



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

**THE VILLAGE ON PARK
West Main Street and Union Road
Hahira, Lowndes County, Georgia 31632**

**Effective Date: May 21, 2016
Report Date: June 6, 2016**

Prepared For

**Mr. Robert Fink
Director, Office of Housing Finance
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, GA 30329**

Prepared By

**Novogradac & Company LLP
2325 Lakeview Parkway
Suite 450
Alpharetta, Georgia 30009
678.867.2333**

June 6, 2016

Mr. Robert Fink
Director, Office of Housing Finance
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, GA 30329

Re: Market Study for The Village on Park in Hahira, Georgia

Dear Mr. Fink:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the Hahira, Lowndes County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of The Village on Park, a proposed family development consisting of 64 units. The Subject will offer 45 LIHTC units restricted to households earning 50 and 60 percent of the AMI, or less, and 19 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, 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.

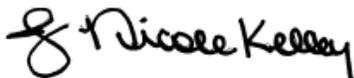
Respectfully submitted,



Brad Weinberg, MAI, CVA, CCIM
Partner
Certified General Appraiser
Novogradac & Company LLP



Edward R. Mitchell, MAI
Manager
Novogradac & Company LLP



J. Nicole Kelley
Real Estate Analyst
Novogradac & Company LLP

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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 CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

The Village on Park is a proposed LIHTC development that will be located at the intersection of West Main Street and Union Road in Hahira, Lowndes County, Georgia. The proposed development will offer units restricted to households earning 50 and 60 percent of the AMI, or less, as well as unrestricted market rate units. The Subject will consist of three, three-story walk-up garden style residential buildings and a single story, non-residential community building. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance. Per 2016 Georgia DCA guidelines, the market analyst must use the maximum rent and income limits from the same year as the utility allowance. The Georgia DCA utility allowance is effective as of July 2015; therefore, we have used 2015 maximum rent and income limits in our analysis.

PROPOSED RENTS

Unit Type	Number of Units	Square Footage	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC	HUD Fair
						Maximum Allowable Gross Rent	Market Rents
<i>50% AMI</i>							
1BR/1BA	2	750	\$307	\$149	\$456	\$472	\$547
2BR/2BA	8	1,050	\$356	\$192	\$548	\$566	\$700
3BR/2BA	4	1,160	\$399	\$234	\$633	\$654	\$939
<i>60% AMI</i>							
1BR/1BA	4	750	\$399	\$149	\$548	\$567	\$547
2BR/2BA	20	1,050	\$466	\$192	\$658	\$679	\$700
3BR/2BA	7	1,160	\$525	\$234	\$759	\$785	\$939
<i>Market Rate</i>							
1BR/1BA	2	750	\$480	-	\$480	-	\$547
2BR/2BA	12	1,050	\$560	-	\$560	-	\$700
3BR/2BA	5	1,160	\$630	-	\$630	-	\$939
Total	64						

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

The Subject will offer the following amenities: range, refrigerator, dishwasher, garbage disposal, microwave, carpeting, central AC, blinds, washers/dryers in each unit, patio/balcony, ceiling fans, on-site management, off-street parking, clubhouse, community room, exercise facility, playground, business center/computer lab, picnic area, craft room, and a library. The Subject’s in-unit and community

amenities will be competitive with the existing properties in the market.

2. Site Description/Evaluation:

Land uses immediately surrounding the Subject site consist of vacant land to the north and west; a small, privately owned duplex style multifamily development in generally average condition to the south; and single-family homes in average to good condition to the east. Retail/commercial development in the Subject's immediate neighborhood is located approximately 0.3 to 0.5 miles north of the site along West Main Street and GA 122. Retail/commercial development in the area is in generally average to good condition and appeared to be 90 to 95 percent occupied. The Subject is located within a developing neighborhood and is located within 2.0 miles of the majority of locational amenities. Overall, the Subject site has access to amenities and is considered a desirable building site for multifamily housing.

3. Market Area Definition:

The PMA boundaries are defined as GA-37 to the north; US-221 to the south; GA-125, the Lowndes/Lanier County line, and GA-135 to the east; and the Cook/Colquitt County line and Moultrie Highway to the west. The PMA was defined based on interviews with local officials as well as managers at the comparable properties. Market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries, and given the opportunity to locate good quality affordable housing, will move within these areas. Most local property managers indicate that residents originate from various areas of Lowndes County. There are no natural boundaries in Hahira that would inhibit anyone from relocating to the Subject. The market boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Per DCA guidelines, we have assumed that 100 percent of the Subject's renter base will originate from within these boundaries and have not accounted for leakage from outside the PMA. The furthest PMA boundary from the Subject site is approximately 18 miles.

4. Community Demographic Data:

Both population and number of households in the PMA experienced strong growth through 2015, outpacing growth in both the MSA and the nation. Through 2020, the population in the PMA is expected to continue growing at a faster pace than the MSA, but at a slightly slower pace than the nation. Over this same time period, household growth

in the PMA is expected to mirror national growth and slightly outpace growth in the MSA. Approximately 43.5 percent of households in the PMA are earning less than \$29,999 annually, and this percentage is expected to increase through 2020. The significant percentage of households in the lowest income cohorts illustrates a strong need for affordable housing within the PMA. Tenure patterns in the PMA demonstrate that a significant percentage, 47.5 percent, of households in the PMA are renter-occupied. This percentage is well above the national average of approximately 33 percent. Further, the percentage of renter-occupied households is expected to increase slightly through the Subject's market entry date and will continue increasing through 2020. Overall, demographic trends within the PMA demonstrate a growing market with a need for affordable housing such as the Subject.

According to RealtyTrac.com statistics, one in every 1,394 housing units in the state of Georgia is in some stage of foreclosure as of April 2016. This is below the national rate of one in every 1,308 housing units. Lowndes County is experiencing a foreclosure rate of one in every 929 housing units, well above the state and national rates. Despite the high foreclosure rate in Lowndes County, we did not witness any foreclosed, abandoned, or vacant housing units in the Subject's immediate neighborhood.

5. Economic Data:

Retail trade, educational services, and health care/social assistance are the largest industries within the PMA. Combined, they represent approximately 44.6 percent of total employment within the PMA. While both educational services and healthcare/social assistance are considered relatively stable industries in times of economic distress, retail trade is more volatile. When compared to the nation, educational services and retail trade are significantly overrepresented in the PMA. Conversely, manufacturing and professional/scientific/technical services are underrepresented in the PMA when compared to the nation. Though the county was partially reliant on the manufacturing industry in the past, several manufacturers vanished from the area during the most recent recession. However, Lowndes County has experienced recent employment expansion. According to a *Georgia Trend* article from March 2015, several companies underwent major expansions in 2014 including Fussell Tire and Services, Bimbo Bakeries USA, and Express Scripts, all of

which invested in expansions and created new jobs in Valdosta. This expansion however is not yet apparent in the employment data.

Total employment in the MSA was significantly affected by the most recent recession. Following the recession, there were increases in total employment for two years, but total employment declined again from 2013 to 2014. However, 2015 numbers indicate an increase of 1.3 percent and 2016 year to date numbers indicate an increase of 0.5 percent. Despite these recent increases however, total employment figures are still well below their pre-recession peak, indicating that the local economy is still trying to recover from the most recent national recession. Since the recession, the unemployment rate in the MSA has remained above the nation. The 2016 year to date average unemployment rate is 5.5 percent, compared to 5.3 percent in the nation. Overall, the MSA was affected by the national recession, and is still in the process of recovering.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that there are 5,795 income qualified renter households in the PMA for the Subject’s LIHTC units and 9,484 income qualified households for the Subject’s LIHTC and market rate units. 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 50% AMI	\$15,634-\$20,180	2	493	0	493	0.4%
2BR 50% AMI	\$18,789-\$22,650	8	562	0	562	1.4%
3BR 50% AMI	\$21,703-\$27,200	4	369	0	369	1.1%
1BR 60% AMI	\$18,789-\$24,180	4	522	0	522	0.8%
2BR 60% AMI	\$22,560-\$27,180	20	595	0	595	3.4%
3BR 60% AMI	\$26,023-\$32,640	7	390	0	390	1.8%
1BR Market Rate	\$16,457-\$40,300	2	1,059	0	1,059	0.2%
2BR Market Rate	\$19,200-\$50,300	12	1,207	0	1,207	1.0%
3BR Market Rate	\$21,600-\$52,600	5	792	0	792	0.6%
Overall 50% AMI	-	14	1,423	0	1,423	1.0%
Overall 60% AMI	-	31	1,507	0	1,507	2.1%
Overall LIHTC	-	45	1,938	0	1,938	2.3%
Overall Market Rate	-	19	3,058	0	3,058	0.6%
Overall Project	-	64	3,171	0	3,171	2.0%

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: Our competitive survey includes eight “true” comparable properties containing 1,310 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 is considered average. There are three LIHTC properties located within the PMA; however, only one is located in Hahira. The remaining LIHTC comparables are located between 13.4 and 14.7 miles from the Subject in Valdosta. We have also included Brittany Woods as a comparable. This property is also located in Valdosta and is just outside the PMA boundaries. The availability of market rate data is also considered average. We have included four conventional market rate rental properties in our analysis. All of the market rate comparables are located inside the PMA, between 12.4 and 14.4 miles south of the Subject, in Valdosta. Overall, we believe that the comparable data is sufficient upon which to base our conclusions.

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%	\$307	\$204	\$700	\$520	69%
2 BR 50%	\$356	\$288	\$912	\$629	77%
3 BR 50%	\$399	\$309	\$1,096	\$737	85%
1 BR 60%	\$399	\$204	\$700	\$558	40%
2 BR 60%	\$466	\$288	\$912	\$675	45%
3 BR 60%	\$525	\$309	\$1,096	\$786	50%
1BR Market	\$480	\$565	\$700	\$658	37%
2BR Market	\$560	\$655	\$912	\$778	39%
3BR Market	\$630	\$760	\$1,096	\$886	41%

As illustrated, the Subject’s proposed LIHTC rents are within the rent range observed at the comparable properties, but well below the averages, yielding a significant rent advantage for the Subject’s LIHTC units. The Subject’s proposed market rents are below the minimum observed market rents. As a newly constructed property with a competitive amenities package, the Subject will be generally similar to superior to the existing rental housing stock. The LIHTC vacancy rate in the local market is low at 1.0 percent and all four LIHTC properties reported having waiting lists. Therefore, the rents at the LIHTC properties have been accepted in the market. As the Subject’s proposed rents will be on the lower end of the observed range, we believe they are reasonable and achievable. Vacancy among the market rate comparables is healthy at 4.2 percent, with many of the vacancies being attributed to the deployment of military tenants stationed at Moody Air Force Base as well as college students at Valdosta State University leaving for the summer. As illustrated, the Subject’s proposed units will offer a significant rent advantage of 37 to 85 percent and are considered achievable.

8. Absorption/Stabilization

Estimate:

We were able to obtain absorption information for three of the comparables. This information is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Gateway Pines I	LIHTC	Family	2012	56	6
Northwind Apartment Homes	Market	Family	2004	276	20
Heron Lake	LIHTC/Market	Family	2003	152	38

As illustrated, three of the comparables were able to provide absorption information; however, given that the information provided by Northwind Apartment Homes and Heron Lake is more than 10 years old, we have not relied as heavily on this information. Gateway Pines I is the only LIHTC property located in Hahira. This property entered the market in 2012 and reported an absorption pace of six units per month. Given the low vacancy rates and waiting lists at the comparables, we believe that the Subject will experience a slightly faster absorption pace of eight units per month. At this pace, the Subject would reach a stabilized occupancy rate of 93 percent within eight months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Vacancy among the LIHTC comparables is low at 1.0 percent and all four LIHTC comparables have waiting lists. Vacancy among the market rate comparables is also healthy at 4.2 percent, with vacancy fluctuations being attributable to deployments by military tenants stationed at Moody Air Force base and tenants who are students at Valdosta State University who leave for the summer months. However, the Subject is located in Hahira and the market rate comparables are located in Valdosta. Therefore, we do not believe that the Subject's market rate units will experience the same vacancy fluctuations as the market rate properties in Valdosta. The Subject will be a newly constructed LIHTC development with competitive amenities. The Subject's proposed LIHTC rents are at the low end of the observed rent range at the LIHTC comparables and the Subject's proposed market rents are below the rent range observed at the market rate comparables. As proposed, the Subject's units yield a rent advantage of 37 to 85 percent. Given the lack of vacant LIHTC units in the market and the waiting lists at all four LIHTC comparables, there appears to be a housing void in the local market. Overall, we believe there is adequate demand for the Subject's units as proposed, and we do not believe that the Subject will have a negative impact on the existing LIHTC housing stock.

Summary Table:

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

Development Name:	The Village on Park	Total # Units: 64
Location:	West Main Street and Union Road	# LIHTC Units: 45
	Hahira, Lowndes County, GA	
PMA Boundary:	GA-37 to the north; US-221 to the south; GA-125, the Lowndes/Lanier County line, and GA-135 to the east; the Cook/Colquitt County line, and Moultrie Highway to the west	
	Farthest Boundary Distance to Subject:	18.0

Rental Housing Stock (found on page 89)

Type*	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	7	1,206	54	95.5%
Market-Rate Housing	5	940	52	94.5%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	1	72	0	100.0%
LIHTC	4	298	3	99.0%
Stabilized Comps	7	1,206	54	95.5%
Properties in Construction & Lease Up	0	0	0	0.0%

*Some properties offer both LIHTC and market rate units

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
2	1BR at 50% AMI	1	750	\$307	\$525	\$0.70	71%	\$745	\$0.79
8	2BR at 50% AMI	2	1,050	\$356	\$629	\$0.34	77%	\$965	\$0.67
4	3BR at 50% AMI	2	1,160	\$399	\$737	\$0.34	85%	\$1,160	\$0.66
4	1BR at 60% AMI	1	750	\$399	\$565	\$0.75	42%	\$745	\$0.79
20	2BR at 60% AMI	2	1,050	\$466	\$675	\$0.64	45%	\$965	\$0.67
7	3BR at 60% AMI	2	1,160	\$525	\$786	\$0.68	50%	\$1,160	\$0.66
2	1BR at Market Rate	1	750	\$480	\$658	\$0.88	37%	\$745	\$0.79
12	2BR at Market Rate	2	1,050	\$560	\$778	\$0.74	39%	\$965	\$0.67
5	3BR at Market Rate	2	1,160	\$630	\$886	\$0.76	41%	\$1,160	\$0.66

Demographic Data (found on pages 29 & 53)

	2010		2015		2018	
Renter Households	15,763	44.10%	17,858	47.50%	18,314	47.70%
Income-Qualified Renter HHs (LIHTC)	4,981	31.60%	5,643	31.60%	5,787	31.60%

Targeted Income-Qualified Renter Household Demand (found on pages 44, 47, 50, 53, 56)

Type of Demand	30%	50%	60%	Market-rate	LIHTC Only	Overall*
Renter Household Growth	N/Ap	106	112	228	144	236
Existing Households (Overburdened + Substandard)	N/Ap	1398	1,481	3,005	1,904	3,115
Homeowner conversion (Seniors)	N/Ap	0	0	0	0	0
Total Primary Market Demand	N/Ap	1,504	1,593	3,233	2,048	3,351
Less Comparable/Competitive Supply	N/Ap	0	0	0	0	0
Adjusted Income-qualified Renter HHs**	N/Ap	1,504	1,593	3,233	2,048	3,351

Targeted Population	30%	50%	60%	Market-rate	LIHTC Only	Overall
Capture Rate:	N/Ap	1.00%	2.10%	0.60%	2.30%	2.00%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:

The Subject will be located at the intersection of West Main Street and Union Road in Hahira, Lowndes County, Georgia.

Construction Type:

The Subject will be a newly constructed development consisting of three, three-story, walk-up garden style residential buildings and a single story, non-residential community building.

Occupancy Type:

The Subject will target general households.

Special Population Target:

None.

Number of Units by Bedroom Type and AMI Level:

See following property profile.

Unit Size:

See following property profile.

Structure Type:

See following property profile.

Rents and Utility Allowances:

See following property profile.

Existing or Proposed

Project Based Rental Assistance:

None of the Subject's units will have Project Based Rental Assistance.

Proposed Development Amenities: See following property profile.

The Village On Park												
Comp #	Subject											
Effective Rent Date	5/26/2016											
Location	W Main St & Union Rd Hahira, GA 31632 Lowndes County											
Units	64											
Vacant Units	N/A											
Vacancy Rate	N/A											
Type	Garden (3 stories)											
Year Built / Renovated	2018											
Market												
Program	50%, 60%, Market				Leasing Pace				n/a			
Annual Turnover Rate	N/A				Change in Rent (Past Year)				n/a			
Units/Month Absorbed	n/a				Concession							
Section 8 Tenants	N/A											
Utilities												
A/C	not included -- central				Other Electric				not included			
Cooking	not included -- electric				Water				not included			
Water Heat	not included -- electric				Sewer				not included			
Heat	not included -- electric				Trash Collection				included			
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Garden (3 stories)	2	750	\$307	\$0	50%	n/a	N/A	N/A	no	
1	1	Garden (3 stories)	4	750	\$399	\$0	60%	n/a	N/A	N/A	no	
1	1	Garden (3 stories)	2	750	\$480	\$0	Market	n/a	N/A	N/A	N/A	
2	2	Garden (3 stories)	8	1,050	\$356	\$0	50%	n/a	N/A	N/A	no	
2	2	Garden (3 stories)	20	1,050	\$466	\$0	60%	n/a	N/A	N/A	no	
2	2	Garden (3 stories)	12	1,050	\$560	\$0	Market	n/a	N/A	N/A	N/A	
3	2	Garden (3 stories)	4	1,160	\$399	\$0	50%	n/a	N/A	N/A	no	
3	2	Garden (3 stories)	7	1,160	\$525	\$0	60%	n/a	N/A	N/A	no	
3	2	Garden (3 stories)	5	1,160	\$630	\$0	Market	n/a	N/A	N/A	N/A	

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer In Unit	Security	none
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Off-Street Parking On-Site Management Picnic Area Playground	Premium	
Services	none	Other	Library, craft room

Scope of Renovations: The Subject will be new construction.

Current Rents: N/Ap.

Current Occupancy: N/Ap.

Current Tenant Income: N/Ap.

Placed in Service Date: The Subject will be placed in service in June 2018.

