington Ridge	LIHTC	Family	40%
Leafstone Apartments	Market	Family	0%
Park View Apartments	Market	Family	0%
Porterdale Mill Lofts	Market	Family	0%
Sumerset Apartments	Market	Family	0%
Average			10%

As illustrated in the table, five of the six LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 16 percent. None of the market rate properties accept Housing Choice Vouchers. The local market does not appear to be dependent on voucher tenants. We believe that the Subject will have a low voucher tenancy similar to most of the LIHTC comparables.

Lease Up History

We were able to obtain absorption information from five comparable properties, illustrated following.

ABSORPTION					
Property name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC/Market	Senior	2005	120	24
Wellington Ridge	LIHTC	Family	2003	220	14
Arbor Lake Apartments	LIHTC/Market	Family	2001	250	21

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

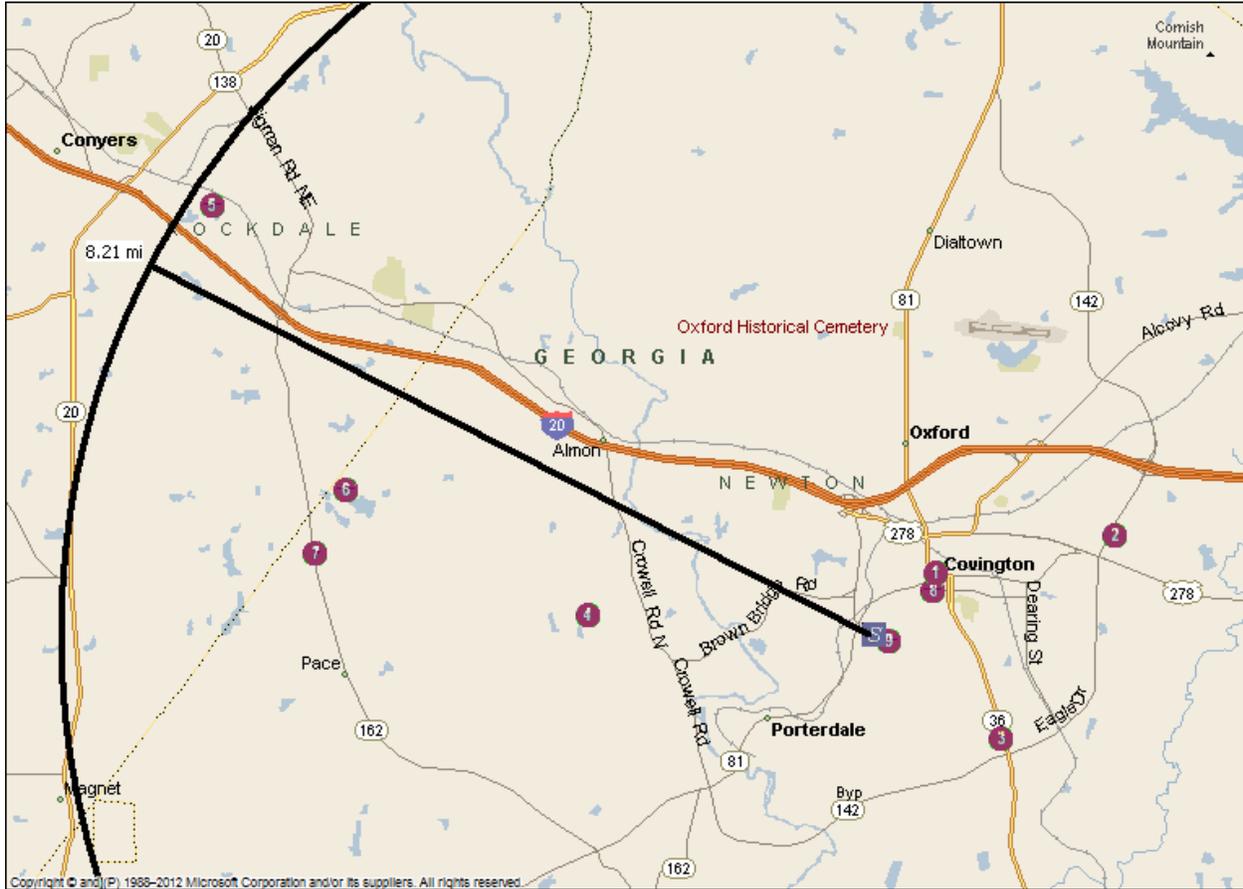
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map