Conclusion: The Subject will be an excellent -quality brick and vinyl siding three-story walk-up, garden style 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:

Brian Neukam visited the site on May 21, 2016.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

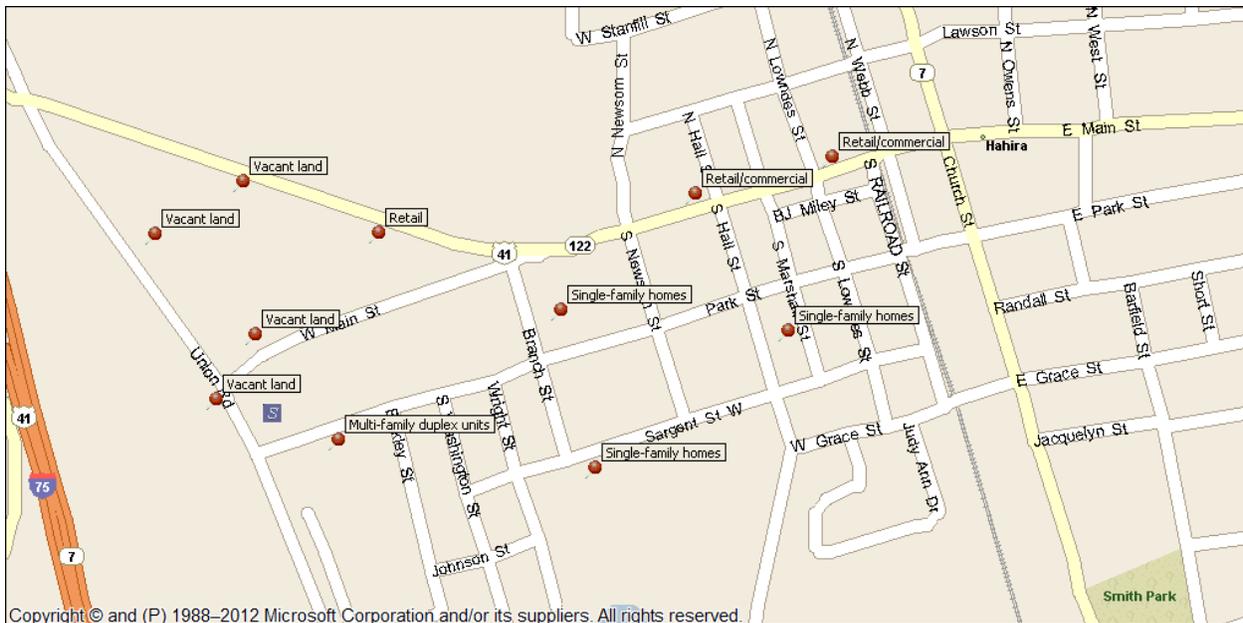
The Subject site has frontage along the east side of Union Road, the south side of West Main Street, and the north side of Park Street.

Visibility/Views:

Views from the Subject site consist of vacant land to the north, single-family residential in generally good condition to the south and east, and vacant land to the west. Overall, visibility is considered good and views are considered average.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject’s immediate surroundings consist of vacant, undeveloped land, single-family homes in average to good condition and a small privately owned multifamily development in generally average condition. Retail/commercial development is located between 0.3 and 0.5 miles north of the site along GA 122. Retail in the area appeared to be well occupied and in generally average to good condition.

Positive/Negative Attributes of Site: The Subject has good access to retail and commercial development, which is located within 0.5 miles of the Subject site along GA 122. Additionally, the Subject has excellent access to Interstate 75, which is located 0.4 miles west of the Subject site and is accessed via GA 122. There are no negative attributes of the Subject site.

3. Physical Proximity to Locational Amenities:

The Subject is located within 0.5 miles of retail/commercial development and is also within 0.4 miles of Interstate 75, which provides access to Valdosta approximately 14 miles to the south, which is where many of the major employers of the area are located.

4. Pictures of Site and Adjacent Uses:



Subject site from Park Street



Subject site from West Main Street



Subject site from Union Road



View east along Park Street



View west along Park Street



View east along West Main Street



View west along West Main Street



View north along Union Road



View south along Union Road



Vacant land east of the site



Vacant land north of the site



Multifamily duplexes south



Single-family home south



Vacant land west



Commercial development north on GA 122



Retail north on GA 122



Fast food restaurant north on GA 122



Single-family home east



Commercial north on West Main Street

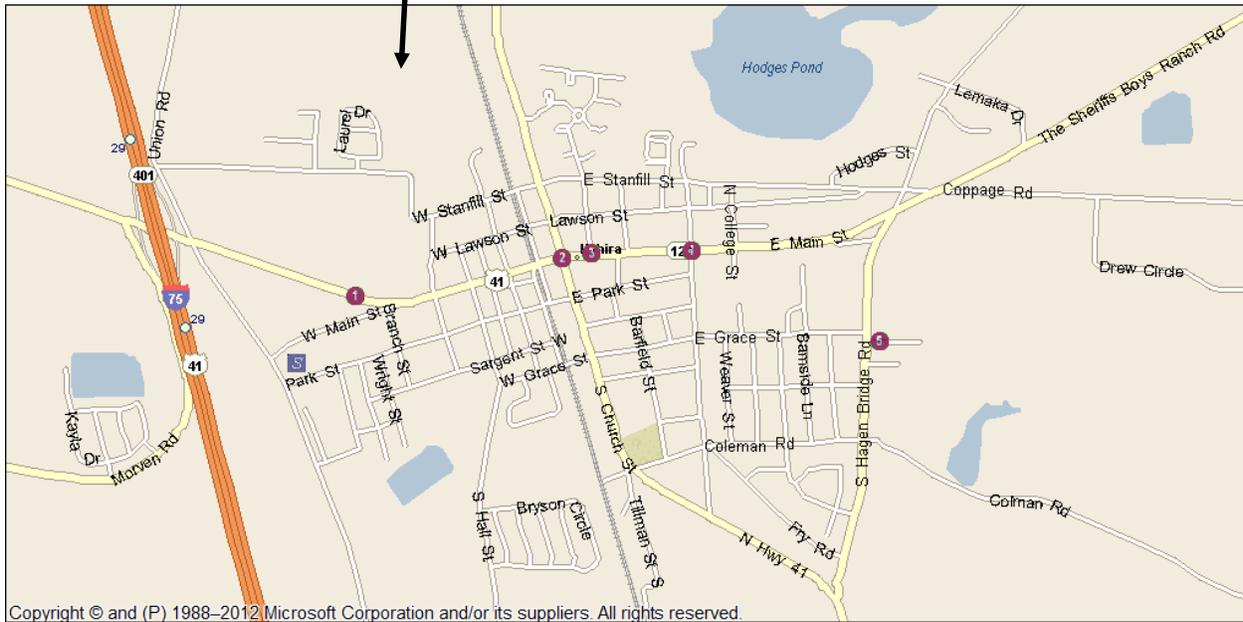
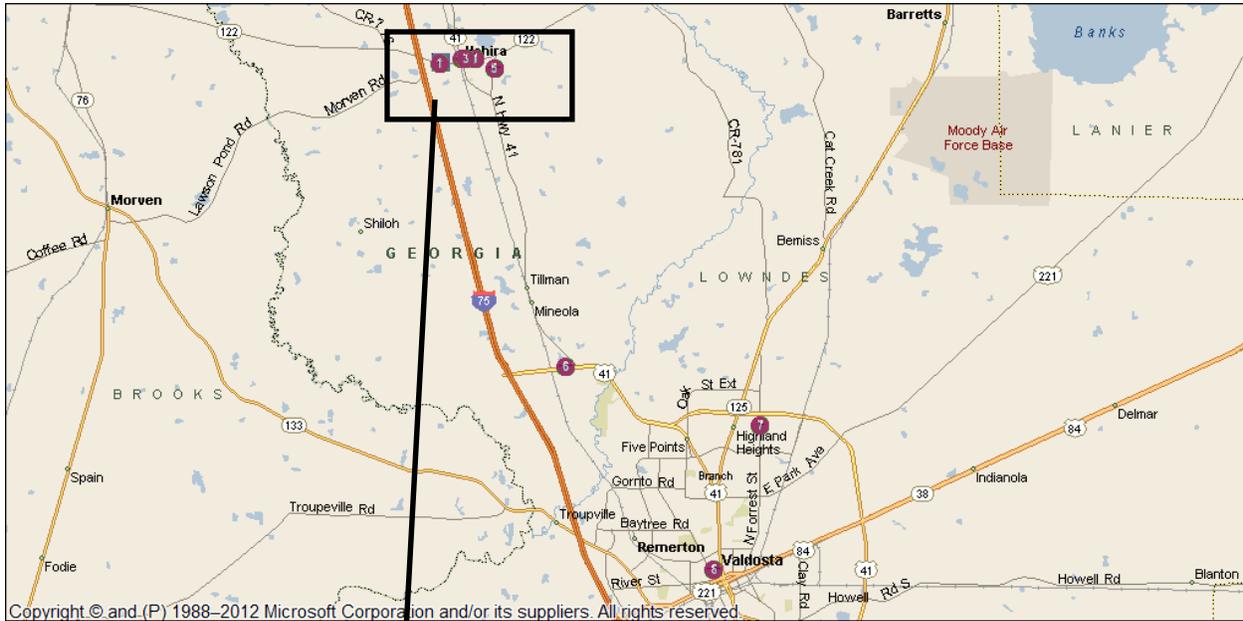


Retail north on West Main Street

5. Proximity to Locational Amenities:

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

The Village on Park, Hahira, GA; Market Study



Map #	Amenity	Distance from Subject
1	Harvey's Supermarket (Grocery and Pharmacy)	0.3 miles
2	Police Department	0.8 miles
3	Fire Department	0.8 miles
4	Hahira Middle School	1.1 miles
5	Hahira Elementary School	1.9 miles
6	Smith Northview Hospital	9.7 miles
7	Valdosta High School	14.4 miles
8	Employment Center-Downtown Valdosta	16.2 miles

6. Description of Land Uses:

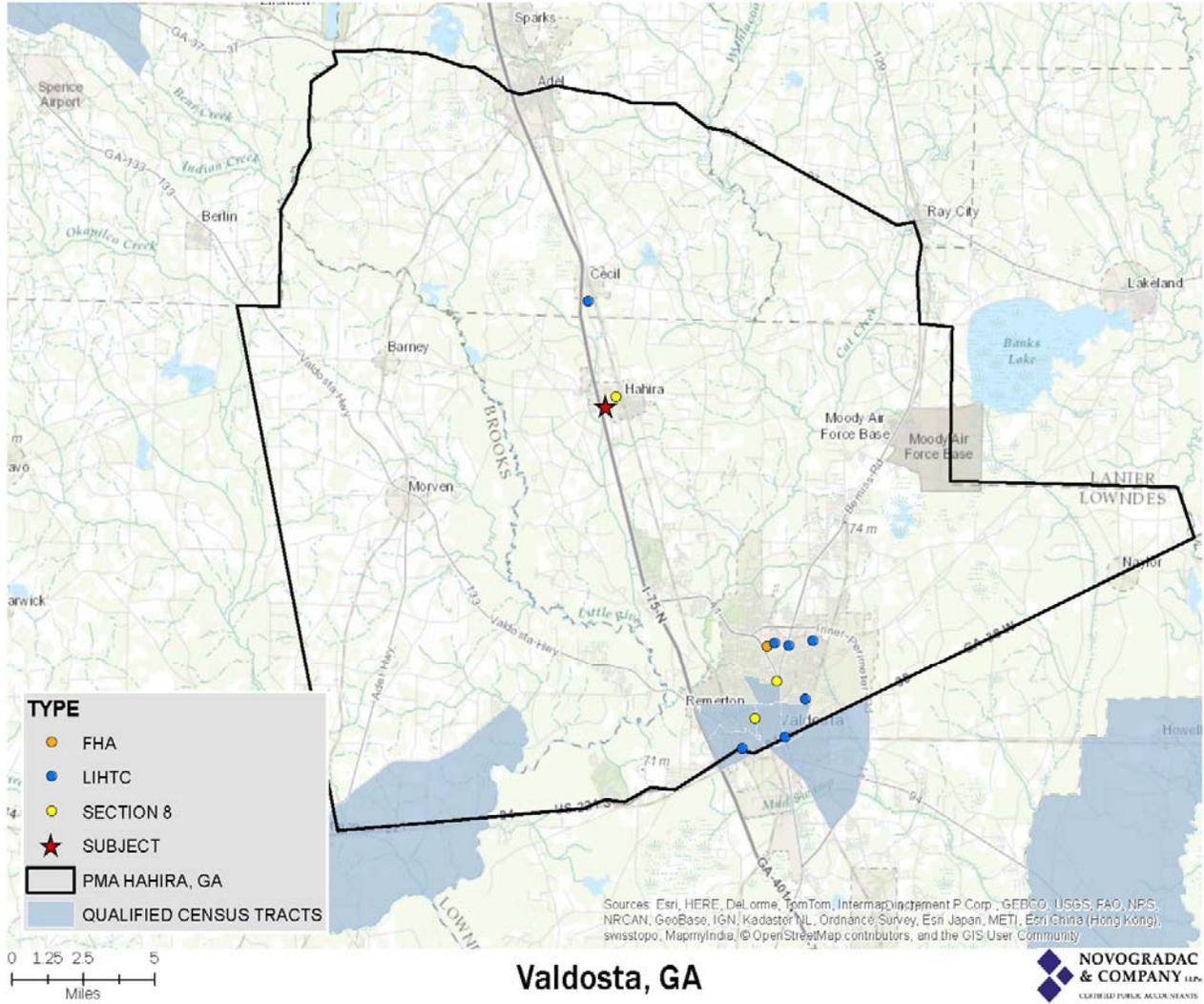
Land uses immediately surrounding the Subject site consist of vacant land to the north and west, a small duplex style multifamily development in generally average condition to the south, and single-family homes in average to good condition to the east. Retail/commercial development in the Subject’s immediate neighborhood is located approximately 0.3 to 0.5 miles north of the site along West Main Street and GA 122. Retail/commercial development in the area is in generally average to good condition and appeared to be 90 to 95 percent occupied. The Subject is located within a developing neighborhood with good access to area 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	Map Color	Distance from Subject	Included/ Excluded	Reason for Exclusion	
The Residences at Five Points	FHA/HUD 221 (d) (4)	Family	Yellow	12.9 miles	Excluded	More comparable properties available	
Ashton Park	LIHTC	Family	Blue	13.4 miles	Included	-	
Ashton Meadows	LIHTC	Senior		14.2 miles	Excluded	Tenancy not comparable	
Woodlawn Terrace	LIHTC	Senior		15.5 miles	Excluded	Tenancy not comparable	
Gateway Pines I	LIHTC	Family		5.0 miles	Included	-	
Heron Lake	LIHTC/Market	Family		14.7 miles	Included	-	
Ashley House	LIHTC/Section 8	Senior		15.9 miles	Excluded	Tenancy not comparable; all units subsidized	
Azalea Towers	Section 8	Senior		Yellow	13.5 miles	Excluded	Tenancy not comparable; all units subsidized
Azalea Woods	Section 8	Family			14.0 miles	Excluded	All units operate with subsidy
Valdosta/Lowndes County Options	Section 8	Disabled		Red	14.1 miles	Excluded	Tenancy not comparable; all units subsidized
Meadowbrook Apartments	USDA RD	Family			0.6 miles	Excluded	All units operate with subsidy
The Village on Park	LIHTC/Market	Family	Red Star	-	Subject	-	



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

We did not witness any road/infrastructure improvements during our field work, and we are unaware of any proposed infrastructure improvements in the Subject' immediate neighborhood.

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

The Subject site is located at the intersection of West Main Street and Union Road. Both roadways are lightly trafficked and contain vacant land and small scale retail/commercial development. Union Road provides access to Interstate 75 approximately 0.4 miles north of the Subject site. The Subject site will also have visibility from Park Street, a lightly trafficked neighborhood roadway containing mostly single-family residential development and one small scale duplex style multifamily development. Overall, access and visibility of the site are considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Conclusion:

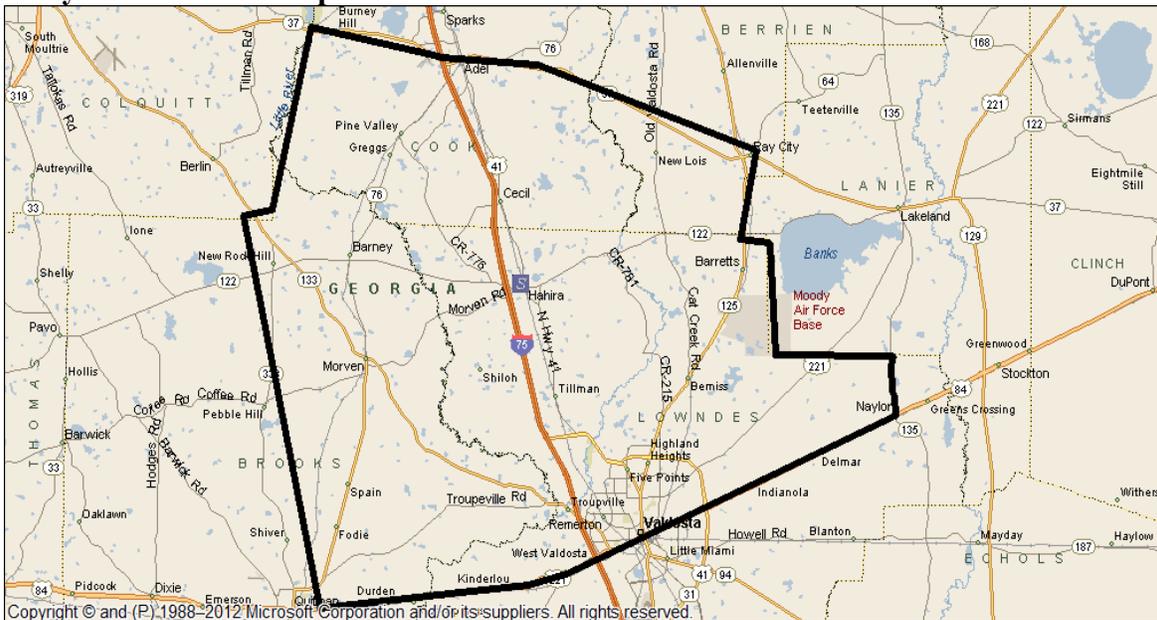
The Subject site is located at the intersection of West Main Street and Union Road and the immediate surroundings consist of a mixture of vacant land and residential development. The site is also located within 0.5 miles of retail/commercial development and is within two miles of several services/amenities. Retail in the area is in average to good condition and appeared to be 90 to 95 percent occupied. Residential development in the area is generally older and ranges from average to good condition. The Subject will be visible from West Main Street, Union Road, and Park Street. Overall, the community presents a good location for an affordable, multifamily development and the Subject will have a positive impact on the local neighborhood.

D. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



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

The boundaries of the PMA are as follows:

- North – GA-37
- South- US-221
- East-GA-125, Lowndes/Lanier County Line, and GA-135
- West-Cook/Colquitt County Line and Moultrie Highway

The PMA was defined based on interviews with local officials as well as managers at the comparable properties. Market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries, and given the opportunity to locate good quality affordable housing, will move within these areas. Most local property managers indicate that residents originate from various areas of Lowndes County. There are no natural boundaries in Hahira that would inhibit anyone from relocating to the Subject. The market boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Per DCA guidelines, we have assumed that 100 percent of the Subject’s renter base will originate from within these boundaries and have not accounted for leakage from outside the PMA.