COMPETITIVE PROJECTS

Map #	Property Name	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
S	The Overlook at Walkers Bend	LIHTC	Senior	Subject	N/Ap	-
1	Covington Square	Section 8	Senior	Excluded	All units subsidized	1.3 miles
2	Wellington Ridge	LIHTC	Family	Included	N/Ap	3.8 miles
3	Magnolia Heights	LIHTC	Family	Included	N/Ap	3.2 miles
4	Arbor Lake Apartments	LIHTC	Family	Included	N/Ap	3.7 miles
5	Century Lakeside	LIHTC	Family	Excluded	More comparable LIHTC properties available	11.1 miles
6	Orchard Cove	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.3 miles
7	Salem Glen I, II, III	LIHTC	Family	Excluded	More comparable LIHTC properties available	10.5 miles
8	Harristown Park	LIHTC	Senior	Included	N/Ap	1.2 miles
9	Village at Walkers Bend	LIHTC	Family	Excluded	Dissimilar unit types	0.1 miles

4. Amenities

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

UNIT MATRIX REPORT

	The Overlook At Walkers Bend	Antioch Manor Estates	Arbor Lake Apartments	Harristown Park	Magnolia Heights	Retreat At Madison Place	Wellington Ridge	Leafstone Apartments	Park View Apartments	Porterdale Mill Lofts	Somersett Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
Property Information											
Property Type	Lowrise (age-restricted) (3 stories)	Lowrise (age-restricted) (3 stories)	Garden (3 stories)	Lowrise (age-restricted) (4 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Midrise	Garden (3 stories)
Year Built / Renovated	2018 / n/a	2005 / n/a	2001 / n/a	2011 / n/a	2001 / n/a	2007 / n/a	2003 / n/a	2000 / n/a	1993 / 2011	1899 / 2006	1999 / n/a
Market (Conv./Subsidy Type)	LIHTC/Market	LIHTC/Market	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC	LIHTC	Market	Market	Market	Market
Utility Adjustments											
Cooking	no	yes	no	no	no	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	yes	yes	no	no	no	no	no
Sewer	no	yes	no	no	yes	yes	no	no	no	no	no
Trash Collection	yes	yes	no	yes	no	yes	no	no	yes	yes	no
In-Unit Amenities											
Balcony/Patio	no	yes	yes	no	yes	no	yes	yes	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	yes	no	no	no	no	no	no	no	yes
Carpet/Hardwood	no	no	no	no	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	no	yes	yes	yes	no	no	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	yes	no	yes	yes	no	no	yes
Ceiling Fan	yes	yes	yes	yes	no	yes	no	no	yes	no	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Hand Rails	yes	yes	no	yes	no	yes	no	no	no	no	no
Microwave	yes	yes	no	no	no	no	no	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	yes	no	yes	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	no
Walk-In Closet	no	yes	yes	no	yes	no	yes	yes	yes	no	yes
Washer/Dryer	yes	no	no	yes	no	no	no	no	no	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities											
Basketball Court	no	no	no	no	yes	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	yes	no	yes	yes	yes	no	no	no
Car Wash	no	no	yes	no	no	no	yes	yes	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Courtyard	no	yes	no	no	yes	no	no	no	no	no	no
Elevators	yes	yes	no	yes	no	yes	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Garage	no	no	no	no	no	no	yes	yes	no	yes	no
Central Laundry	no	yes	yes	no	yes	yes	yes	yes	yes	no	yes
Non-shelter Services	no	yes	no	no	no	no	no	no	no	no	no
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	yes	yes	yes
Picnic Area	yes	yes	yes	yes	no	yes	yes	no	yes	no	no
Playground	no	no	yes	no	yes	no	yes	yes	yes	no	yes
Recreation Areas	no	no	no	no	no	no	no	no	no	yes	no
Service Coordination	no	yes	no	no	no	no	no	no	no	no	no
Sport Court	no	no	no	no	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	no	yes	no	yes	yes	yes	yes	yes
Tennis Court	no	no	yes	no	no	no	no	no	no	no	yes
Theatre	no	no	no	no	no	yes	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$55.00	\$75.00	N/A	N/A	N/A
Services											
Adult Education	no	no	no	no	no	yes	no	no	no	no	no
Afterschool Program	no	no	yes	no	no	no	no	no	no	no	no
Computer Tutoring	no	yes	no	no	no	no	no	no	no	no	no
Daycare	no	no	no	no	no	no	no	no	yes	no	no
Shuttle Service	no	yes	no	no	no	yes	no	no	no	no	no
Security											
In-Unit Alarm	no	yes	no	no	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	no	no	yes	no	no	no	no	no	no	no
Limited Access	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes
Patrol	no	no	no	no	yes	no	no	yes	yes	no	yes
Perimeter Fencing	no	yes	no	no	yes	yes	no	no	no	no	no
Video Surveillance	no	yes	no	no	no	no	no	no	no	no	no