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

1. Population Trends

The following tables illustrate (a) Total Population and (b) Population by Age Group in the MSA, the PMA and nationally from 2000 through 2020.

TOTAL POPULATION

Year	PMA		Valdosta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	81,800	-	119,562	-	281,421,906	-
2010	97,328	1.9%	139,588	1.7%	308,745,538	1.0%
2015	101,759	0.9%	144,952	0.7%	318,536,439	0.6%
Projected Mkt Entry June 2018	103,831	0.7%	147,551	0.6%	325,586,685	0.8%
2020	105,311	0.7%	149,408	0.6%	330,622,575	0.8%

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

POPULATION BY AGE IN 2015

Age Cohort	PMA		Valdosta, GA MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
0-4	7,220	7.1%	10,494	7.2%	19,799,863	6.2%
5-9	6,855	6.7%	10,201	7.0%	20,344,510	6.4%
10-14	6,230	6.1%	9,121	6.3%	20,559,391	6.5%
15-19	8,544	8.4%	11,110	7.7%	20,881,858	6.6%
20-24	11,631	11.4%	14,561	10.0%	22,924,004	7.2%
25-29	9,667	9.5%	12,632	8.7%	21,816,790	6.8%
30-34	7,361	7.2%	10,405	7.2%	21,473,655	6.7%
35-39	5,978	5.9%	8,393	5.8%	19,766,064	6.2%
40-44	5,759	5.7%	8,498	5.9%	20,273,142	6.4%
45-49	5,450	5.4%	8,130	5.6%	20,491,186	6.4%
50-54	5,809	5.7%	8,739	6.0%	22,396,944	7.0%
55-59	5,462	5.4%	8,369	5.8%	21,895,695	6.9%
60-64	4,585	4.5%	7,101	4.9%	18,945,154	5.9%
65-69	3,879	3.8%	6,115	4.2%	15,996,061	5.0%
70-74	2,764	2.7%	4,303	3.0%	11,328,997	3.6%
75-79	1,976	1.9%	3,015	2.1%	7,884,187	2.5%
80-84	1,346	1.3%	2,032	1.4%	5,668,292	1.8%
85+	1,243	1.2%	1,733	1.2%	6,090,646	1.9%
Total	101,759	100.0%	144,952	100.0%	318,536,439	100.0%

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

Population growth in the PMA has been strong, outpacing growth in both the MSA and the nation through 2015. While population growth in the PMA will slow somewhat through 2020, it will continue to grow at a faster pace than the MSA but at a slightly slower pace than the nation. The largest age cohorts in the PMA are the 15 to 19, 20 to 24, and 25 to 29 age cohorts, accounting for 29.3 percent of the population. Similarly, these are also the three largest age cohorts in the MSA. The strong population growth trends in the PMA are a positive indicator for demand for the Subject’s units. Additionally, the Subject will offer one, two, and three-bedroom units and will appeal to a variety of age cohorts and household sizes.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Valdosta, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	29,026	-	42,667	-	105,480,101	-
2010	35,740	2.3%	51,141	2.0%	116,716,292	1.1%
2015	37,567	1.0%	53,373	0.8%	120,746,349	0.7%
Projected Mkt Entry June 2018	38,398	0.8%	54,406	0.7%	123,506,223	0.8%
2020	38,991	0.8%	55,143	0.7%	125,477,562	0.8%

AVERAGE HOUSEHOLD SIZE

Year	PMA		Valdosta, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.59	-	2.63	-	2.59	-
2010	2.57	-0.1%	2.60	-0.1%	2.58	-0.1%
2015	2.56	-0.1%	2.59	-0.1%	2.57	0.0%
Projected Mkt Entry June 2018	2.55	0.0%	2.59	0.0%	2.57	0.0%
2020	2.55	0.0%	2.59	0.0%	2.57	0.0%

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

Similar to population growth, the number of households in the PMA experienced strong growth through 2015, outpacing growth in both the MSA and the nation. The number of households in the PMA is expected to continue growing through 2020, albeit at a slower pace. Through 2020, household growth in the PMA is expected to mirror national growth and slightly outpace growth in the MSA. The average household size in the PMA is slightly smaller than the average household sizes in both the MSA and the nation. While the average household sizes in both the MSA and the nation are expected to remain constant through 2020, the average household size in the PMA is expected to decrease slightly, thus widening the gap. The Subject will offer one, two, and three-bedroom units and will appeal to both smaller and larger households. Overall, the strong household growth projected for the PMA bodes well for the Subject’s units.

2b. Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	17,494	60.3%	11,532	39.7%
2010	19,977	55.9%	15,763	44.1%
2015	19,709	52.5%	17,858	47.5%
Projected Mkt Entry June 2018	20,084	52.3%	18,314	47.7%
2020	20,352	52.2%	18,639	47.8%

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

As illustrated, the majority of households in the PMA are owner-occupied households. However, the percentage of renter-occupied households in the PMA is well above the national average of one-third. Additionally, the percentage of renter-occupied households in the PMA is expected to increase slightly through the Subject’s market entry date and is expected to continue to increase through 2020. The large percentage of renter-occupied households in the PMA indicates demand for affordable rental housing such as the Subject.

2c. Households by Income

The following table depicts household income in 2010, 2015, 2018, and 2020 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2015		Projected Mkt Entry June 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,808	10.7%	4,551	12.1%	4,796	12.5%	4,971	12.7%
\$10,000-19,999	4,978	13.9%	5,917	15.7%	6,223	16.2%	6,442	16.5%
\$20,000-29,999	5,031	14.1%	5,866	15.6%	6,005	15.6%	6,105	15.7%
\$30,000-39,999	4,300	12.0%	4,410	11.7%	4,533	11.8%	4,621	11.9%
\$40,000-49,999	3,421	9.6%	3,762	10.0%	3,869	10.1%	3,946	10.1%
\$50,000-59,999	3,254	9.1%	3,035	8.1%	3,015	7.9%	3,001	7.7%
\$60,000-74,999	3,311	9.3%	3,095	8.2%	3,129	8.1%	3,153	8.1%
\$75,000-99,999	3,709	10.4%	3,607	9.6%	3,605	9.4%	3,604	9.2%
\$100,000-124,999	1,886	5.3%	1,774	4.7%	1,704	4.4%	1,655	4.2%
\$125,000-149,999	863	2.4%	556	1.5%	547	1.4%	541	1.4%
\$150,000-199,999	580	1.6%	584	1.6%	568	1.5%	557	1.4%
\$200,000+	598	1.7%	411	1.1%	403	1.0%	397	1.0%
Total	35,740	100.0%	37,567	100.0%	38,398	100.0%	38,991	100.0%

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

Approximately 43.5 percent of households in the PMA are earning less than \$29,999 annually. This percentage is expected to increase to 44.3 percent by the Subject’s market entry. The significant percentage of households in the PMA in the lowest income cohorts further illustrates the demand for affordable rental units in the local 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 June 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	3,535	30.7%	4,663	29.6%	5,347	29.9%	5,520	30.1%	5,644	30.3%
With 2 Persons	3,388	29.4%	4,463	28.3%	5,044	28.2%	5,160	28.2%	5,242	28.1%
With 3 Persons	2,192	19.0%	3,088	19.6%	3,511	19.7%	3,601	19.7%	3,666	19.7%
With 4 Persons	1,316	11.4%	1,986	12.6%	2,202	12.3%	2,243	12.2%	2,272	12.2%
With 5+ Persons	1,102	9.6%	1,563	9.9%	1,754	9.8%	1,790	9.8%	1,816	9.7%
Total Renter	11,532	100.0%	15,763	100.0%	17,858	100.0%	18,314	100.0%	18,639	100.0%

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

As illustrated, the majority of renter households in the PMA are one and two person households. The Subject will offer one, two, and three-bedroom units and will target households with one to five persons.

CONCLUSION

Both population and number of households in the PMA experienced strong growth through 2015, outpacing growth in both the MSA and the nation. Through 2020, the population in the PMA is expected to continue growing at a faster pace than the MSA, but at a slightly slower pace than the nation. Over this same time period, household growth in the PMA is expected to mirror national growth and slightly outpace growth in the MSA. Approximately 43.5 percent of households in the PMA are earning less than \$29,999 annually, and this percentage is expected to increase through 2020. The significant percentage of households in the lowest income cohorts

illustrates a strong need for affordable housing within the PMA. Tenure patterns in the PMA demonstrate that a significant percentage, 47.5 percent, of households in the PMA are renter-occupied. This percentage is well above the national average of approximately 33 percent. Further, the percentage of renter-occupied households is expected to increase slightly through the Subject's market entry date and will continue increasing through 2020. Overall, demographic trends within the PMA demonstrate a growing market with a need for affordable housing such as the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

Employment within the PMA is concentrated in the educational services, retail trade, and healthcare/social assistance industries, which account for 44.6 percent of employment. Though the county was partially reliant on the manufacturing industry in the past, several manufacturers vanished from the area during the most recent recession, and this industry is now underrepresented in the PMA when compared to the nation. However, Lowndes County has experienced recent employment expansions. According to a *Georgia Trend* article from March 2015, several companies underwent major expansions in 2014 including Fussell Tire and Services, Bimbo Bakeries USA, and Express Scripts, all of which invested in expansions and created new jobs in Valdosta. This expansion however is not yet apparent in the employment data.

Total employment in the MSA was significantly affected by the most recent recession. Following the recession, there were increases in total employment for two years, but total employment declined again from 2013 to 2014. However, 2015 numbers indicate an increase of 1.3 percent and 2016 year to date numbers indicate an increase of 0.5 percent. Despite these recent increases however, total employment figures are still well below their pre-recession peak, indicating that the local economy is still trying to recover from the most recent national recession. Since the recession, the unemployment rate in the MSA has remained above the nation. The 2016 year to date average unemployment rate is 5.5 percent, compared to 5.3 percent in the nation. Overall, the MSA was affected by the national recession, and is still in the process of recovering.

1. Total Jobs

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

Total Jobs in Lowndes County, Georgia

Year	Total Employment	% Change
2006	50,030	-
2007	51,634	0.68%
2008	51,985	-5.37%
2009	49,335	-6.97%
2010	46,120	0.34%
2011	46,277	2.97%
2012	47,694	-1.41%
2013	47,030	0.68%
2014	47,352	0.01%
2015	47,359	0.00%
2016 YTD Average	47,359	0.23%
Feb-15	47,470	-
Feb-16	47,631	0.34%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

Total jobs in Lowndes County decreased in 2008 and 2009, which can be attributed to the national recession. Although the county posted positive job growth in 2010 and 2011, total jobs in the county decreased again in 2012. Since that time, the county has demonstrated slight increases in total jobs in three of the last four years, with job growth remaining stagnant in 2015. A year over year comparison indicates a slight increase in total jobs from February 2015 to 2016 and the year to date average indicates growth of 0.23 percent.

2. Total Jobs by Industry

The following table illustrates employment by industry in the PMA in 2015.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	582	1.4%	1,941,156	1.3%
Mining	54	0.1%	997,794	0.7%
Construction	2,201	5.4%	9,392,204	6.4%
Manufacturing	2,821	7.0%	15,651,841	10.6%
Wholesale Trade	1,210	3.0%	3,742,526	2.5%
Retail Trade	5,960	14.7%	17,089,319	11.6%
Transportation/Warehousing	1,589	3.9%	6,200,837	4.2%
Utilities	285	0.7%	1,190,608	0.8%
Information	623	1.5%	2,965,498	2.0%
Finance/Insurance	1,027	2.5%	7,026,905	4.8%
Real Estate/Rental/Leasing	921	2.3%	2,759,067	1.9%
Prof/Scientific/Tech Services	1,442	3.6%	9,981,082	6.8%
Mgmt of Companies/Enterprises	64	0.2%	115,436	0.1%
Admin/Support/Waste Mgmt Svcs	1,389	3.4%	6,242,568	4.2%
Educational Services	6,098	15.0%	13,529,510	9.2%
Health Care/Social Assistance	6,031	14.9%	20,205,674	13.7%
Arts/Entertainment/Recreation	566	1.4%	3,193,724	2.2%
Accommodation/Food Services	3,511	8.7%	10,915,815	7.4%
Other Services (excl Publ Adm)	1,917	4.7%	7,548,482	5.1%
Public Administration	2,259	5.6%	7,099,307	4.8%
Total Employment	40,550	100.0%	147,789,353	100.0%

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

As illustrated, the largest industries in the PMA are educational services, healthcare/social assistance, and retail trade, accounting for 44.6 percent of employment. Both educational services and retail trade are significantly overrepresented in the PMA when compared to the nation. Of the top three industries, both educational services and healthcare/social assistance are considered more stable in times of economic distress while retail trade is considered more volatile. Conversely, both manufacturing and professional/scientific/technical services are underrepresented in the PMA when compared to the nation.

3. Major Employers

The following table is a list of the top employers in Lowndes County, GA.

LOWNDES COUNTY, GA MAJOR EMPLOYERS

#	Employer	Industry	Number of Employees
1	Moody Air Force Base	Military	6,307
2	South Georgia Medical Center	Healthcare	2,559
3	Fresh Beginnings, Inc.	Baked Goods	1,478
4	Valdosta State University	Education	1,425
5	Lowndes County School System	Education	1,386
6	Valdosta City School System	Education	1,251
7	Wild Adventures	Entertainment	900
8	Lowe's Distribution Center	Distribution	842
9	Wal-Mart Supercenters	Retail	733
10	City of Valdosta	Government	582
11	Lowndes County	Government	565
12	Wiregrass Georgia Technical College	Education	486
13	Georgia Department of Corrections	Government	446
14	Convergys Corp.	Information Technology	420
15	Packing Corp. of America	Manufacturing	340

Source: Lowndes County Chamber of Commerce, January 2016

The previous table illustrates the top 15 employers in Lowndes County, Georgia. Note that the total employees at Moody Air Force Base include both military and civilian personnel. A variety of major employers are represented on the list. Moody Air Force Base is the largest employer in the county, with twice as many employees as South Georgia Medical Center, the second largest employer. Two of the top five employers are in the education sector and healthcare is represented in the top five employers, which are both stable industries.

Expansions/Contractions

An important factor underlying the depth of demand for new rental units of all types is the rate of employment expansion. Employment trends are also an important determinant of consumer attitudes towards new housing.

We attempted to contact the Lowndes County Chamber of Commerce, but our calls were unanswered. In a 2014 interview, we spoke with Will Brown of the Lowndes County Chamber of Commerce. The representative stated that there has been an expansion of the South Georgia Medical Center with the addition of a heart center that will contain 96 rooms with 130,000 square feet of space. The cost was estimated to be around \$70 million. Valdosta is attracting many retailers because of its location along the I-75 corridor. Retailers such as Publix and Home Depot have expanded within Lowndes County boasting \$2 billion in retail sales for 2013. Steeda, a high-tech manufacturer, notified Valdosta that it was transferring all of its engineering and manufacturing machinery, 50 tons of it, valued at \$3.5 million, from a Florida location to its existing Valdosta facility.

According to an article published in The Atlantic in January of 2015 entitled “What’s Wrong With Georgia”, “The state employs 30 percent fewer construction workers than it did during the peak and 20 percent fewer manufacturing workers than it did a decade ago. The state government continues to shed jobs: down 2,400 from a year ago and down 14,700 from the peak in 2008.”

Though we were unable to determine the source of the losses in employment in the Subject’s area which can be seen in the tables following, based upon this article and employment trends in this part of the country, we believe it is reasonable to assume that the losses in employment were attributed to the manufacturing sector.

However, the state’s manufacturing sector may be starting to rebound. According to an article from the Marietta Daily Journal on April 4, 2016, “Georgia manufacturing’s new orders and production drove the Georgia PMI 9 points above its six-month average.” “March’s PMI of 66.7 is a 5.1 point jump from February’s reading of 61.6, once again related to strong improvement in new orders and a high level of production. New orders increased 5.4 points to 73.8 and production decreased 0.1 points to 76.2. Employment increased 6.9 points to 59.5. Supplier delivery also increased 12.2 points to 59.5.”

According to the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN) list, there have been no announced layoffs within the PMA between 2012 through April 18, 2016. While the list does not represent all layoffs occurring in the region, it does illustrate the lack of announced layoffs in the past several years.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Valdosta MSA from 2002 to 2016 (through February).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Valdosta, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	56,890	-	4.0%	-	136,933,000	-	4.7%	-
2003	59,485	4.6%	3.5%	-0.5%	136,485,000	-0.3%	5.8%	1.1%
2004	60,426	1.6%	3.5%	0.0%	137,736,000	0.9%	6.0%	0.2%
2005	62,216	3.0%	4.0%	0.5%	139,252,000	1.1%	5.5%	-0.5%
2006	64,322	3.4%	3.9%	-0.1%	141,730,000	1.8%	5.1%	-0.4%
2007	65,765	2.2%	3.9%	0.0%	144,427,000	1.9%	4.6%	-0.5%
2008	66,016	0.4%	5.5%	1.6%	146,047,000	1.1%	4.6%	0.0%
2009	62,478	-5.4%	8.5%	3.0%	145,362,000	-0.5%	5.8%	1.2%
2010	57,911	-7.3%	9.6%	1.1%	139,877,000	-3.8%	9.3%	3.5%
2011	57,900	0.0%	9.9%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2012	59,101	2.1%	9.1%	-0.8%	139,869,000	0.6%	8.9%	-0.7%
2013	58,344	-1.3%	8.0%	-1.0%	142,469,000	1.9%	8.1%	-0.8%
2014	58,210	-0.2%	7.2%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2015	58,983	1.3%	6.0%	-1.3%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	59,281	0.5%	5.5%	-0.5%	149,548,500	2.2%	5.3%	-1.0%
Feb-2015	59,025	-	6.4%	-	147,118,000	-	5.8%	-
Feb-2016	59,216	0.3%	5.6%	-0.8%	150,060,000	2.0%	5.2%	-0.6%

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

*2016 Data is through February

Total employment in the MSA increased through 2008. During the most recent national recession, employment in the MSA declined from 2009 to 2010, and significantly more than the nation. Following the recession, there were increases in total employment for two years, but total employment declined again from 2013 to 2014. However, 2015 numbers indicate an increase of 1.3 percent and 2016 year to date numbers indicate an increase of 0.5 percent. Despite these recent increases however, total employment figures are still well below their pre-recession peak, indicating that the local economy is still trying to recover from the most recent national recession. Since the recession, the unemployment rate in the MSA has remained above the

nation. The 2016 YTD average unemployment rate is 5.5 percent, compared to 5.3 percent in the nation. Overall, the MSA was affected by the national recession, and is still in the process of recovering.