Several of the comparable properties offer balcony/patio and swimming pools, which the Subject will not offer. However, the Subject will offer in-unit washer and dryers, which the majority of properties lack. Overall the Subject will offer similar to slightly inferior amenities relative to the majority of the comparable properties and slightly superior in-unit amenities relative to the remaining comparable properties. The Subject’s amenities will be most similar to Harristown Park, the newest senior LIHTC comparable in the market. This comparable is 100 percent occupied with an extensive waiting list. The strong occupancy and waiting list at Harristown Park indicate that a property with the Subject’s proposed amenities will appeal to senior tenants in the market. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the senior LIHTC market.

5. The Subject will target senior households aged 55 and older.

We have included all senior properties in the PMA. Due to the lack of senior properties, we have also included family properties. The following table illustrates the percent of senior tenants at the family properties included.

Property Name	Type	Percent Senior Tenants
Arbor Lake Apartments	LIHTC/Market	5%
Magnolia Heights	LIHTC/Market	10%
Wellington Ridge	LIHTC	15%
Leafstone Apartments	Market	5%
Park View Apartments	Market	10%
Porterdale Mill Lofts	Market	2%
Sumerset Apartments	Market	2%

6. Vacancy

The following table illustrates the vacancy rates in the market.

Property name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Antioch Manor Estates	LIHTC/Market	Senior	120	0	0.0%
Arbor Lake Apartments	LIHTC/Market	Family	250	13	5.2%
Harristown Park	LIHTC	Senior	60	0	0.0%
Magnolia Heights	LIHTC/Market	Family	200	1	0.5%
Retreat At Madison Place	LIHTC	Senior	160	2	1.3%
Wellington Ridge	LIHTC	Family	220	2	0.9%
Leafstone Apartments	Market	Family	232	8	3.4%
Park View Apartments	Market	Family	100	0	0.0%
Porterdale Mill Lofts	Market	Family	154	0	0.0%
Sumerset Apartments	Market	Family	240	5	2.1%
Senior LIHTC Average			340	2	0.6%
Family LIHTC Average			670	16	2.4%
Market-Rate Average			726	13	1.8%
Total			1,736	31	1.8%

As illustrated, vacancy rates in the market range from zero to 3.4 percent, averaging 1.8 percent. The majority of the LIHTC vacancies are concentrated in the family LIHTC properties. The senior LIHTC properties have a weighted vacancy rate of 0.6 percent, which indicates a supply constrained market. Additionally, the senior LIHTC properties reported extensive waiting lists.

The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject.

Historically Arbor Lake Apartments and Magnolia Heights have experienced vacancy rates greater than five percent; however, Magnolia Heights is exhibiting a vacancy rate of 0.5 percent currently, while Arbor Lake Apartments maintains a vacancy rate of 5.2 percent. Additionally, the market rate properties maintained higher vacancy rates than the senior LIHTC properties.

As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the family comparables as they have low senior tenancies ranging between five and 15 percent and property managers did not report being impacted by the opening of Harristown Park in 2011.

7. Properties Under Construction and Proposed

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

8. Rental Advantage

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

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Antioch Manor Estates	LIHTC/Market	Similar	Slightly Superior	Superior	Slightly Inferior	Inferior	0
2	Arbor Lake Apartments	LIHTC/Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	5
3	Harristown Park	LIHTC	Similar	Similar	Superior	Similar	Similar	10
4	Magnolia Heights	LIHTC/Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	5
5	Retreat At Madison Place	LIHTC	Similar	Similar	Superior	Slightly Inferior	Slightly Superior	10
6	Wellington Ridge	LIHTC	Slightly Superior	Slightly Superior	Slightly Inferior	Slightly Inferior	Slightly Superior	5
7	Leafstone Apartments	Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Superior	5
8	Park View Apartments	Market	Slightly Superior	Similar	Slightly Inferior	Slightly Inferior	Similar	-5
9	Porterdale Mill Lofts	Market	Slightly Superior	Similar	Slightly Inferior	Slightly Inferior	Slightly Superior	0
10	Sumerset Apartments	Market	Slightly Superior	Slightly Superior	Slightly Inferior	Inferior	Slightly Superior	0

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

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

LIHTC Rent Comparison - @50%

Property Name	Tenancy	1BR	2BR
The Overlook At Walkers Bend (Subject)	Senior	\$445	\$520
2015 LIHTC Maximum (Net)		\$469	\$550
Hold Harmless Maximum (Net)		\$522	\$615
Antioch Manor Estates	Senior	\$496	\$582
Harristown Park	Senior	\$480	\$550
Average (excluding Subject)		\$488	\$566
Achievable LIHTC Rent		\$469	\$550

LIHTC Rent Comparison - @60%

Property Name	Tenancy	1BR	2BR
The Overlook At Walkers Bend (Subject)	Senior	\$560	\$660
2015 LIHTC Maximum (Net)		\$597	\$704
Hold Harmless Maximum (Net)		\$661	\$782
Antioch Manor Estates	Senior	\$635	\$749
Arbor Lake Apartments	Family	\$735	\$847
Harristown Park	Senior	\$480	\$550
Magnolia Heights	Family	\$530	\$538
Retreat At Madison Place	Senior	\$690	\$816
Wellington Ridge	Family	\$661	\$782
Average (excluding Subject)		\$622	\$714
Achievable LIHTC Rent		\$597	\$704

The Subject's proposed rents are below all of the rents at the comparables, with the exception of Harristown Park and Magnolia Heights 60 percent units. Harristown Park is the newest property in the market and like the Subject, it targets senior tenants. It is also the only senior LIHTC property in the PMA. Harristown Park is 100 percent occupied and has an extensive waiting list. Harristown Park is not achieving maximum achievable LIHTC rents and it appears that management is not testing the highest achievable rents in the market. The Subject will be generally similar to this property and management at Harristown Park indicated that higher rents are achievable for senior tenants in the market. The biggest rent differential between the Subject and Harristown Park is in the two-bedroom 60 percent AMI units. The Subject's proposed rents are \$40 lower to \$110 higher than the rents at Harristown Park. The Subject's proposed 60 percent rent on a rent per square foot basis are \$0.12 to \$0.16 above the rents at Harristown Park. There is a greater differential between the Subject's proposed 60 percent rents and the 60 percent rents at Harristown Park. However, Harristown Park appears to be keeping their 50 and 60 percent rents similar, while the Subjects proposed 60 percent rents are below the overall average of 60 percent comparables, indicating that the Subject's proposed rents are achievable. The Subject's proposed rents are below the majority of the remaining senior comparables, which is reasonable given the Subject's new condition and that these comparables are located outside the PMA in superior locations closer to Atlanta. Overall, the Subject's proposed rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units in the PMA. This strong demand is illustrated by the 0.6 percent senior LIHTC weighted average vacancy rate and the extensive waiting list at the one senior LIHTC comparable within the PMA. Therefore, we believe that the Subject will be able to achieve maximum allowable rents based on the anticipated excellent condition and competitive amenities that will be offered.

Analysis of “Market Rents”

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

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

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

Subject Comparison to Market Rents

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @50%	\$445	\$480	\$950	\$695	36%
2 BR @50%	\$520	\$538	\$1,450	\$836	38%
1 BR @60%	\$560	\$480	\$950	\$695	19%
2 BR @60%	\$660	\$538	\$1,450	\$836	21%
1 BR - Market Rate	\$622	\$480	\$950	\$695	11%
2 BR - Market Rate	\$733	\$538	\$1,450	\$836	12%

As illustrated the Subject’s proposed LIHTC rents are well below the surveyed average of the comparables. The Subject’s proposed 50 percent LIHTC rents are lower than the surveyed minimum market rent. The 60 percent AMI rents at Wellington Ridge, Retreat At Madison Place, and Arbor Lake Apartments are actually higher than Park View Apartments, a market rate property.

As a tax credit property, the Subject will be most similar to Harristown Park, which is located in Covington. Harristown Park keeps their rents artificially low to increase affordability and their property manager indicated that higher rents would be achievable given the strength of the local rental market. Additionally, Harristown Park is 100 percent occupied with an extensive waiting list. As a result, we believe that Harristown Park is not testing the market with regards to maximum achievable rents.

The Subject will be most similar to Somerset Apartments as a market rate property. This property will offer slightly superior property amenities, slightly superior in-unit features, slightly inferior location, inferior condition, and slightly superior unit sizes, in comparison to the proposed Subject. Somerset Apartments is achieving market rents 27 to 41 percent higher than

the proposed 60 percent LIHTC rents at the Subject. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

There have been no new LIHTC allocations within two miles of the Subject site in 2011, 2012, 2013, 2014, 2015 and 2016 year-to-date. The most recent senior allocation in the PMA was Harristown Park, which was allocated tax credits in 2009. This property is complete and is 100 percent occupied. It has been used as a comparable in our analysis. Given the extensive waiting list at Harristown Park, we believe there is sufficient demand for the Subject and all existing properties within the PMA.