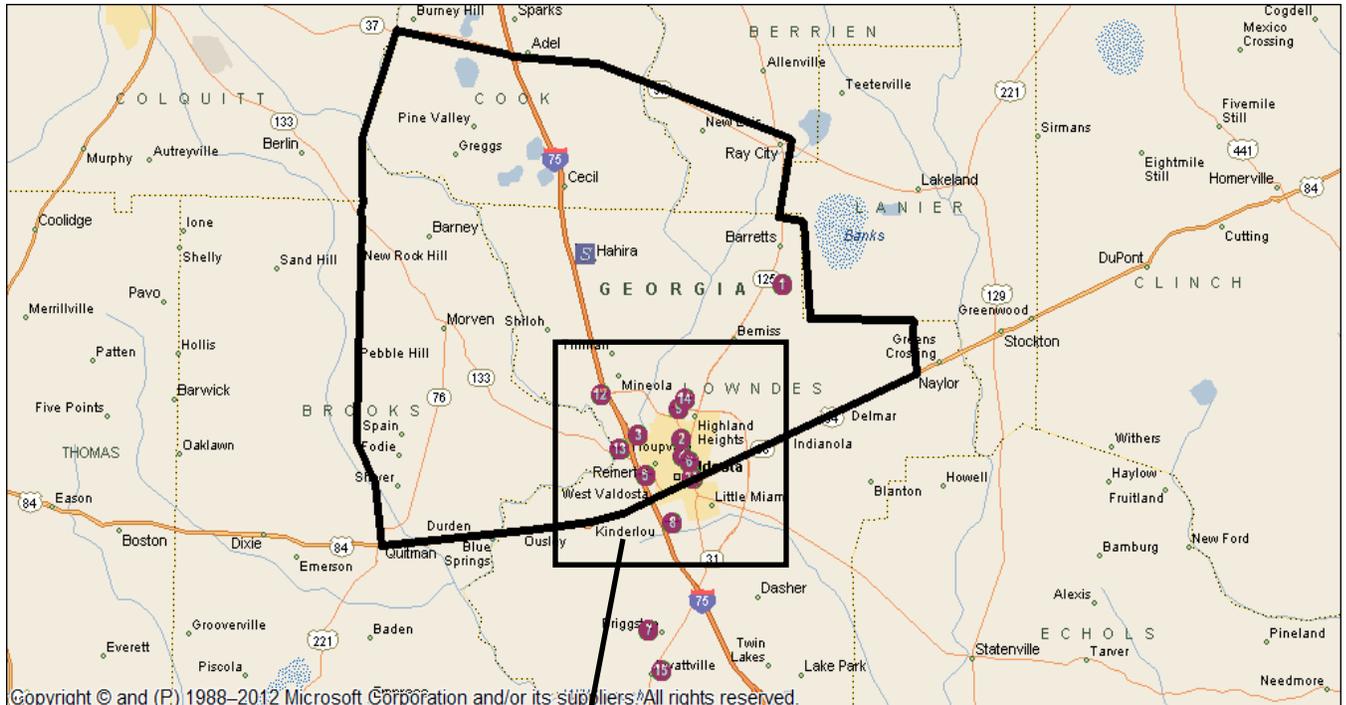
5. Map of Site and Major Employment Concentrations

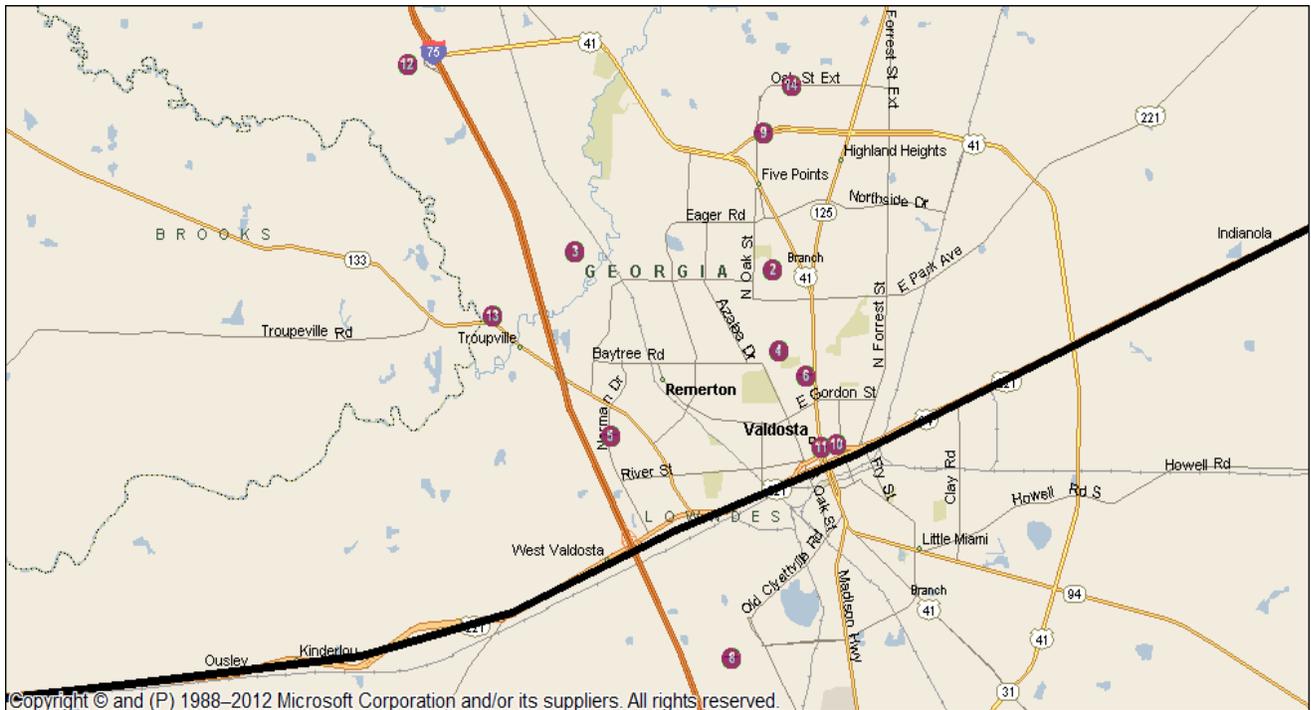
The following map and table detail the largest employers in Lowndes County.

LOWNDES COUNTY, GA MAJOR EMPLOYERS

#	Employer	Industry	Number of Employees
1	Moody Air Force Base	Military	6,307
2	South Georgia Medical Center	Healthcare	2,559
3	Fresh Beginnings, Inc.	Baked Goods	1,478
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10	City of Valdosta	Government	582
11	Lowndes County	Government	565
12	Wiregrass Georgia Technical College	Education	486
13	Georgia Department of Corrections	Government	446
14	Convergys Corp.	Information Technology	420
15	Packing Corp. of America	Manufacturing	340

Source: Lowndes County Chamber of Commerce, January 2016





Conclusion

Retail trade, educational services, and health care/social assistance are the largest industries within the PMA. Combined, they represent approximately 44.6 percent of total employment within the PMA. While both educational services and healthcare/social assistance are considered relatively stable industries in times of economic distress, retail trade is more volatile. When compared to the nation, educational services and retail trade are significantly overrepresented in the PMA. Conversely, manufacturing and professional/scientific/technical services are underrepresented in the PMA when compared to the nation. Though the county was partially reliant on the manufacturing industry in the past, several manufacturers vanished from the area during the most recent recession. However, Lowndes County has experienced recent employment expansion. According to a *Georgia Trend* article from March 2015, several companies underwent major expansions in 2014 including Fussell Tire and Services, Bimbo Bakeries USA, and Express Scripts, all of which invested in expansions and created new jobs in Valdosta. This expansion however is not yet apparent in the employment data.

Total employment in the MSA was significantly affected by the most recent recession. Following the recession, there were increases in total employment for two years, but total employment declined again from 2013 to 2014. However, 2015 numbers indicate an increase of 1.3 percent and 2016 year to date numbers indicate an increase of 0.5 percent. Despite these recent increases however, total employment figures are still well below their pre-recession peak, indicating that the local economy is still trying to recover from the most recent national recession. Since the recession, the unemployment rate in the MSA has remained above the nation. The 2016 year to date average unemployment rate is 5.5 percent, compared to 5.3 percent in the nation. Overall, the MSA was affected by the national recession, and is still in the process of recovering.

PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

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

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

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

Our market research indicates that households renting market rate units at a LIHTC property typically earn no more than 100 percent of the AMI. Therefore, we have set the maximum income limits for the Subject’s market rate units at 100 percent of the AMI.

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

new households in 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 2014 to the present.

ADDITIONS TO SUPPLY

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 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 not been any competitive LIHTC or market rate properties built or allocated since 2014 in the Subject’s PMA. Therefore, we have not deducted any units from our 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. It should be noted that Brittany Woods has not been included in the following table as it is located south of the PMA.

PMA Occupancy				
Property Name	Rent Structure	Total Units	Occupied Units	Occupancy Rate
Ashton Park Apartments	LIHTC	88	88	100.00%
Gateway Pines I	LIHTC	56	55	98.20%
Heron Lake	LIHTC/Market	152	150	98.30%
Northwind Apartment Homes	Market	276	256	92.80%
Spanish Mission Apartments	Market	150	139	92.70%
Spring Chase Apartments	Market	288	281	97.60%
Staten Crossing	Market	196	183	93.40%
Total		1,206	1,152	95.50%

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 to Projected Market Entry June 2018					
The Village on Park					
PMA					
	2015		Projected Mkt Entry June 2018		Percent Growth
	#	%	#	%	
\$0-9,999	3,329	18.6%	3,484	19.0%	4.5%
\$10,000-19,999	3,910	21.9%	4,076	22.3%	4.1%
\$20,000-29,999	3,387	19.0%	3,439	18.8%	1.5%
\$30,000-39,999	2,156	12.1%	2,187	11.9%	1.4%
\$40,000-49,999	1,791	10.0%	1,841	10.1%	2.8%
\$50,000-59,999	918	5.1%	913	5.0%	-0.6%
\$60,000-74,999	911	5.1%	924	5.0%	1.4%
\$75,000-99,999	844	4.7%	852	4.7%	1.0%
\$100,000-124,999	330	1.8%	314	1.7%	-5.2%
\$125,000-149,999	101	0.6%	102	0.6%	0.6%
\$150,000-199,999	119	0.7%	112	0.6%	-6.2%
\$200,000+	64	0.4%	70	0.4%	9.7%
Total	17,858	100.0%	18,314	100.0%	2.5%

Renter Household Income Distribution Projected Market Entry June 2018			
The Village on Park			
	PMA		Change 2015 to Prj Mrkt Entry June 2018
	Projected Mkt Entry June 2018		
	#	%	#
\$0-9,999	3,484	19.0%	87
\$10,000-19,999	4,076	22.3%	101
\$20,000-29,999	3,439	18.8%	86
\$30,000-39,999	2,187	11.9%	54
\$40,000-49,999	1,841	10.1%	46
\$50,000-59,999	913	5.0%	23
\$60,000-74,999	924	5.0%	23
\$75,000-99,999	852	4.7%	21
\$100,000-124,999	314	1.7%	8
\$125,000-149,999	102	0.6%	3
\$150,000-199,999	112	0.6%	3
\$200,000+	70	0.4%	2
Total	18,314	100.0%	456

Tenure Prj Mrkt Entry June 2018	
Renter	47.7%
Owner	52.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry June 2018		
Size	Number	Percentage
1 Person	5,520	30.1%
2 Person	5,160	28.2%
3 Person	3,601	19.7%
4 Person	2,243	12.2%
5+ Person	1,790	9.8%
Total	18,314	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	3,535	30.7%
2 Person	3,388	29.4%
3 Person	2,192	19.0%
4 Person	1,316	11.4%
5+ Person	1,102	9.6%
Total	11,532	100.0%

50% AMI

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

Percent of AMI Level		50%		
Minimum Income Limit		\$15,634		
Maximum Income Limit		\$27,200 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Renter Households	
	Income Brackets	Percent within Cohort	Percent within Cohort	within Bracket
\$0-9,999	86.68	19.0%	0.0%	0
\$10,000-19,999	101.39	22.3%	43.7%	44
\$20,000-29,999	85.54	18.8%	72.0%	62
\$30,000-39,999	54.42	11.9%	0.0%	0
\$40,000-49,999	45.81	10.1%	0.0%	0
\$50,000-59,999	22.71	5.0%	0.0%	0
\$60,000-74,999	22.99	5.0%	0.0%	0
\$75,000-99,999	21.19	4.7%	0.0%	0
\$100,000-124,999	7.80	1.7%	0.0%	0
\$125,000-149,999	2.54	0.6%	0.0%	0
\$150,000-199,999	2.78	0.6%	0.0%	0
\$200,000+	1.75	0.4%	0.0%	0
	456	100.0%		106
Percent of renter households within limits versus total number of renter households				23.23%

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

Percent of AMI Level		50%		
Minimum Income Limit		\$15,634		
Maximum Income Limit		\$27,200 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Households within	
	Income Brackets	Percent within Cohort	Percent within Cohort	Bracket
\$0-9,999	3,484	19.0%	0.0%	0
\$10,000-19,999	4,076	22.3%	43.7%	1,779
\$20,000-29,999	3,439	18.8%	72.0%	2,476
\$30,000-39,999	2,187	11.9%	0.0%	0
\$40,000-49,999	1,841	10.1%	0.0%	0
\$50,000-59,999	913	5.0%	0.0%	0
\$60,000-74,999	924	5.0%	0.0%	0
\$75,000-99,999	852	4.7%	0.0%	0
\$100,000-124,999	314	1.7%	0.0%	0
\$125,000-149,999	102	0.6%	0.0%	0
\$150,000-199,999	112	0.6%	0.0%	0
\$200,000+	70	0.4%	0.0%	0
	18,314	100.0%		4,255
Percent of renter households within limits versus total number of renter households				23.23%

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 June 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
Family
Urban
35%
\$32,885
\$40,210
\$7,325
18.2%
0.2%
0.2%
Two year adjustment
1.0000
\$27,200
\$27,200
5 Persons
50%
\$456
\$456.00

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	50%
New Renter Households PMA	456
Percent Income Qualified	23.2%
New Renter Income Qualified Households	106

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

Demand from Existing Households 2015

<u>Demand form Rent Overburdened Households</u>	
Income Target Population	50%
Total Existing Demand	18,314
Income Qualified	23.2%
Income Qualified Renter Households	4,255
Percent Rent Overburdened Prj Mrkt Entry June 2018	32.4%
Rent Overburdened Households	1377

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	4,255
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	21

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,398
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1398
Total New Demand		106
Total Demand (New Plus Existing Households)		1,504

By Bedroom Demand

One Person	30.1%	453
Two Persons	28.2%	424
Three Persons	19.7%	296
Four Persons	12.2%	184
Five Persons	9.8%	147
Total	100.0%	1,504

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	408
Of two-person households in 1BR units	20%	85
Of one-person households in 2BR units	10%	45
Of two-person households in 2BR units	80%	339
Of three-person households in 2BR units	60%	177
Of three-person households in 3BR units	40%	118
Of four-person households in 3BR units	80%	147
Of five-person households in 3BR units	70%	103
Of four-person households in 4BR units	20%	37
Of five-person households in 4BR units	30%	44
Total Demand		1,504
Check		OK

Total Demand by Bedroom		50%
1 BR		493
2 BR		562
3 BR		369
Total Demand		1,423

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

Net Demand		50%
1 BR		493
2 BR		562
3 BR		369
Total		1,423

Developer's Unit Mix		50%
1 BR		2
2 BR		8
3 BR		4
Total		14

Capture Rate Analysis		50%
1 BR		0.4%
2 BR		1.4%
3 BR		1.1%
Total		1.0%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$18,789		
Maximum Income Limit			\$32,640 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Pj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	86.68	19.0%		0.0%	0
\$10,000-19,999	101.39	22.3%	1,210	12.1%	12
\$20,000-29,999	85.54	18.8%	9,999	100.0%	86
\$30,000-39,999	54.42	11.9%	2,640	26.4%	14
\$40,000-49,999	45.81	10.1%		0.0%	0
\$50,000-59,999	22.71	5.0%		0.0%	0
\$60,000-74,999	22.99	5.0%		0.0%	0
\$75,000-99,999	21.19	4.7%		0.0%	0
\$100,000-124,999	7.80	1.7%		0.0%	0
\$125,000-149,999	2.54	0.6%		0.0%	0
\$150,000-199,999	2.78	0.6%		0.0%	0
\$200,000+	1.75	0.4%		0.0%	0
	456	100.0%			112
Percent of renter households within limits versus total number of renter households					24.62%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$18,789		
Maximum Income Limit			\$32,640 5 Persons		
Income Category	Total Renter Households PMA Pj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	3,484	19.0%		0.0%	0
\$10,000-19,999	4,076	22.3%	\$1,210	12.1%	493
\$20,000-29,999	3,439	18.8%	\$9,999	100.0%	3,439
\$30,000-39,999	2,187	11.9%	\$2,640	26.4%	578
\$40,000-49,999	1,841	10.1%		0.0%	0
\$50,000-59,999	913	5.0%		0.0%	0
\$60,000-74,999	924	5.0%		0.0%	0
\$75,000-99,999	852	4.7%		0.0%	0
\$100,000-124,999	314	1.7%		0.0%	0
\$125,000-149,999	102	0.6%		0.0%	0
\$150,000-199,999	112	0.6%		0.0%	0
\$200,000+	70	0.4%		0.0%	0
	18,314	100.0%			4,510
Percent of renter households within limits versus total number of renter households					24.62%

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 Pj Mrkt Entry June 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		
Family		
Urban		
35%		
\$32,885		
\$40,210		
\$7,325		
18.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$32,640		
\$32,640		
5 Persons		
60%		
\$548		
\$548.00		

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	60%
New Renter Households PMA	456
Percent Income Qualified	24.6%
New Renter Income Qualified Households	112

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

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	18,314
Income Qualified	24.6%
Income Qualified Renter Households	4,510
Percent Rent Overburdened Prj Mrkt Entry June 2018	32.4%
Rent Overburdened Households	1459

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	4,510
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	22

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,481
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1481
Total New Demand		112
Total Demand (New Plus Existing Households)		1,593

By Bedroom Demand

One Person	30.1%	480
Two Persons	28.2%	449
Three Persons	19.7%	313
Four Persons	12.2%	195
Five Persons	9.8%	156
Total	100.0%	1,593

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	432
Of two-person households in 1BR units	20%	90
Of one-person households in 2BR units	10%	48
Of two-person households in 2BR units	80%	359
Of three-person households in 2BR units	60%	188
Of three-person households in 3BR units	40%	125
Of four-person households in 3BR units	80%	156
Of five-person households in 3BR units	70%	109
Of four-person households in 4BR units	20%	39
Of five-person households in 4BR units	30%	47
Total Demand		1,593
Check		OK