10. Rental Trends in the PMA

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

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	6,762	83.0%	1,386	17.0%
2010	10,757	82.8%	2,231	17.2%
2015	12,070	81.6%	2,717	18.4%
Projected Mkt Entry December 2018	13,411	81.59%	3,027	18.41%
2020	14,033	81.6%	3,170	18.4%

Source: Esri Demographics 2015, Novogradac & Company LLP, April 2016

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately 87 percent of senior households are homeowners and 13 percent of senior households are renters. The PMA has a slightly higher percentage of renter households than the nation as a whole, which is a positive indicator for the Subject’s rental units.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Rent Structure	Tenancy	2009	2010	2012	2013	2014	2015	2016
Antioch Manor Estates	LIHTC/Market	Senior	0.0%	0.0%	0.0%	N/A	0.0%	0.0%	0.0%
Arbor Lake Apartments	LIHTC/Market	Family	6.8%	5.6%	10.4%	1.2%	5.2%	7.2%	5.2%
Harristown Park	LIHTC	Senior	N/A	N/A	0.0%	N/A	0.0%	0.0%	0.0%
Magnolia Heights	LIHTC/Market	Family	5.7%	9.5%	16.0%	6.0%	4.5%	9.5%	0.5%
Retreat At Madison Place	LIHTC	Senior	10.0%	7.5%	2.5%	N/A	2.5%	0.6%	1.3%
Wellington Ridge	LIHTC	Family	4.1%	6.8%	2.3%	N/A	5.0%	5.0%	0.9%
Leafstone Apartments	Market	Family	9.1%	9.8%	13.9%	9.9%	0.9%	3.9%	3.4%
Park View Apartments	Market	Family	41.0%	40.0%	4.0%	4.0%	1.0%	6.0%	0.0%
Porterdale Mill Lofts	Market	Family	12.3%	N/A	N/A	0.0%	0.0%	0.0%	0.0%
Sumerset Apartments	Market	Family	N/A	7.1%	7.1%	N/A	0.4%	2.1%	2.1%
Average			13.2%	11.2%	7.1%	4.2%	2.5%	4.2%	1.3%

As illustrated in the table, the average vacancy in the local market has improved over the last several years. The high vacancy rates at Park View Apartments in 2009 and 2010 skewed the

average vacancy rate in those years. However, compared to 2012 through 2015 vacancy rates, the 2016 average vacancy rate is significantly healthier. In general, the market rate properties have improved significantly, while achieving regular rental increases. The declining vacancy rates indicate a strengthening rental market.

Change in Rental Rates

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

RENT GROWTH			
Comparable Property	Rent Structure	Tenancy	Rent Growth
Antioch Manor Estates	LIHTC/Market	Senior	None
Arbor Lake Apartments	LIHTC/Market	Family	Increased three to nine percent
Harristown Park	LIHTC	Senior	Increased five to six percent
Magnolia Heights	LIHTC/Market	Family	Increased two percent
Retreat At Madison Place	LIHTC	Senior	Decreased five to eight percent
Wellington Ridge	LIHTC	Family	Decreased one to two percent
Leafstone Apartments	Market	Family	Increased two to three percent
Park View Apartments	Market	Family	None
Porterdale Mill Lofts	Market	Family	Increased six to 13 percent
Sumerset Apartments	Market	Family	Increased five to seven percent

Seven of the comparable properties reported rent increases. In general, the market rate units increased two to 13 percent. Arbor Lake, Park View Apartments, and Sumerset Apartments are on LRO systems in which their rents fluctuate daily based on demand. The most significant increases in rent at Arbor Lake Apartments were in their market rate units. Harristown Park, the most comparable LIHTC property, achieved rent increases of five to six percent. The overall upward trend of rents is indicative of strength in the market. We anticipate that the Subject will be able to achieve regular rent increases, within the limits of the LIHTC maximum allowable rent guidelines.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, there is one foreclosure for every 552 housing units in Covington, GA. Newton County has a similar foreclosure rate of one in every 442 housing units, while Georgia experienced one in every 592 housing units, and the nation experienced one foreclosure in every 1,212 housing units. The elevated foreclosure rate within the PMA indicates a weaker local housing market.

12. Primary Housing Void

The one senior LIHTC property in the PMA is 100 percent occupied and maintains an extensive waiting list. The strong occupancy and waiting list indicate a need for additional senior rental housing in the area. We believe that the Subject’s units will help to fill this void.

13. Effect of Subject on Other Affordable Units in Market

The senior LIHTC comparables have low vacancy rates and the one senior LIHTC comparable in the PMA is 100 percent occupied with an extensive waiting list. Property managers indicated that there is a strong need for additional senior units in the market. Given the strong performance and waiting lists at the senior LIHTC comparables, we do not believe that the addition of the Subject to the market will impact the existing senior comparables. Management at the family LIHTC comparables indicated that their properties were not impacted by the addition of the senior property, Harristown Park, to the market as they are unaware of any of their senior tenants leaving to live at this property. Additionally, they did not believe that the addition of the Subject to the market would impact their performance. Therefore, we do not believe that the Subject will negatively impact the existing family or senior LIHTC properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a weighted vacancy rate of 0.6 percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and maintains an extensive waiting list. Given the zero percent vacancy rate and significant waiting list, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. The Subject's proposed rents are below the rents at all of the comparables with the exception of Harristown Park and Magnolia Heights. Harristown Park is the newest senior property in the market and it is the only senior LIHTC property in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 19 to 38 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from five comparable properties, illustrated following.

ABSORPTION

Property name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
Antioch Manor Estates	LIHTC/Market	Senior	2005	120	24
Wellington Ridge	LIHTC	Family	2003	220	14
Arbor Lake Apartments	LIHTC/Market	Family	2001	250	21

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

J. INTERVIEWS

Georgia Department of Community Affairs, Athens Regional Office

We spoke to Nancy Dove from the Athens Regional Office of the Georgia DCA. According to Ms. Dove, there are currently 758 Housing Choice Vouchers in Newton County. The DCA closed the waiting list a month ago, and Ms. Dove reported that there are 913 households on the waiting list. Ms. Dove also indicated that there are no plans to open the waiting list back up in the foreseeable future.

2015 PAYMENT STANDARDS

Unit Type	Payment Standard
One-bedroom	\$861
Two-bedroom	\$996

Source: Georgia DCA Athens, April 2016

Payment standards for the county are 110 percent of FMR. The Subject’s gross rents at 50 and 60 percent AMI are well below the payment standards, which indicate that voucher holders will be able to reside at the proposed Subject without paying additional rent out of pocket.

Planning

We interviewed Randy Vinson from the City of Covington Planning Department. He stated that there is only multifamily development in the planning or construction stages. It is a six unit, luxury, market rate family property located at 4141 Hunt Street. This development is currently under construction, and will begin leasing in the fall of 2016. Mr. Vinson also stated that there are a number of small-scale commercial projects going on in the downtown area including a Chili’s restaurant. During our site inspection we did not encounter any new construction in the Subject's immediate neighborhood. Additionally, based on our online research, we are not aware of any new construction in the Subject's neighborhood.

Newton County Economic Development

We spoke with Serra Hall, Director of Commercial Development at the Newton County Economic Development Department regarding the general economic outlook for the area. One major announcement Ms. Phillips focused on was the Baxter Pharmaceutical Plant. Baxter Pharmaceutical recently announced plans to build a new \$1 billion dollar plasma manufacturing plant in Covington. The plant will bring 1,500 new full-time jobs to the area and an additional 500 more in support roles. Construction on the plant began in late 2014, with production at the plant beginning in 2018. The large investment in the local economy is a positive sign for the area, which was significantly affected by the recent national recession. Additionally, Serra said there has been a boom in business permits for smaller, local businesses. One example given was of Your Pie, a locally owned pizza restaurant that recently opened and hired 45 people.

Newton County Senior Center

We spoke with Josephine Brown, executive director of the Newton County Senior Center, regarding the senior population in the area around Covington. The center is located 0.6 miles north of the Subject in downtown Covington. Registration to be a member requires an annual fee of \$50. Seniors must be at least 60 years old to use the center’s services. According to Ms. Brown, the center offers a wide range of services including transportation, meals on wheels, legal services, employment services, arts & crafts, game nights, computer classes, and day trips, and more. The transportation service is for any active member of the Senior Center, and will

provide transportation to and from the Senior Center for \$2 a ride. The seniors there are predominantly retired and rely on social security as their primary income source, with an average age of 70. Ms. Brown indicated that approximately half of local seniors are from out of state and moved to the area with their adult children. Ms. Brown believes there is a shortage of affordable housing for seniors in the area, as the center receives calls every day asking for assistance in finding such housing. Ms. Brown stated that a new LIHTC property would benefit the large influx of seniors in Newton County.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- Overall population growth in the PMA has been slightly less than the MSA and greater than the nation from 2000 to 2015. The senior population within the PMA has increased dramatically since 2000. The senior population increased slower than the MSA and faster than the nation from 2000 to 2015. Growth is expected to moderate within the PMA over the next five years. The senior population in the MSA will grow faster than the PMA and nation. The strong senior population growth within the MSA bodes well for the Subject's units. By age cohort in 2015, younger generations still comprise the majority. However, the target demographic for the Subject does comprise a higher percentage of the population in the PMA than the MSA.