Total Demand by Bedroom	60%
1 BR	522
2 BR	595
3 BR	390
Total Demand	1,507

Additions To Supply 2015 to Prj Mrkt Entry June 2018	60%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	60%
1 BR	522
2 BR	595
Total	1,507

Developer's Unit Mix	60%
1 BR	4
2 BR	20
3 BR	7
Total	31

Capture Rate Analysis	60%
1 BR	0.8%
2 BR	3.4%
3 BR	1.8%
Total	2.1%

Market Rate

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

Percent of AMI Level			Market Rate		
Minimum Income Limit			\$16,457		
Maximum Income Limit			\$52,600 5 Persons		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	86.68	19.0%		0.0%	0
\$10,000-19,999	101.39	22.3%	3,542	35.4%	36
\$20,000-29,999	85.54	18.8%	9,999	100.0%	86
\$30,000-39,999	54.42	11.9%	9,999	100.0%	54
\$40,000-49,999	45.81	10.1%	9,999	100.0%	46
\$50,000-59,999	22.71	5.0%	\$2,600	26.0%	6
\$60,000-74,999	22.99	5.0%		0.0%	0
\$75,000-99,999	21.19	4.7%		0.0%	0
\$100,000-124,999	7.80	1.7%		0.0%	0
\$125,000-149,999	2.54	0.6%		0.0%	0
\$150,000-199,999	2.78	0.6%		0.0%	0
\$200,000+	1.75	0.4%		0.0%	0
	456	100.0%			228
Percent of renter households within limits versus total number of renter households					49.95%

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

Percent of AMI Level			Market Rate		
Minimum Income Limit			\$16,457		
Maximum Income Limit			\$52,600 5 Persons		
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	3,484	19.0%		0.0%	0
\$10,000-19,999	4,076	22.3%	\$3,542	35.4%	1,444
\$20,000-29,999	3,439	18.8%	\$9,999	100.0%	3,439
\$30,000-39,999	2,187	11.9%	\$9,999	100.0%	2,187
\$40,000-49,999	1,841	10.1%	\$9,999	100.0%	1,841
\$50,000-59,999	913	5.0%	\$2,600	26.0%	237
\$60,000-74,999	924	5.0%		0.0%	0
\$75,000-99,999	852	4.7%		0.0%	0
\$100,000-124,999	314	1.7%		0.0%	0
\$125,000-149,999	102	0.6%		0.0%	0
\$150,000-199,999	112	0.6%		0.0%	0
\$200,000+	70	0.4%		0.0%	0
	18,314	100.0%			9,148
Percent of renter households within limits versus total number of renter households					49.95%

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 June 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		
Family		
Urban		
35%		
\$32,885		
\$40,210		
\$7,325		
18.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$52,600		
\$52,600		
5 Persons		
Market Rate		
\$480		
\$480.00		

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

STEP 1 Please refer to text for complete explanation.

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

	Market Rate
Income Target Population	
New Renter Households PMA	456
Percent Income Qualified	50.0%
New Renter Income Qualified Households	228

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	18,314
Income Qualified	50.0%
Income Qualified Renter Households	9,148
Percent Rent Overburdened Prj Mrkt Entry June 2018	32.4%
Rent Overburdened Households	2960

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	9,148
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	45

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		3,005
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		3005
Total New Demand		228
Total Demand (New Plus Existing Households)		3,232

By Bedroom Demand

One Person	30.1%	974
Two Persons	28.2%	911
Three Persons	19.7%	636
Four Persons	12.2%	396
Five Persons	9.8%	316
Total	100.0%	3,232

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	877
Of two-person households in 1BR units	20%	182
Of one-person households in 2BR units	10%	97
Of two-person households in 2BR units	80%	728
Of three-person households in 2BR units	60%	381
Of three-person households in 3BR units	40%	254
Of four-person households in 3BR units	80%	317
Of five-person households in 3BR units	70%	221
Of four-person households in 4BR units	20%	79
Of five-person households in 4BR units	30%	95
Total Demand		3,232
Check		OK

Total Demand by Bedroom	Market Rate
1 BR	1,059
2 BR	1,207
3 BR	792
Total Demand	3,058

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

Net Demand	Market Rate
1 BR	1,059
2 BR	1,207
3 BR	792
Total	3,058

Developer's Unit Mix	Market Rate
1 BR	2
2 BR	12
3 BR	5
Total	19

Capture Rate Analysis	Market Rate
1 BR	0.2%
2 BR	1.0%
3 BR	0.6%
Total	0.6%

Overall LIHTC

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,634			
Maximum Income Limit		\$32,640 5 Persons			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Renter Households		
	Income Brackets	Percent within Cohort	Percent within Cohort	within Bracket	
\$0-9,999	86.68	19.0%		0.0%	0
\$10,000-19,999	101.39	22.3%	4,365	43.7%	44
\$20,000-29,999	85.54	18.8%	9,999	100.0%	86
\$30,000-39,999	54.42	11.9%	2,640	26.4%	14
\$40,000-49,999	45.81	10.1%		0.0%	0
\$50,000-59,999	22.71	5.0%		0.0%	0
\$60,000-74,999	22.99	5.0%		0.0%	0
\$75,000-99,999	21.19	4.7%		0.0%	0
\$100,000-124,999	7.80	1.7%		0.0%	0
\$125,000-149,999	2.54	0.6%		0.0%	0
\$150,000-199,999	2.78	0.6%		0.0%	0
\$200,000+	1.75	0.4%		0.0%	0
	456	100.0%			144
Percent of renter households within limits versus total number of renter households					31.64%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,634			
Maximum Income Limit		\$32,640 5 Persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Households within		
	Income Brackets	Percent within Cohort	Percent within Cohort	Bracket	
\$0-9,999	3,484	19.0%		0.0%	0
\$10,000-19,999	4,076	22.3%	\$4,365	43.7%	1,779
\$20,000-29,999	3,439	18.8%	\$9,999	100.0%	3,439
\$30,000-39,999	2,187	11.9%	\$2,640	26.4%	578
\$40,000-49,999	1,841	10.1%		0.0%	0
\$50,000-59,999	913	5.0%		0.0%	0
\$60,000-74,999	924	5.0%		0.0%	0
\$75,000-99,999	852	4.7%		0.0%	0
\$100,000-124,999	314	1.7%		0.0%	0
\$125,000-149,999	102	0.6%		0.0%	0
\$150,000-199,999	112	0.6%		0.0%	0
\$200,000+	70	0.4%		0.0%	0
	18,314	100.0%			5,795
Percent of renter households within limits versus total number of renter households					31.64%

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Family
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	35%
2000 Median Income	\$32,885
2015 Median Income	\$40,210
Change from 2015 to Prj Mrkt Entry June 2018	\$7,325
Total Percent Change	18.2%
Average Annual Change	0.2%
Inflation Rate	0.2%
Maximum Allowable Income	\$52,600
Maximum Allowable Income Inflation Adjusted	\$52,600
Maximum Number of Occupants	5 Persons
Rent Income Categories	Overall
Initial Gross Rent for Smallest Unit	\$456
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$456.00

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	Overall
New Renter Households PMA	456
Percent Income Qualified	31.6%
New Renter Income Qualified Households	144

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	18,314
Income Qualified	31.6%
Income Qualified Renter Households	5,795
Percent Rent Overburdened Prj Mrkt Entry June 2018	32.4%
Rent Overburdened Households	1875

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	5,795
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	29

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		1,904
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1904
Total New Demand		144
Total Demand (New Plus Existing Households)		2,048

By Bedroom Demand

One Person	30.1%	617
Two Persons	28.2%	577
Three Persons	19.7%	403
Four Persons	12.2%	251
Five Persons	9.8%	200
Total	100.0%	2,048

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	556
Of two-person households in 1BR units	20%	115
Of one-person households in 2BR units	10%	62
Of two-person households in 2BR units	80%	462
Of three-person households in 2BR units	60%	242
Of three-person households in 3BR units	40%	161
Of four-person households in 3BR units	80%	201
Of five-person households in 3BR units	70%	140
Of four-person households in 4BR units	20%	50
Of five-person households in 4BR units	30%	60
Total Demand		2,048
Check		OK

Total Demand by Bedroom	Overall
1 BR	671
2 BR	765
3 BR	502
Total Demand	1,938

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

Net Demand	Overall
1 BR	671
2 BR	765
3 BR	502
Total	1,938

Developer's Unit Mix	Overall
1 BR	6
2 BR	28
3 BR	11
Total	45

Capture Rate Analysis	Overall
1 BR	0.9%
2 BR	3.7%
3 BR	2.2%
Total	2.3%

Overall Project

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,634			
Maximum Income Limit		\$52,600 5 Persons			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Renter Households		
	Count	Percent	Income Brackets	Percent within Cohort	within Bracket
\$0-9,999	86.68	19.0%		0.0%	0
\$10,000-19,999	101.39	22.3%	4,365	43.7%	44
\$20,000-29,999	85.54	18.8%	9,999	100.0%	86
\$30,000-39,999	54.42	11.9%	9,999	100.0%	54
\$40,000-49,999	45.81	10.1%	9,999	100.0%	46
\$50,000-59,999	22.71	5.0%	\$2,600	26.0%	6
\$60,000-74,999	22.99	5.0%		0.0%	0
\$75,000-99,999	21.19	4.7%		0.0%	0
\$100,000-124,999	7.80	1.7%		0.0%	0
\$125,000-149,999	2.54	0.6%		0.0%	0
\$150,000-199,999	2.78	0.6%		0.0%	0
\$200,000+	1.75	0.4%		0.0%	0
	456	100.0%			236
Percent of renter households within limits versus total number of renter households					51.79%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$15,634			
Maximum Income Limit		\$52,600 5 Persons			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Households within		
	Count	Percent	Income Brackets	Percent within Cohort	Bracket
\$0-9,999	3,484	19.0%		0.0%	0
\$10,000-19,999	4,076	22.3%	\$4,365	43.7%	1,779
\$20,000-29,999	3,439	18.8%	\$9,999	100.0%	3,439
\$30,000-39,999	2,187	11.9%	\$9,999	100.0%	2,187
\$40,000-49,999	1,841	10.1%	\$9,999	100.0%	1,841
\$50,000-59,999	913	5.0%	\$2,600	26.0%	237
\$60,000-74,999	924	5.0%		0.0%	0
\$75,000-99,999	852	4.7%		0.0%	0
\$100,000-124,999	314	1.7%		0.0%	0
\$125,000-149,999	102	0.6%		0.0%	0
\$150,000-199,999	112	0.6%		0.0%	0
\$200,000+	70	0.4%		0.0%	0
	18,314	100.0%			9,484
Percent of renter households within limits versus total number of renter households					51.79%

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 June 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		
Family		
Urban		
35%		
\$32,885		
\$40,210		
\$7,325		
18.2%		
0.2%		
0.2%	Two year adjustment	1.0000
\$52,600		
\$52,600		
5 Persons		
Overall		
\$456		
\$456.00		

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

STEP 1 Please refer to text for complete explanation.

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

Income Target Population	Overall
New Renter Households PMA	456
Percent Income Qualified	51.8%
New Renter Income Qualified Households	236

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	18,314
Income Qualified	51.8%
Income Qualified Renter Households	9,484
Percent Rent Overburdened Prj Mrkt Entry June 2018	32.4%
Rent Overburdened Households	3068

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	9,484
Percent Living in Substandard Housing	0.5%
Households Living in Substandard Housing	47

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households		3,115
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		3115
Total New Demand		236
Total Demand (New Plus Existing Households)		3,351

By Bedroom Demand

One Person	30.1%	1,010
Two Persons	28.2%	944
Three Persons	19.7%	659
Four Persons	12.2%	410
Five Persons	9.8%	328
Total	100.0%	3,351

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	909
Of two-person households in 1BR units	20%	189
Of one-person households in 2BR units	10%	101
Of two-person households in 2BR units	80%	755
Of three-person households in 2BR units	60%	395
Of three-person households in 3BR units	40%	264
Of four-person households in 3BR units	80%	328
Of five-person households in 3BR units	70%	229
Of four-person households in 4BR units	20%	82
Of five-person households in 4BR units	30%	98

Total Demand 3,351

Check OK

Total Demand by Bedroom Overall

1 BR	1,098
2 BR	1,252
3 BR	821
Total Demand	3,171

Additions To Supply 2015 to Prj Mrkt Entry June 2018 Overall

1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand Overall

1 BR	1,098
2 BR	1,252
3 BR	821
Total	3,171

Developer's Unit Mix Overall

1 BR	8
2 BR	40
3 BR	16
Total	64

Capture Rate Analysis Overall

1 BR	0.7%
2 BR	3.2%
3 BR	1.9%
Total	2.0%

Conclusions

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

- The number of households in the PMA is expected to increase 0.8 percent between 2015 and 2018.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR 50% AMI	\$15,634-\$20,180	2	493	0	493	0.4%	8 months	\$525	\$283-\$700	\$307
2BR 50% AMI	\$18,789-\$22,650	8	562	0	562	1.4%	8 months	\$629	\$288-\$912	\$356
3BR 50% AMI	\$21,703-\$27,200	4	369	0	369	1.1%	8 months	\$737	\$309-\$1,096	\$399
1BR 60% AMI	\$18,789-\$24,180	4	522	0	522	0.8%	8 months	\$565	\$283-\$700	\$399
2BR 60% AMI	\$22,560-\$27,180	20	595	0	595	3.4%	8 months	\$675	\$288-\$912	\$466
3BR 60% AMI	\$26,023-\$32,640	7	390	0	390	1.8%	8 months	\$786	\$309-\$1,096	\$525
1BR Market Rate	\$16,457-\$40,300	2	1,059	0	1,059	0.2%	8 months	\$658	\$565-\$700	\$480
2BR Market Rate	\$19,200-\$50,300	12	1,207	0	1,207	1.0%	8 months	\$778	\$655-\$912	\$560
3BR Market Rate	\$21,600-\$52,600	5	792	0	792	0.6%	8 months	\$886	\$760-\$1,096	\$630
Overall 50% AMI	-	14	1,423	0	1,423	1.0%	-	-	-	-
Overall 60% AMI	-	31	1,507	0	1,507	2.1%	-	-	-	-
Overall LIHTC	-	45	1,938	0	1,938	2.3%	-	-	-	-
Overall Market Rate	-	19	3,058	0	3,058	0.6%	-	-	-	-
Overall Project	-	64	3,171	0	3,171	2.0%	-	-	-	-

Demand and Net Demand

	HH at 50% AMI (\$15,634-\$27,200)	HH at 60% AMI (\$18,789-\$32,640)	HH > 60% AMI (\$16,457-\$52,600)	All Tax Credit Households
Demand from New Households (age and income appropriate)	106	112	228	236
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	21	22	45	47
PLUS	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	1377	1459	2960	3068
PLUS	+	+	+	+
Sub Total	1,504	1,593	3,232	3,351
Equals Total Demand	1504	1593	3232	3351
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	1,504	1,593	3,232	3,351

The Subject's capture rates range from 0.4 to 1.4 percent at the 50 percent AMI level, with an overall capture rate of 1.0 percent. The Subject's 60 percent AMI capture rates range from 0.8 to 3.4 percent at the 60 percent AMI level, with an overall capture rate of 2.1 percent. The capture rates for the Subject's market rate units range from 0.2 to 1.0 percent, with an overall capture rate of 0.6 percent. The overall capture rate for the Subject's LIHTC units is 2.3 percent while the capture rate for the overall project is 2.0 percent. All of the Subject's capture rates are well within the threshold requirements set forth by Georgia DCA. Given the low capture rates and low vacancy rates in the market, we believe there is adequate demand for the Subject's units as proposed.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes eight “true” comparable properties containing 1,310 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.

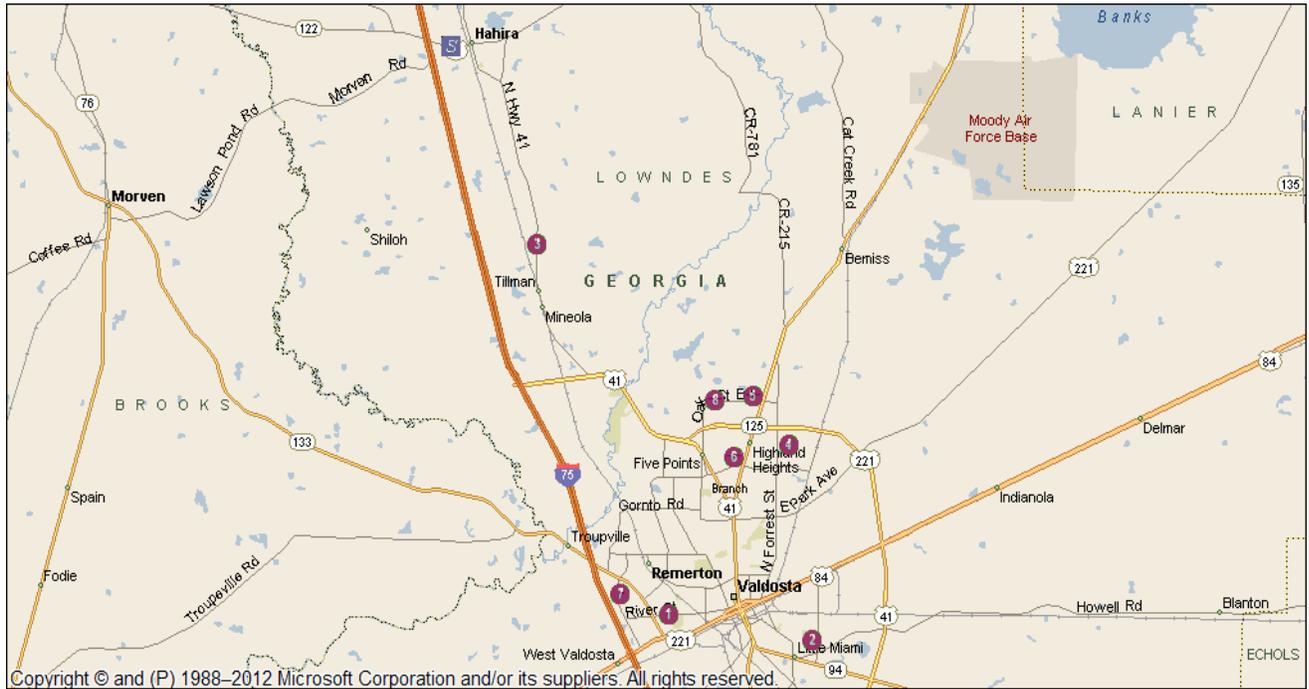
The availability of LIHTC is considered average. There are three LIHTC properties located within the PMA; however, only one is located in Hahira. The remaining LIHTC comparables are located between 13.4 and 14.7 miles from the Subject in Valdosta. We have also included Brittany Woods as a comparable. This property is also located in Valdosta and is just outside the PMA boundaries. The availability of market rate data is also considered average. We have included four conventional market rate rental properties in our analysis. All of the market rate comparables are located inside the PMA, between 12.4 and 14.4 miles south of the Subject, in Valdosta. Overall, we believe that the comparable data is sufficient upon which to base our conclusions.

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				
Property Name	Location	Type	Tenancy	Reason for Exclusion
Ashton Meadows	Valdosta	LIHTC	Senior	Tenancy not comparable
Woodlawn Terrace	Valdosta	LIHTC	Senior	Tenancy not comparable
Meadowbrook Apartments	Hahira	USDA RD	Family	All units operate with subsidy
Ashley House	Valdosta	LIHTC/Section 8	Senior	Tenancy not comparable; all unit operate with subsidy
Azalea Towers	Valdosta	Section 8	Senior	Tenancy not comparable; all unit operate with subsidy
Azalea Woods	Valdosta	Section 8	Family	All units operate with subsidy
Forrest Manor Apartments	Valdosta	Section 8	Family	All units operate with subsidy
Sands Horizon Inc	Valdosta	Section 8	NA	All units operate with subsidy
Sands Horizon II	Valdosta	Section 8	NA	All units operate with subsidy
Valdosta/Lowndes County Options	Valdosta	Section 8	Disabled	Tenancy not comparable; all unit operate with subsidy
Residences at Five Points	Valdosta	Market	Family	More comparable properties available
Privately Owned Duplex	Hahira	Market	Family	Unable to contact management

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashton Park Apartments	Valdosta	LIHTC	13.4 miles
2	Brittany Woods	Valdosta	LIHTC/Section 8	17.9 miles
3	Gateway Pines I	Hahira	LIHTC	5.0 miles
4	Heron Lake	Valdosta	LIHTC/Market	14.7 miles
5	Northwind Apartment Homes	Valdosta	Market	14.4 miles
6	Spanish Mission Apartments	Valdosta	Market	13.4 miles
7	Spring Chase Apartments	Valdosta	Market	12.4 miles
8	Staten Crossing	Valdosta	Market	13.2 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 Village On Park W Main St & Union Rd Hahira, GA 31632 Lowndes County	n/a	Garden (3 stories) 2018	50%, 60%, Market	1BR / 1BA	2	3.10%	@50%	\$307	750	no		N/A	N/A					
					1BR / 1BA	4	6.25%	@60%	\$399	750		N/A	N/A						
					1BR / 1BA	2	3.10%	Market	\$480	750	n/a	N/A	N/A						
					2BR / 2BA	8	12.50%	@50%	\$356	1,050	no	N/A	N/A						
					2BR / 2BA	20	31.20%	@60%	\$466	1,050	no	N/A	N/A						
					2BR / 2BA	12	18.80%	Market	\$560	1,050	n/a	N/A	N/A						
					3BR / 2BA	4	6.20%	@50%	\$399	1,160	no	N/A	N/A						
					3BR / 2BA	7	10.90%	@60%	\$525	1,160	no	N/A	N/A						
					3BR / 2BA	5	7.80%	Market	\$630	1,160	n/a	N/A	N/A						
										64	100%						N/A	N/A	
1	Ashton Park Apartments 1315 River Street Valdosta, GA 31602 Lowndes County	13.4 miles	Garden (2 stories) 1999	50%, 60%	1BR / 1BA	7	8.00%	@50%	\$368	667	yes	Yes	0	0.00%					
					1BR / 1BA	9	10.20%	@60%	\$464	667	no	Yes	0	0.00%					
					2BR / 2BA	23	26.10%	@50%	\$441	869	yes	Yes	0	0.00%					
					2BR / 2BA	33	37.50%	@60%	\$558	869	no	Yes	0	0.00%					
					3BR / 2BA	7	8.00%	@50%	\$497	1,055	no	Yes	0	0.00%					
					3BR / 2BA	9	10.20%	@60%	\$619	1,055	no	Yes	0	0.00%					
										88	100%						0	0.00%	
					2	Brittany Woods 1150 Old Statenville Road Valdosta, GA 31601 Lowndes County	17.9 miles	Garden (2 stories) 1970 / 2001	60%, Section 8	1BR / 1BA	1	1.00%	@60%	\$283	668	no	Yes	0	0.00%
										1BR / 1BA	7	6.70%	Section 8	N/A	668	n/a	Yes	0	0.00%
										2BR / 1BA	23	22.10%	@60%	\$288	736	no	Yes	0	0.00%
2BR / 1BA	33	31.70%	Section 8	N/A						736	n/a	Yes	0	0.00%					
3BR / 1BA	8	7.70%	@60%	\$309						824	no	Yes	1	12.50%					
3BR / 1BA	32	30.80%	Section 8	N/A						824	n/a	Yes	0	0.00%					
										104	100%						1	1.00%	
3	Gateway Pines I 770 Union Road Hahira, GA 31632 Lowndes County	5 miles	Garden (2 stories) 2012	50%, 60%						1BR / 1BA	2	3.60%	@50%	\$395	828	no	Yes	0	0.00%
										1BR / 1BA	6	10.70%	@60%	\$415	828	no	Yes	0	0.00%
										2BR / 2BA	12	21.40%	@50%	\$450	1,070	no	Yes	0	0.00%
					2BR / 2BA	12	21.40%	@60%	\$505	1,070	no	Yes	0	0.00%					
					3BR / 2BA	12	21.40%	@50%	\$505	1,254	no	Yes	0	0.00%					
					3BR / 2BA	12	21.40%	@60%	\$565	1,254	no	Yes	1	8.30%					
										56	100%						1	1.80%	
					4	Heron Lake 1800 Eastwind Road Valdosta, GA 31602 Lowndes County	14.7 miles	Garden (2 stories) 2003	30%, 50%, 60%, Market	1BR / 1BA	N/A	N/A	@30%	\$204	783	no	Yes	0	N/A
										1BR / 1BA	N/A	N/A	@50%	\$377	783	no	Yes	0	N/A
										1BR / 1BA	N/A	N/A	@60%	\$444	783	no	Yes	0	N/A
1BR / 1BA	N/A	N/A	Market	\$565						783	n/a	Yes	1	N/A					
2BR / 1BA	N/A	N/A	@30%	\$238						1,040	no	Yes	0	N/A					
2BR / 1BA	N/A	N/A	@50%	\$446						1,040	no	Yes	1	N/A					
2BR / 1BA	N/A	N/A	@60%	\$529						1,040	no	Yes	0	N/A					
2BR / 1BA	N/A	N/A	Market	\$655						1,040	n/a	Yes	0	N/A					
3BR / 2BA	N/A	N/A	@30%	\$271						1,240	no	Yes	0	N/A					
3BR / 2BA	N/A	N/A	@50%	\$516						1,240	no	Yes	0	N/A					
					152	100%						2	1.30%						
5	Northwind Apartment Homes 5148 Northwind Blvd. Valdosta, GA 31605 Lowndes County	14.4 miles	Garden 2004 / 2008	Market	1BR / 1BA	N/A	N/A	Market	\$679	948	n/a	No	0	N/A					
					2BR / 2BA	N/A	N/A	Market	\$752	1,313	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$912	1,430	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$851	1,506	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$986	1,720	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,096	1,758	n/a	No	N/A	N/A					
										276	100%						20	7.20%	
					6	Spanish Mission Apartments 422 Connell Road Valdosta, GA 31602 Lowndes County	13.4 miles	Various (2 stories) 1973	Market	1BR / 1BA (Garden)	10	6.70%	Market	\$665	890	n/a	No	2	20.00%
										2BR / 2BA (Garden)	20	13.30%	Market	\$750	1,213	n/a	No	0	0.00%
										2BR / 2.5BA (Townhouse)	52	34.70%	Market	\$755	1,125	n/a	No	3	5.80%
3BR / 2.5BA (Garden)	68	45.30%	Market	\$790						1,456	n/a	No	6	8.80%					
										150	100%						11	7.30%	
7	Spring Chase Apartments 1601 Norman Drive Valdosta, GA 31601 Lowndes County	12.4 miles	Garden (2 stories) 1996	Market						1BR / 1BA	29	10.10%	Market	\$634	690	n/a	Yes	0	0.00%
										1.5BR / 1BA	8	2.80%	Market	\$712	1,126	n/a	Yes	0	0.00%
										2BR / 1BA	80	27.80%	Market	\$734	960	n/a	No	0	0.00%
										2BR / 2BA	88	30.60%	Market	\$758	1,226	n/a	No	0	0.00%
										3BR / 2BA	80	27.80%	Market	\$832	1,376	n/a	No	7	8.70%
					3BR / 2BA	3	1.00%	Market	\$879	1,400	n/a	No	0	0.00%					
										288	100%						7	2.40%	
					8	Staten Crossing 3925 N. Oak Street Valdosta, GA 31605 Lowndes County	13.2 miles	Garden (2 stories) 1999 / 2014	Market	1BR / 1BA	48	24.50%	Market	\$688	815	n/a	No	2	4.20%
										1BR / 1BA	N/A	N/A	Market	\$700	815	n/a	N/A	N/A	N/A
										1BR / 1BA	N/A	N/A	Market	\$675	815	n/a	No	N/A	N/A
2BR / 2BA	56	28.60%	Market	\$798						1,150	n/a	No	8	14.30%					
2BR / 2BA	N/A	N/A	Market	\$815						1,150	n/a	N/A	N/A	N/A					
2BR / 2BA	N/A	N/A	Market	\$780						1,150	n/a	N/A	N/A	N/A					
3BR / 2BA	36	18.40%	Market	\$890						1,362	n/a	No	3	8.30%					
3BR / 2BA	N/A	N/A	Market	\$905						1,362	n/a	N/A	N/A	N/A					
3BR / 2BA	N/A	N/A	Market	\$875						1,362	n/a	N/A	N/A	N/A					
										196	100%						13	6.60%	

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

Effective Rent Date:	May-16	Units Surveyed:	1310	Weighted Occupancy:	95.80%
		Market Rate	910	Market Rate	94.40%
		Tax Credit	400	Tax Credit	99.00%

One Bedroom One Bath

Two Bedrooms Two Bath

Three Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average	
RENT	Staten Crossing	\$700	Northwind Apartment Homes	\$912	Northwind Apartment Homes	\$1,096	
	Staten Crossing	\$688	Staten Crossing	\$815	Northwind Apartment Homes	\$986	
	Northwind Apartment Homes	\$679	Staten Crossing	\$798	Staten Crossing	\$905	
	Staten Crossing	\$675	Staten Crossing	\$780	Staten Crossing	\$890	
	Spanish Mission Apartments	\$665	Spring Chase Apartments	\$758	Spring Chase Apartments	\$879	
	Spring Chase Apartments	\$634	Northwind Apartment Homes	\$752	Staten Crossing	\$875	
	Heron Lake * (M)	\$565	Spanish Mission Apartments	\$750	Northwind Apartment Homes	\$851	
	The Village On Park * (M)	\$480	Heron Lake * (1BA M)	\$655	Spring Chase Apartments	\$832	
	Ashton Park Apartments * (60%)	\$464	The Village On Park * (M)	\$560	Spanish Mission Apartments (2.5BA)	\$790	
	Heron Lake * (60%)	\$444	Ashton Park Apartments * (60%)	\$558	Heron Lake * (M)	\$760	
	Gateway Pines I * (60%)	\$415	Heron Lake * (1BA 60%)	\$529	Heron Lake * (60%)	\$649	
	The Village On Park * (60%)	\$399	Gateway Pines I * (60%)	\$505	The Village On Park * (M)	\$630	
	Gateway Pines I * (50%)	\$395	The Village On Park * (60%)	\$466	Ashton Park Apartments * (60%)	\$619	
	Heron Lake * (50%)	\$377	Gateway Pines I * (50%)	\$450	Gateway Pines I * (60%)	\$565	
	Ashton Park Apartments * (50%)	\$368	Heron Lake * (1BA 50%)	\$446	The Village On Park * (60%)	\$525	
	The Village On Park * (50%)	\$307	Ashton Park Apartments * (50%)	\$441	Heron Lake * (50%)	\$516	
	Brittany Woods * (60%)	\$283	The Village On Park * (50%)	\$356	Gateway Pines I * (50%)	\$505	
	Heron Lake * (30%)	\$204	Brittany Woods * (1BA 60%)	\$288	Ashton Park Apartments * (50%)	\$497	
			Heron Lake * (1BA 30%)	\$238	The Village On Park * (50%)	\$399	
					Brittany Woods * (1BA 60%)	\$309	
					Heron Lake * (30%)	\$271	
	SQUARE FOOTAGE	Northwind Apartment Homes	948	Northwind Apartment Homes	1,430	Northwind Apartment Homes	1,758
		Spanish Mission Apartments	890	Northwind Apartment Homes	1,313	Northwind Apartment Homes	1,720
		Gateway Pines I * (50%)	828	Spring Chase Apartments	1,226	Northwind Apartment Homes	1,506
		Gateway Pines I * (60%)	828	Spanish Mission Apartments	1,213	Spanish Mission Apartments (2.5BA)	1,456
		Staten Crossing	815	Staten Crossing	1,150	Spring Chase Apartments	1,400
		Staten Crossing	815	Staten Crossing	1,150	Spring Chase Apartments	1,376
		Staten Crossing	815	Staten Crossing	1,150	Staten Crossing	1,362
		Heron Lake * (30%)	783	Gateway Pines I * (50%)	1,070	Staten Crossing	1,362
Heron Lake * (50%)		783	Gateway Pines I * (60%)	1,070	Staten Crossing	1,362	
Heron Lake * (60%)		783	The Village On Park * (50%)	1,050	Gateway Pines I * (50%)	1,254	
Heron Lake * (M)		783	The Village On Park * (60%)	1,050	Gateway Pines I * (60%)	1,254	
The Village On Park * (50%)		750	The Village On Park * (M)	1,050	Heron Lake * (30%)	1,240	
The Village On Park * (60%)		750	Heron Lake * (1BA 30%)	1,040	Heron Lake * (50%)	1,240	
The Village On Park * (M)		750	Heron Lake * (1BA 50%)	1,040	Heron Lake * (60%)	1,240	
Spring Chase Apartments		690	Heron Lake * (1BA 60%)	1,040	Heron Lake * (M)	1,240	
Brittany Woods * (60%)		668	Heron Lake * (1BA M)	1,040	The Village On Park * (50%)	1,160	
Ashton Park Apartments * (50%)		667	Ashton Park Apartments * (50%)	869	The Village On Park * (60%)	1,160	
Ashton Park Apartments * (60%)		667	Ashton Park Apartments * (60%)	869	The Village On Park * (M)	1,160	
			Brittany Woods * (1BA 60%)	736	Ashton Park Apartments * (50%)	1,055	
					Ashton Park Apartments * (60%)	1,055	
					Brittany Woods * (1BA 60%)	824	
RENT PER SQUARE FOOT		Spring Chase Apartments	\$0.92	Staten Crossing	\$0.71	Staten Crossing	\$0.66
		Staten Crossing	\$0.86	Staten Crossing	\$0.69	Staten Crossing	\$0.65
		Staten Crossing	\$0.84	Staten Crossing	\$0.68	Staten Crossing	\$0.64
		Staten Crossing	\$0.83	Ashton Park Apartments * (60%)	\$0.64	Spring Chase Apartments	\$0.63
		Spanish Mission Apartments	\$0.75	Northwind Apartment Homes	\$0.64	Northwind Apartment Homes	\$0.62
		Heron Lake * (M)	\$0.72	Heron Lake * (1BA M)	\$0.63	Heron Lake * (M)	\$0.61
		Northwind Apartment Homes	\$0.72	Spanish Mission Apartments	\$0.62	Spring Chase Apartments	\$0.60
		Ashton Park Apartments * (60%)	\$0.70	Spring Chase Apartments	\$0.62	Ashton Park Apartments * (60%)	\$0.59
	The Village On Park * (M)	\$0.64	Northwind Apartment Homes	\$0.57	Northwind Apartment Homes	\$0.57	
	Heron Lake * (60%)	\$0.57	The Village On Park * (M)	\$0.53	Northwind Apartment Homes	\$0.57	
	Ashton Park Apartments * (50%)	\$0.55	Heron Lake * (1BA 60%)	\$0.51	The Village On Park * (M)	\$0.54	
	The Village On Park * (60%)	\$0.53	Ashton Park Apartments * (50%)	\$0.51	Spanish Mission Apartments (2.5BA)	\$0.54	
	Gateway Pines I * (60%)	\$0.50	Gateway Pines I * (60%)	\$0.47	Heron Lake * (60%)	\$0.52	
	Heron Lake * (50%)	\$0.48	The Village On Park * (60%)	\$0.44	Ashton Park Apartments * (50%)	\$0.47	
	Gateway Pines I * (50%)	\$0.48	Heron Lake * (1BA 50%)	\$0.43	The Village On Park * (60%)	\$0.45	
	Brittany Woods * (60%)	\$0.42	Gateway Pines I * (50%)	\$0.42	Gateway Pines I * (60%)	\$0.45	
	The Village On Park * (50%)	\$0.41	Brittany Woods * (1BA 60%)	\$0.39	Heron Lake * (50%)	\$0.42	
	Heron Lake * (30%)	\$0.26	The Village On Park * (50%)	\$0.34	Gateway Pines I * (50%)	\$0.40	
			Heron Lake * (1BA 30%)	\$0.23	Brittany Woods * (1BA 60%)	\$0.38	
					The Village On Park * (50%)	\$0.34	
					Heron Lake * (30%)	\$0.22	

PROPERTY PROFILE REPORT

Ashton Park Apartments

Effective Rent Date 4/21/2016
Location 1315 River Street
 Valdosta, GA 31602
 Lowndes County
 Intersection: Blitch Street
Distance 13.4 miles
Units 88
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Heron Lake and Ashton Meadows
Tenant Characteristics 75% local, 20% nearby counties, 5% out of state, average age 32
Contact Name Greta Glen
Phone 229-293-0069



Market Information

Program @50%, @60%
Annual Turnover Rate 27%
Units/Month Absorbed N/A
HCV Tenants 34%
Leasing Pace Pre-leased
Annual Chg. in Rent See Comments
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	7	667	\$368	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	9	667	\$464	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	23	869	\$441	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	33	869	\$558	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	7	1,055	\$497	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	9	1,055	\$619	\$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	\$368	\$0	\$368	\$0	\$368	1BR / 1BA	\$464	\$0	\$464	\$0	\$464
2BR / 2BA	\$441	\$0	\$441	\$0	\$441	2BR / 2BA	\$558	\$0	\$558	\$0	\$558
3BR / 2BA	\$497	\$0	\$497	\$0	\$497	3BR / 2BA	\$619	\$0	\$619	\$0	\$619

Ashton Park Apartments, continued

Amenities

In-Unit

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

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

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property maintains a waiting list of approximately 10 to 12 applicants. The rents for the one- and two-bedroom units at 50 percent AMI decreased from less than one percent to 1.6 percent for an adjustment in the utility allowances. The one- and two-bedroom units at 60 percent AMI increased 4.5 and 5.4 percent respectively. The three-bedroom units at 60 percent AMI decreased in rent by 3.2 percent. The contact stated maximum allowable rents at the 60 percent are not achievable.