Senior owner-occupied housing dominates the PMA with 81.6 percent in 2015. However, the 18.4 percent of senior renter-occupied housing is higher than the national average of just 13 percent. The percentage of senior renter-occupied units are expected to remain stable through 2020, but the total number of senior renter-occupied units is expected to increase, which bodes well for the Subject's units.

Household incomes earning under \$39,999 in the PMA comprise 64.4 percent of all income cohorts. The Subject will target senior households earning between \$13,200 and \$32,400, therefore, the Subject should be well-positioned to service this market.

Senior renter households in the PMA with two persons or less made up 59.8 percent of such households in 2015. This percentage is projected to remain stable into the foreseeable future. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the Subject.

Overall, the demographic data points to a growing senior population with household incomes in line with the Subject's target.

- Covington and Newton County in general were particularly hard hit by the national recession. Before 2009, Newton County had been the fourth fastest growing county in the nation. The extreme drop in new home building subsequently led to loss of construction jobs, cutbacks by builders, and cutbacks by their suppliers. Manufacturing employment in the county also experienced the effects of the decline in demand for their products.

Manufacturing, construction, and the retail trade made up 34.0 percent of employment by industry in 2015. All three of these industries are historically volatile in an economic downturn. Education and healthcare, historically stable employers, comprise the next highest industries with 20.2 percent.

Recent events, however, indicate the area has recovered from the recession. Notably, the MSA exceeded pre-recession employment levels in 2015. Additionally, Baxter International, which will produce plasma-based treatments at a new manufacturing facility in Covington, recently announced plans to move into Stanton Springs Technology Park after striking a \$1.3 billion deal with the Joint Development Authority of Newton. The new technology park is located 12.9 miles from the Subject site. The facility is

expected to be fully operational by 2018 with Baxter International hiring about 1,500 people from the local area. Additionally, the upcoming expansion of the Covington Municipal Airport signals the city’s interest in attracting more businesses to the region.

New business openings will spark retail developments and increase demand for employment. The increased housing market will add new jobs to construction in Newton County. Covington is one of the top film production sites in Georgia, according to GoCovington.com. Triple Horse Studios is planning a \$100 million expansion over the next several years in Covington. Tourism is a key economic driver for Newton County, generating \$100.1 million in direct tourist spending and \$2.95 million in local county tax revenues. The film industry in Covington is the main attraction for tourists.

- The Subject’s capture rates at the 50 percent AMI level will range from 7.0 to 8.3 percent, with an overall capture rate of 7.8 percent. The Subject’s 60 percent AMI capture rates range from 24.9 to 29.7 percent, with an overall capture rate of 27.9 percent. Assuming a maximum income of 100 percent of the AMI; the Subject’s market rate capture rates range from 2.8 to 3.3 percent, with an overall capture rate of 3.1 percent. The overall capture rate for the project’s units is 15.5 percent. Therefore, we believe there is adequate demand for the Subject.
- We were able to obtain absorption information from five comparable properties, illustrated following.

ABSORPTION

Property name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Harristown Park	LIHTC	Senior	2011	60	11
Retreat At Madison Place	LIHTC	Senior	2007	160	14
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Arbor Lake Apartments	LIHTC/Market	Family	2001	250	21

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Harristown Park represents the most recent construction and is considered most similar to the Subject in terms of size. Like the Subject, this property targets seniors and it began leasing units in the winter of 2011. Management reported that the property was fully leased within six months of opening, for an absorption pace of approximately 11 units per month. Because this property is the newest in the market and targets seniors, we have relied most heavily on it when concluding to an absorption rate for the Subject. Harristown Park is 100 percent occupied and maintains an extensive waiting list, which indicates significant demand for senior housing in the PMA. Based on the absorption pace reported by this property, the waiting lists at the LIHTC comparables, and the strong demand for affordable housing in Covington, we anticipate that the Subject will experience an absorption pace of 10 units per month, for an absorption period of six months.

- Vacancy rates in the market range from zero to 3.4 percent, averaging 1.8 percent. The majority of the LIHTC vacancies are concentrated in the family LIHTC properties. The senior LIHTC properties have a weighted vacancy rate of 0.6 percent, which indicates a supply constrained market. Additionally, the senior LIHTC properties reported extensive waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject.