Ashton Park Apartments, continued

Trend Report

Vacancy Rates

2Q13	2Q14	2Q15	2Q16
1.1%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$373	\$0	\$373	\$373
2014	2	0.0%	\$360	\$0	\$360	\$360
2015	2	0.0%	\$374	\$0	\$374	\$374
2016	2	0.0%	\$368	\$0	\$368	\$368

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$424	\$0	\$424	\$424
2014	2	0.0%	\$444	\$0	\$444	\$444
2015	2	0.0%	\$444	\$0	\$444	\$444
2016	2	0.0%	\$464	\$0	\$464	\$464

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$432	\$0	\$432	\$432
2014	2	0.0%	\$415	\$0	\$415	\$415
2015	2	0.0%	\$443	\$0	\$443	\$443
2016	2	0.0%	\$441	\$0	\$441	\$441

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$494	\$0	\$494	\$494
2014	2	0.0%	\$514	\$0	\$514	\$514
2015	2	0.0%	\$529	\$0	\$529	\$529
2016	2	0.0%	\$558	\$0	\$558	\$558

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$507	\$0	\$507	\$507
2014	2	0.0%	\$465	\$0	\$465	\$465
2015	2	0.0%	\$497	\$0	\$497	\$497
2016	2	0.0%	\$497	\$0	\$497	\$497

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$619	\$0	\$619	\$619
2014	2	0.0%	\$639	\$0	\$639	\$639
2015	2	0.0%	\$639	\$0	\$639	\$639
2016	2	0.0%	\$619	\$0	\$619	\$619

Trend: Comments

- 2Q13** The property manager stated that demand is consistently strong and some people have been on the waiting list for more than one year. Rents have increased slightly, but management considers the rents reasonable for the market.
- 2Q14** The waiting list ranges from 25 to 50 applicants. The rents for the 50 percent units decreased May 1st 2014.
- 2Q15** The property maintains a waiting list of approximately four months.
- 2Q16** The property maintains a waiting list of approximately 10 to 12 applicants. The rents for the one- and two-bedroom units at 50 percent AMI decreased from less than one percent to 1.6 percent for an adjustment in the utility allowances. The one- and two-bedroom units at 60 percent AMI increased 4.5 and 5.4 percent respectively. The three-bedroom units at 60 percent AMI decreased in rent by 3.2 percent. The contact stated maximum allowable rents at the 60 percent are not achievable.

Ashton Park Apartments, continued

Photos



PROPERTY PROFILE REPORT

Brittany Woods

Effective Rent Date 4/18/2016
Location 1150 Old Statenville Road
 Valdosta, GA 31601
 Lowndes County
 Intersection: Continental Drive
Distance 17.9 miles
Units 104
Vacant Units 1
Vacancy Rate 1.0%
Type Garden (2 stories)
Year Built/Renovated 1970 / 2001
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Park Chase
Tenant Characteristics Families
Contact Name Felicia
Phone 229-244-1770



Market Information

Program @60%, Section 8
Annual Turnover Rate 35%
Units/Month Absorbed N/A
HCV Tenants 8%
Leasing Pace Within two weeks
Annual Chg. in Rent None
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	1	668	\$389	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	7	668	N/A	\$0	Section 8	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	23	736	\$425	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	33	736	N/A	\$0	Section 8	Yes	0	0.0%	N/A	None
3	1	Garden (2 stories)	8	824	\$475	\$0	@60%	Yes	1	12.5%	no	None
3	1	Garden (2 stories)	32	824	N/A	\$0	Section 8	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Section 8	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$389	\$0	\$389	-\$106	\$283	1BR / 1BA	N/A	\$0	N/A	-\$106	N/A
2BR / 1BA	\$425	\$0	\$425	-\$137	\$288	2BR / 1BA	N/A	\$0	N/A	-\$137	N/A
3BR / 1BA	\$475	\$0	\$475	-\$166	\$309	3BR / 1BA	N/A	\$0	N/A	-\$166	N/A

Brittany Woods, continued

Amenities

In-Unit

Blinds
Central A/C
Refrigerator

Carpeting
Oven

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium

None

Other

None

Comments

This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list.

Brittany Woods, continued

Trend Report

Vacancy Rates

2Q10	2Q14	2Q15	2Q16
0.0%	0.0%	7.7%	1.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$389	\$0	\$389	\$283
2014	2	0.0%	\$389	\$0	\$389	\$283
2015	2	0.0%	\$389	\$0	\$389	\$283
2016	2	0.0%	\$389	\$0	\$389	\$283

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$409	\$0	\$409	\$272
2014	2	0.0%	\$409	\$0	\$409	\$272
2015	2	N/A	\$425	\$0	\$425	\$288
2016	2	0.0%	\$425	\$0	\$425	\$288

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$459	\$0	\$459	\$293
2014	2	0.0%	\$459	\$0	\$459	\$293
2015	2	N/A	\$475	\$0	\$475	\$309
2016	2	12.5%	\$475	\$0	\$475	\$309

Trend: Section 8

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$469	\$0	\$469	\$363
2014	2	0.0%	\$469	\$0	\$469	\$363
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	2	0.0%	N/A	\$0	N/A	N/A

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$512	\$0	\$512	\$375
2014	2	0.0%	\$512	\$0	\$512	\$375
2015	2	N/A	N/A	\$0	N/A	N/A
2016	2	0.0%	N/A	\$0	N/A	N/A

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	2	0.0%	\$567	\$0	\$567	\$401
2014	2	0.0%	\$567	\$0	\$567	\$401
2015	2	N/A	N/A	\$0	N/A	N/A
2016	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- 2Q10** The contact indicated that management also manages Parks Chase Apartments, which is 100 percent Section 8. The contact reported there are between two and three moveouts each month; we used three per month to conservatively estimate turnover.
- 2Q14** The property maintains 2,013 applicants on the waiting list. The high number of applicants is due to the property being in a very low income area with both Section 8 and tax credit units.
- 2Q15** The property accepts Housing Choice Vouchers, but the property manager did not know what percentage of tenants use vouchers. The property manager was unable to share the length of the waiting list. The property manager indicated that the high vacancy was not typical of the property, but was unable to explain it.
- 2Q16** This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list.

Brittany Woods, continued

Photos



PROPERTY PROFILE REPORT

Gateway Pines I

Effective Rent Date 4/18/2016
Location 770 Union Road
 Hahira, GA 31632
 Lowndes County
 Intersection: Old Coffee Road
Distance 5 miles
Units 56
Vacant Units 1
Vacancy Rate 1.8%
Type Garden (2 stories)
Year Built/Renovated 2012 / N/A
Marketing Began 1/15/2012
Leasing Began 2/05/2012
Last Unit Leased N/A
Major Competitors Hering Lakes, Woodlawn, Ashton Meadows
Tenant Characteristics None identified
Contact Name BJ
Phone 229-794-1125



Market Information

Program @50%, @60%
Annual Turnover Rate 35%
Units/Month Absorbed 6
HCV Tenants 5%
Leasing Pace Within three weeks
Annual Chg. in Rent Increased four to five percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	828	\$395	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	828	\$415	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	12	1,070	\$450	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	12	1,070	\$505	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	12	1,254	\$505	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	12	1,254	\$565	\$0	@60%	Yes	1	8.3%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$395	\$0	\$395	\$0	\$395	1BR / 1BA	\$415	\$0	\$415	\$0	\$415
2BR / 2BA	\$450	\$0	\$450	\$0	\$450	2BR / 2BA	\$505	\$0	\$505	\$0	\$505
3BR / 2BA	\$505	\$0	\$505	\$0	\$505	3BR / 2BA	\$565	\$0	\$565	\$0	\$565

Gateway Pines I, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Microwave
Refrigerator
Washer/Dryer

Blinds
Central A/C
Ceiling Fan
Oven
Walk-In Closet
Washer/Dryer hookup

Security

Video Surveillance

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management

Clubhouse/Meeting
Off-Street Parking
Playground

Premium

None

Other

None

Comments

This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list. The contact indicated that demand for affordable housing is high.

Gateway Pines I, continued

Trend Report

Vacancy Rates

3Q13	2Q16
14.3%	1.8%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	100.0%	\$320	\$0	\$320	\$320
2016	2	0.0%	\$395	\$0	\$395	\$395

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	16.7%	\$375	\$0	\$375	\$375
2016	2	0.0%	\$450	\$0	\$450	\$450

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	33.3%	\$440	\$0	\$440	\$440
2016	2	0.0%	\$505	\$0	\$505	\$505

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	\$340	\$0	\$340	\$340
2016	2	0.0%	\$415	\$0	\$415	\$415

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	\$430	\$0	\$430	\$430
2016	2	0.0%	\$505	\$0	\$505	\$505

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	\$490	\$0	\$490	\$490
2016	2	8.3%	\$565	\$0	\$565	\$565

Trend: Comments

- 3Q13** Gateway Pines I is a new 56-unit LIHTC property. Phase II is scheduled to be completed at the end of 2013 according to the property manager. Details and the number of units for phase II was not available.
- 2Q16** This property maintains a waiting list, but the contact was unable to estimate the number of households on the waiting list. The contact indicated that demand for affordable housing is high.

Gateway Pines I, continued

Photos



PROPERTY PROFILE REPORT

Heron Lake

Effective Rent Date 4/14/2016
Location 1800 Eastwind Road
 Valdosta, GA 31602
 Lowndes County
Distance 14.7 miles
Units 152
Vacant Units 2
Vacancy Rate 1.3%
Type Garden (2 stories)
Year Built/Renovated 2003 / N/A
Marketing Began 7/01/2011
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Single parent families
Contact Name Jackie
Phone 229-257-0844



Market Information

Program @30%, @50%, @60%, Market
Annual Turnover Rate 20%
Units/Month Absorbed 38
HCV Tenants N/A
Leasing Pace Preleased
Annual Chg. in Rent Increased one to 10 percent
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	783	\$204	\$0	@30%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	783	\$377	\$0	@50%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	783	\$444	\$0	@60%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	783	\$565	\$0	Market	Yes	1	N/A	N/A	None
2	1	Garden (2 stories)	N/A	1,040	\$238	\$0	@30%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	1,040	\$446	\$0	@50%	Yes	1	N/A	no	None
2	1	Garden (2 stories)	N/A	1,040	\$529	\$0	@60%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	1,040	\$655	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,240	\$271	\$0	@30%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,240	\$516	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,240	\$649	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,240	\$760	\$0	Market	Yes	0	N/A	N/A	None

Heron Lake, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$204	\$0	\$204	\$0	\$204	1BR / 1BA	\$377	\$0	\$377	\$0	\$377
2BR / 1BA	\$238	\$0	\$238	\$0	\$238	2BR / 1BA	\$446	\$0	\$446	\$0	\$446
3BR / 2BA	\$271	\$0	\$271	\$0	\$271	3BR / 2BA	\$516	\$0	\$516	\$0	\$516
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$444	\$0	\$444	\$0	\$444	1BR / 1BA	\$565	\$0	\$565	\$0	\$565
2BR / 1BA	\$529	\$0	\$529	\$0	\$529	2BR / 1BA	\$655	\$0	\$655	\$0	\$655
3BR / 2BA	\$649	\$0	\$649	\$0	\$649	3BR / 2BA	\$760	\$0	\$760	\$0	\$760

Amenities

In-Unit

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

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

Security

In-Unit Alarm
 Perimeter Fencing

Services

None

Property

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

Clubhouse/Meeting
 Off-Street Parking
 Playground

Premium

None

Other

None

Comments

This property accepts Housing Choice Vouchers, but the contact was unsure of how many tenants are using these vouchers.

Heron Lake, continued

Trend Report

Vacancy Rates

2Q13	2Q14	2Q15	2Q16
4.6%	5.3%	2.0%	1.3%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$185	\$0	\$185	\$185
2014	2	N/A	\$186	\$0	\$186	\$186
2015	2	N/A	\$186	\$0	\$186	\$186
2016	2	N/A	\$204	\$0	\$204	\$204

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$218	\$0	\$218	\$218
2014	2	N/A	\$218	\$0	\$218	\$218
2015	2	N/A	\$218	\$0	\$218	\$218
2016	2	N/A	\$238	\$0	\$238	\$238

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$291	\$0	\$291	\$291
2014	2	N/A	\$251	\$0	\$251	\$251
2015	2	N/A	\$251	\$0	\$251	\$251
2016	2	N/A	\$271	\$0	\$271	\$271

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$389	\$0	\$389	\$389
2014	2	N/A	\$425	\$0	\$425	\$425
2015	2	N/A	\$424	\$0	\$424	\$424
2016	2	N/A	\$444	\$0	\$444	\$444

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$472	\$0	\$472	\$472
2014	2	N/A	\$509	\$0	\$509	\$509
2015	2	N/A	\$509	\$0	\$509	\$509
2016	2	N/A	\$529	\$0	\$529	\$529

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$614	\$0	\$614	\$614
2014	2	N/A	\$629	\$0	\$629	\$629
2015	2	N/A	\$629	\$0	\$629	\$629
2016	2	N/A	\$649	\$0	\$649	\$649

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$371	\$0	\$371	\$371
2014	2	N/A	\$371	\$0	\$371	\$371
2015	2	N/A	\$371	\$0	\$371	\$371
2016	2	N/A	\$377	\$0	\$377	\$377

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$431	\$0	\$431	\$431
2014	2	N/A	\$433	\$0	\$433	\$433
2015	2	N/A	\$433	\$0	\$433	\$433
2016	2	N/A	\$446	\$0	\$446	\$446

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$489	\$0	\$489	\$489
2014	2	N/A	\$503	\$0	\$503	\$503
2015	2	N/A	\$503	\$0	\$503	\$503
2016	2	N/A	\$516	\$0	\$516	\$516

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$525	\$0	\$525	\$525
2014	2	N/A	\$555	\$0	\$555	\$555
2015	2	N/A	\$555	\$0	\$555	\$555
2016	2	N/A	\$565	\$0	\$565	\$565

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$625	\$0	\$625	\$625
2014	2	N/A	\$656	\$0	\$656	\$656
2015	2	N/A	\$656	\$0	\$656	\$656
2016	2	N/A	\$655	\$0	\$655	\$655

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$725	\$0	\$725	\$725
2014	2	N/A	\$750	\$0	\$750	\$750
2015	2	N/A	\$750	\$0	\$750	\$750
2016	2	N/A	\$760	\$0	\$760	\$760

Trend: Comments

- 2Q13** The property is currently maintaining a waiting list with an estimated wait time of up to one year. Rents are more reasonable than areas to the south in Florida, so demand has remained strong. Rents have remained the same except for the three-bedroom 30 percent units, where demand for these units are the strongest.
- 2Q14** The property added a 64-unit phase II in 2008. The property maintains a waiting list of over 100 applicants because many applicants are waiting for the 30 percent units. Contact could not state the number of vacancies by bedroom type. The occupancy rate for phase I is 93 percent and the occupancy rate for phase 2 is 95 percent.
- 2Q15** The property maintains a waiting list of four years.
- 2Q16** This property accepts Housing Choice Vouchers, but the contact was unsure of how many tenants are using these vouchers.

Heron Lake, continued

Photos



PROPERTY PROFILE REPORT

Northwind Apartment Homes

Effective Rent Date 4/14/2016
Location 5148 Northwind Blvd.
 Valdosta, GA 31605
 Lowndes County
Distance 14.4 miles
Units 276
Vacant Units 20
Vacancy Rate 7.2%
Type Garden
Year Built/Renovated 2004 / 2008
Marketing Began 2/01/2004
Leasing Began 6/01/2004
Last Unit Leased 1/15/2005
Major Competitors Staten Crossing
Tenant Characteristics 70 percent military
Contact Name Megan
Phone 229-241-8237



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed 20
HCV Tenants 0%
Leasing Pace Within three week
Annual Chg. in Rent Increased three percent
Concession \$300 off first month's rent

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	948	\$745	\$25	Market	No	0	N/A	N/A	None
2	2	Garden	N/A	1,313	\$830	\$25	Market	No	N/A	N/A	N/A	None
2	2	Garden	N/A	1,430	\$965	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	N/A	1,506	\$940	\$25	Market	No	N/A	N/A	N/A	None
3	2	Garden	N/A	1,720	\$1,050	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden	N/A	1,758	\$1,160	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$745	\$25	\$720	-\$41	\$679
2BR / 2BA	\$830 - \$965	\$0 - \$25	\$805 - \$965	-\$53	\$752 - \$912
3BR / 2BA	\$940 - \$1,160	\$0 - \$25	\$915 - \$1,160	-\$64	\$851 - \$1,096

Northwind Apartment Homes, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

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

Security

Limited Access
Patrol

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
Picnic Area
Swimming Pool
Volleyball Court

Car Wash
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Premium

View

Other

Grill at picnic area

Comments

This property does not accept Housing Choice Vouchers. In 2008, this property expanded from 228 to 276 total units. This property maintains a waiting list, but there are currently no households on it. The contact indicated that this is a typical vacancy rate for this property and attributed this to military families moving frequently. The contact was unable to estimate the annual turnover rate, but indicated that it was fairly high due to the high percentage of military living at this property. Although the contact did not report the breakdown of the number of units by type, they indicated that there are the fewest one-bedroom units. The larger two-bedroom and three-bedroom units are described as luxury units, and these units experience the high vacancy rates.

Northwind Apartment Homes, continued

Trend Report

Vacancy Rates

3Q11	2Q14	2Q15	2Q16
1.8%	5.3%	2.2%	7.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	0.0%	\$700	\$0	\$700	\$659
2014	2	4.2%	\$725	\$0	\$725	\$684
2015	2	0.0%	\$725	\$0	\$725	\$684
2016	2	N/A	\$745	\$25	\$720	\$679

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	1.6%	\$820	\$0	\$820	\$767
2014	2	3.1%	\$830	\$0	\$830	\$777
2015	2	1.6%	\$830	\$0	\$830	\$777
2016	2	N/A	\$830 - \$965	\$0 - \$25	\$805 - \$965	\$752 - \$912

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	3.8%	\$900	\$0	\$900	\$836
2014	2	11.5%	\$910	\$0	\$910	\$846
2015	2	5.8%	\$910	\$0	\$910	\$846
2016	2	N/A	\$940 - \$1,160	\$0 - \$25	\$915 - \$1,160	\$851 - \$1,096

Trend: Comments

3Q11 N/A

2Q14 The property does not accept Section 8 tenants. The high number of vacancies is due to tenants relocating and evictions.