Historically Arbor Lake Apartments and Magnolia Heights have experienced vacancy rates greater than five percent; however, Magnolia Heights is exhibiting a vacancy rate of 0.5 percent currently, while Arbor Lake Apartments maintains a vacancy rate of 5.2 percent. Additionally, the market rate properties maintained higher vacancy rates than the senior LIHTC properties.

As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and will maintain a vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the family comparables as they have low senior tenancies ranging between five and 15 percent and property managers did not report being impacted by the opening of Harristown Park in 2011.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The senior LIHTC comparables are performing well, with a weighted vacancy rate of 0.6 percent. Additionally, the one senior LIHTC comparable in the PMA is 100 percent occupied and maintains an extensive waiting list. Given the zero percent vacancy rate and significant waiting list, this property is not testing achievable LIHTC rents. Management at Harristown Park confirmed that the property could achieve higher rents and indicated that the Subject's proposed rents would be achievable to senior renters in the PMA. The Subject's proposed rents are below the rents at all of the comparables with the exception of Harristown Park and Magnolia Heights. Harristown Park is the newest senior property in the market and it is the only senior LIHTC property in the PMA. Overall, we believe that the Subject's rents are achievable and that the Subject will offer value in the market. This is further illustrated by the significant rental advantage of 19 to 38 percent that the Subject's units will have over the average market rents. We believe that the Subject will maintain a vacancy rate of five percent or less following stabilization, which is consistent with the senior LIHTC average and we recommend the Subject as proposed.

Recommendations

- We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



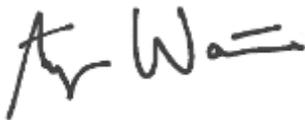
Brad Weinberg, MAI, CVA, CCIM
Partner
Novogradac & Company LLP
5-6-2016
Date



Edward R. Mitchell
Manager
Novogradac & Company LLP
5-6-2016
Date



Daniel W. Mabry
Analyst
Novogradac & Company LLP
5-6-2016
Date



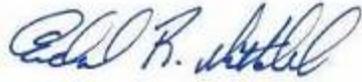
Amy Walters
Junior Analyst
Novogradac & Company LLP
5-6-2016
Date

M. MARKET STUDY REPRESENTATION

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



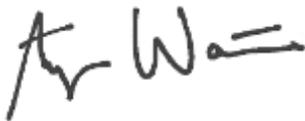
Brad Weinberg, MAI, CVA, CCIM
Partner
Novogradac & Company LLP
5-6-2016
Date



Edward R. Mitchell
Manager
Novogradac & Company LLP
5-6-2016
Date



Daniel W. Mabry
Analyst
Novogradac & Company LLP
5-6-2016
Date



Amy Walters
Junior Analyst
Novogradac & Company LLP
5-6-2016
Date

N. QUALIFICATIONS

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)

Member, The Counselors of Real Estate (CRE)

Certified Investment Member (CCIM), Commercial Investment Real Estate Institute

Member, Urban Land Institute

Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628

State of California – Certified General Real Estate Appraiser, No. 27638

Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340

State of Florida – Certified General Real Estate Appraiser; No. RZ3249

State of Georgia – Certified General Real Property Appraiser; No. 221179

State of Maine – Certified General Real Estate Appraiser, No. CG3435

State of Maryland – Certified General Real Estate Appraiser; No. 6048

Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769

State of Michigan – Certified General Real Estate Appraiser, No. 1201074327

State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R

State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900

State of Ohio – Certified General Real Estate Appraiser; No. 2006007302

State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111

State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP

President, Capital Realty Advisors, Inc.

Vice President, The Community Partners Realty Advisory Services Group, LLC

President, Weinberg Group, Real Estate Valuation & Consulting

Manager, Ernst & Young LLP, Real Estate Valuation Services

Senior Appraiser, Joseph J. Blake and Associates

Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored “New Legislation Emphasizes Importance of Market Studies in Allocation Process,” *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD’s Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a “flat” rent, or an “income-based” rent. The flat rent is based on the “market rent”, defined as the rent charged for a comparable unit in the private,

unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

State of Maryland Appraiser Trainee License #32192
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst
Novogradac & Company LLP, Real Estate Analyst
Novogradac & Company LLP, Real Estate Researcher
Novogradac & Company LLP, Real Estate Intern

IV. Professional Training

General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
DANIEL W. MABRY**

I. Education

Marist College – Poughkeepsie, NY
Bachelor of Arts, Economics
Bachelor of Science, Business Administration

II. Professional Experience

Novogradac & Company LLP – July 2013 - Present
Real Estate Analyst

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Prepared market studies for proposed new construction and existing Low Income Housing Tax Credit, Section 8, and market rate developments for use by real estate developers, governmental entities, and financial institutions. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, and market rate multifamily developments. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.