2Q15 Management reported that the property does not accept Housing Choice Vouchers. The property manager maintains a waiting list of unspecified length. The contact stated that the property offers approximately two parking spaces per unit.

2Q16 This property does not accept Housing Choice Vouchers. In 2008, this property expanded from 228 to 276 total units. This property maintains a waiting list, but there are currently no households on it. The contact indicated that this is a typical vacancy rate for this property and attributed this to military families moving frequently. The contact was unable to estimate the annual turnover rate, but indicated that it was fairly high due to the high percentage of military living at this property. Although the contact did not report the breakdown of the number of units by type, they indicated that there are the fewest one-bedroom units. The larger two-bedroom and three-bedroom units are described as luxury units, and these units experience the high vacancy rates.

Northwind Apartment Homes, continued

Photos



PROPERTY PROFILE REPORT

Spanish Mission Apartments

Effective Rent Date	5/21/2016
Location	422 Connell Road Valdosta, GA 31602 Lowndes County Intersection: SR-7/US-41
Distance	13.4 miles
Units	150
Vacant Units	11
Vacancy Rate	7.3%
Type	Various (2 stories)
Year Built/Renovated	1973 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Tall Tree, Woodstone, Three Oaks, Staten Crossing
Tenant Characteristics	Students, military personnel, families
Contact Name	Jessie
Phone	229.242.7333



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased two to 10 percent
Concession	See Comments

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 (2 stories)	10	890	\$650	\$0	Market	No	2	20.0%	N/A	None
2	2	Garden (2 stories)	20	1,213	\$735	\$0	Market	No	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	52	1,125	\$740	\$0	Market	No	3	5.8%	N/A	None
3	2.5	Garden (2 stories)	68	1,456	\$775	\$0	Market	No	6	8.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$15	\$665
2BR / 2BA	\$735	\$0	\$735	\$15	\$750
2BR / 2.5BA	\$740	\$0	\$740	\$15	\$755
3BR / 2.5BA	\$775	\$0	\$775	\$15	\$790

Spanish Mission Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. Management expects occupancy to increase during the summer months. Management reported that the property offers approximately two parking spaces per unit. The contact was unable to provide the parking utilization rate at the property.

Spanish Mission Apartments, continued

Trend Report

Vacancy Rates

3Q13	2Q14	2Q15	2Q16
10.0%	9.3%	6.7%	7.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	\$600	\$0	\$600	\$615
2014	2	0.0%	\$630	\$0	\$630	\$645
2015	2	0.0%	\$640	\$4	\$636	\$651
2016	2	20.0%	\$650	\$0	\$650	\$665

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	6.9%	\$690 - \$709	\$0	\$690 - \$709	\$705 - \$724
2014	2	1.9%	\$724	\$0	\$724	\$739
2015	2	3.8%	\$762	\$4	\$758	\$773
2016	2	5.8%	\$740	\$0	\$740	\$755

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$715	\$0	\$715	\$730
2015	2	0.0%	\$744	\$4	\$740	\$755
2016	2	0.0%	\$735	\$0	\$735	\$750

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	14.7%	\$775	\$0	\$775	\$790
2014	2	19.1%	\$813	\$83	\$730	\$745
2015	2	11.8%	\$837	\$4	\$833	\$848
2016	2	8.8%	\$775	\$0	\$775	\$790

Trend: Comments

3Q13	The property manager reported that rents have increased. The market demand has remained stable even though the area has been more saturated with student housing. Since there are many residents employed in the military as well, deployments can affect the property vacancy rate throughout the year.
2Q14	The high turnover rate is due to many students from nearby universities residing at the property and military personnel. There is a rent special for the three-bedrooms with the rents starting at \$730 instead of \$813.
2Q15	The concession presented in the matrix represents the property's current special of \$50 reduced first month of rent if a prospective tenant signs a new lease by May 20, 2015. Management reported that the property is 91 percent occupied and 93 percent pre-leased. The reason for the low occupancy is because the property draws in many students from local universities. Management expects occupancy to increase during the summer months. Management reported that the property offers approximately two parking spaces per unit. The contact was unable to provide the parking utilization rate at the property.
2Q16	This property does not accept Housing Choice Vouchers. Management expects occupancy to increase during the summer months. Management reported that the property offers approximately two parking spaces per unit. The contact was unable to provide the parking utilization rate at the property.

Spanish Mission Apartments, continued

Photos



PROPERTY PROFILE REPORT

Spring Chase Apartments

Effective Rent Date	4/14/2016
Location	1601 Norman Drive Valdosta, GA 31601 Lowndes County
Distance	12.4 miles
Units	288
Vacant Units	7
Vacancy Rate	2.4%
Type	Garden (2 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Tall Tree, Staten Crossing, The Links
Tenant Characteristics	20-25% military; 30% senior; 30% student
Contact Name	Gloria
Phone	229-247-8472



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	29	690	\$675	\$0	Market	Yes	0	0.0%	N/A	None
1.5	1	Garden (2 stories)	8	1,126	\$753	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	80	960	\$787	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	88	1,226	\$811	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	80	1,376	\$896	\$0	Market	No	7	8.7%	N/A	None
3	2	Garden (2 stories)	3	1,400	\$943	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	-\$41	\$634
1.5BR / 1BA	\$753	\$0	\$753	-\$41	\$712
2BR / 1BA	\$787	\$0	\$787	-\$53	\$734
2BR / 2BA	\$811	\$0	\$811	-\$53	\$758
3BR / 2BA	\$896 - \$943	\$0	\$896 - \$943	-\$64	\$832 - \$879

Spring Chase Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Patrol
Perimeter Fencing
Video Surveillance

Services

None

Property

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

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

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. There are 20 households on the waiting list for the one-bedroom units.

Spring Chase Apartments, continued

Trend Report

Vacancy Rates

2Q14	2Q15	1Q16	2Q16
0.7%	1.0%	5.9%	2.4%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$753	\$0	\$753	\$712
2015	2	0.0%	\$753	\$0	\$753	\$712
2016	1	0.0%	\$753	\$0	\$753	\$712
2016	2	0.0%	\$753	\$0	\$753	\$712

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$600	\$0	\$600	\$559
2015	2	0.0%	\$600	\$0	\$600	\$559
2016	1	0.0%	\$675	\$0	\$675	\$634
2016	2	0.0%	\$675	\$0	\$675	\$634

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$712	\$0	\$712	\$659
2015	2	0.0%	\$712	\$0	\$712	\$659
2016	1	3.8%	\$787	\$0	\$787	\$734
2016	2	0.0%	\$787	\$0	\$787	\$734

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	1.1%	\$811	\$0	\$811	\$758
2015	2	0.0%	\$811	\$0	\$811	\$758
2016	1	0.0%	\$811	\$0	\$811	\$758
2016	2	0.0%	\$811	\$0	\$811	\$758

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	1.2%	\$896 - \$943	\$0	\$896 - \$943	\$832 - \$879
2015	2	3.6%	\$896 - \$943	\$0	\$896 - \$943	\$832 - \$879
2016	1	16.9%	\$896 - \$943	\$0	\$896 - \$943	\$832 - \$879
2016	2	8.4%	\$896 - \$943	\$0	\$896 - \$943	\$832 - \$879

Trend: Comments

2Q14	The property maintains a waiting list of two households for two-bedroom units and two households for three-bedroom units. The stairs at the property are currently being replaced. The property does not accept Housing Choice Vouchers.
2Q15	The property currently maintains an extensive waiting list for one-bedroom units. The property does not accept Housing Choice Vouchers.
1Q16	The property currently maintains an extensive waiting list for one-bedroom units. The property does not accept Housing Choice Vouchers. One-bedroom units recently underwent a massive renovation.
2Q16	This property does not accept Housing Choice Vouchers. There are 20 households on the waiting list for the one-bedroom units.

Photos



PROPERTY PROFILE REPORT

Staten Crossing

Effective Rent Date 4/14/2016
Location 3925 N. Oak Street
 Valdosta, GA 31605
 Lowndes County
Distance 13.2 miles
Units 196
Vacant Units 13
Vacancy Rate 6.6%
Type Garden (2 stories)
Year Built/Renovated 1999 / 2014
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Northwind; Three Oaks
Tenant Characteristics Military; families
Contact Name Emma
Phone 229-247-9880



Market Information

Program Market
Annual Turnover Rate 80%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Pre-leased
Annual Chg. in Rent None
Concession Military discount

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 (2 stories)	48	815	\$673	\$0	Market	No	2	4.2%	N/A	AVG
1	1	Garden (2 stories)	N/A	815	\$685	\$0	Market	N/A	N/A	N/A	N/A	HIGH
1	1	Garden (2 stories)	N/A	815	\$660	\$0	Market	N/A	N/A	N/A	N/A	LOW
2	2	Garden (2 stories)	56	1,150	\$783	\$0	Market	No	8	14.3%	N/A	AVG
2	2	Garden (2 stories)	N/A	1,150	\$800	\$0	Market	N/A	N/A	N/A	N/A	HIGH
2	2	Garden (2 stories)	N/A	1,150	\$765	\$0	Market	N/A	N/A	N/A	N/A	LOW
3	2	Garden (2 stories)	36	1,362	\$875	\$0	Market	No	3	8.3%	N/A	AVG
3	2	Garden (2 stories)	N/A	1,362	\$890	\$0	Market	N/A	N/A	N/A	N/A	HIGH
3	2	Garden (2 stories)	N/A	1,362	\$860	\$0	Market	N/A	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$660 - \$685	\$0	\$660 - \$685	\$15	\$675 - \$700
2BR / 2BA	\$765 - \$800	\$0	\$765 - \$800	\$15	\$780 - \$815
3BR / 2BA	\$860 - \$890	\$0	\$860 - \$890	\$15	\$875 - \$905

Staten Crossing, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer hookup

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

Security

In-Unit Alarm
Limited Access
Patrol

Services

None

Property

Car Wash
Exercise Facility
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool
Volleyball Court

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. Although this property maintains a waiting list, there are currently no households on the waiting list. The contact attributed the high vacancy rate to a recent deployment that affected many of the military families living at this property. Only one of the units is preleased. There is a fee of \$25 per month added to rent that covers water, sewer, trash, and pest control. Military tenants receive a discount of \$25 a month off rent.

Staten Crossing, continued

Trend Report

Vacancy Rates

2Q13	2Q14	2Q15	2Q16
5.1%	5.1%	5.1%	6.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$640 - \$655	\$0	\$640 - \$655	\$655 - \$670
2014	2	N/A	\$650 - \$675	\$0	\$650 - \$675	\$665 - \$690
2015	2	N/A	\$660 - \$685	\$0	\$660 - \$685	\$675 - \$700
2016	2	N/A	\$660 - \$685	\$0	\$660 - \$685	\$675 - \$700

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$750 - \$790	\$0	\$750 - \$790	\$765 - \$805
2014	2	N/A	\$755 - \$795	\$0	\$755 - \$795	\$770 - \$810
2015	2	N/A	\$765 - \$800	\$0	\$765 - \$800	\$780 - \$815
2016	2	N/A	\$765 - \$800	\$0	\$765 - \$800	\$780 - \$815

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	N/A	\$850 - \$880	\$0	\$850 - \$880	\$865 - \$895
2014	2	N/A	\$850 - \$880	\$0	\$850 - \$880	\$865 - \$895
2015	2	N/A	\$860 - \$890	\$0	\$860 - \$890	\$875 - \$905
2016	2	N/A	\$860 - \$890	\$0	\$860 - \$890	\$875 - \$905

Trend: Comments

- 2Q13** Management stated that demand is holding steady and the asking rents have not changed. There is a wait for some of the one-bedroom units.
- 2Q14** The property maintains a waiting list of three households for one-bedroom units, two households for two-bedroom units, and one households for a three-bedroom units. The roof of the property is currently being replaced. The property does not accept Section 8 tenants.
- 2Q15** The property maintains a waiting list of two households for one-bedroom units and one households for a three-bedroom units. This property does not accept Housing Choice Vouchers.
- 2Q16** This property does not accept Housing Choice Vouchers. Although this property maintains a waiting list, there are currently no households on the waiting list. The contact attributed the high vacancy rate to a recent deployment that affected many of the military families living at this property. Only one of the units is preleased. There is a fee of \$25 per month added to rent that covers water, sewer, trash, and pest control. Military tenants receive a discount of \$25 a month off rent.

Staten Crossing, continued

Photos



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

Housing Choice Vouchers

TENANTS WITH VOUCHERS		
Comparable Property	Type	Housing Choice Voucher Tenants
Ashton Park Apartments	LIHTC	34%
Brittany Woods	LIHTC/Section 8	8%
Gateway Pines I	LIHTC	5%
Heron Lake	LIHTC/Market	N/Av
Northwind Apartment Homes	Market	0%
Spanish Mission Apartments	Market	0%
Spring Chase Apartments	Market	0%
Staten Crossing	Market	0%
Average		7%

Average voucher usage among the comparables is low at seven percent. The LIHTC comparable Ashton Park reported the highest voucher tenancy at 34 percent; however, the other two LIHTC comparables that were able to report their voucher tenancy reported lower rates of five and eight percent. Overall, the local market does not appear to be dependent on voucher holders.

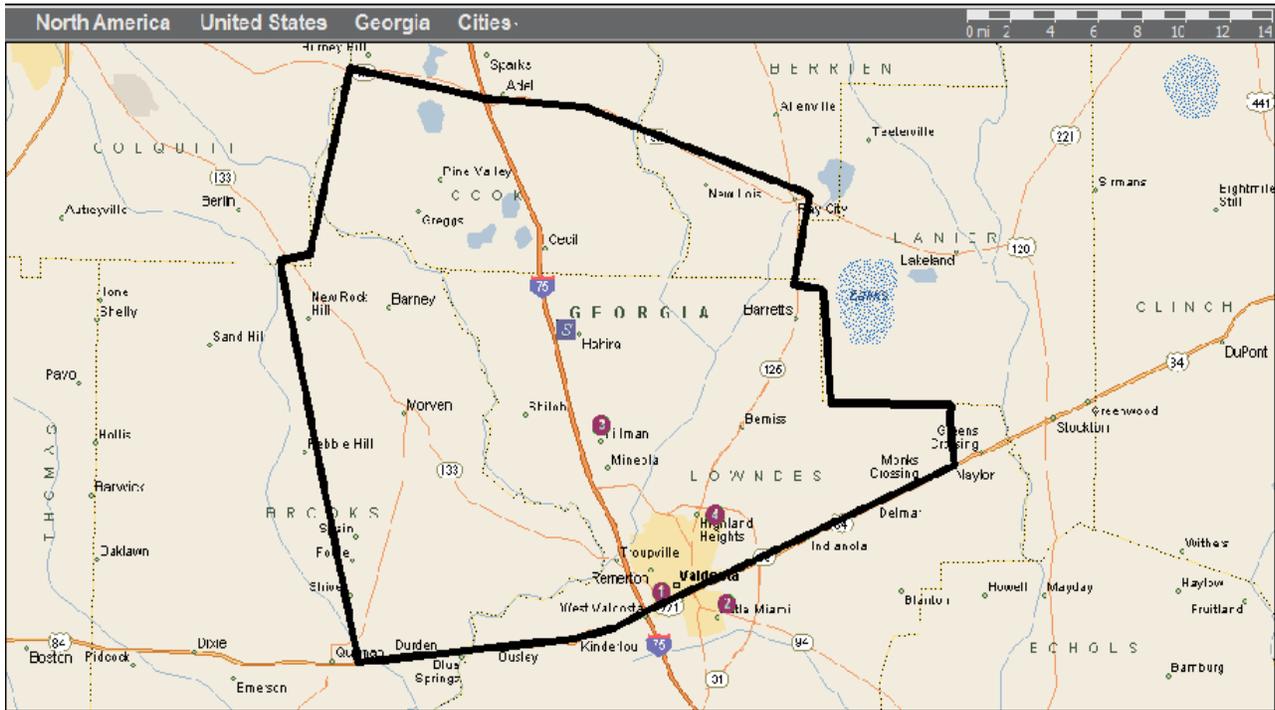
Lease Up History

We were able to obtain absorption information for three of the comparables.

ABSORPTION					
Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Gateway Pines I	LIHTC	Family	2012	56	6
Northwind Apartment Homes	Market	Family	2004	276	20
Heron Lake	LIHTC/Market	Family	2003	152	38

As illustrated, three of the comparables were able to provide absorption information; however, given that the information provided by Northwind Apartment Homes and Heron Lake is more than 10 years old, we have not relied as heavily on this information. Gateway Pines I is the only LIHTC property located in Hahira. This property entered the market in 2012 and reported an absorption pace of six units per month. Given the low vacancy rates and waiting lists at the comparables, we believe that the Subject will experience a slightly faster absorption pace of eight units per month. At this pace, the Subject would reach a stabilized occupancy rate of 93 percent within eight months.

3. COMPETITIVE PROJECT MAP



Competitive Properties

Map #	Property Name	City	Type	Distance
1	Ashton Park Apartments	Valdosta	LIHTC	13.4 miles
2	Brittany Woods	Valdosta	LIHTC/Section 8	17.9 miles
3	Gateway Pines I	Hahira	LIHTC	5.0 miles
4	Heron Lake	Valdosta	LIHTC/Market	14.7 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 grey, 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 Village On Park	Ashton Park	Brittany Woods	Gateway Pines I	Heron Lake	Northwind	Spanish Mission	Spring Chase	Staten Crossing
Comp#	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden	Various (2 stories)	Garden (2 stories)	Garden (2 stories)
Year Built / Renovated	2018	1999	1970 / 2001	2012	2003	2004 / 2008	1973	1996	1999 / 2014
Market (Conv./Subsidy Type)	LIHTC/Market	LIHTC	LIHTC/Section 8	LIHTC	LIHTC/Market	Market	Market	Market	Market
Utility Adjustments									
Cooking	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	yes	no	no	no	no	no	no
Heat	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	no	yes	no	no	yes	no	yes	no
Sewer	no	no	yes	no	no	yes	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	yes	no
In-Unit Amenities									
Balcony/Patio	yes	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	no	no	yes	no	yes	yes	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	yes	no	no	yes
Ceiling Fan	yes	yes	no	yes	yes	yes	yes	no	yes
Garbage Disposal	yes	yes	no	no	yes	yes	yes	yes	yes
Microwave	yes	no	no	yes	yes	yes	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes
Walk-In Closet	no	yes	no	yes	yes	yes	no	no	yes
Washer/Dryer	yes	no	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	no	yes	yes	yes	no	yes	yes
Property Amenities									
Basketball Court	no	no	no	no	no	yes	yes	yes	no
Business Center/Computer Lab	yes	no	no	yes	yes	no	no	yes	no
Car Wash	no	no	no	no	no	yes	no	no	yes
Clubhouse/Meeting Room/Community Room	yes	yes	no	yes	yes	yes	yes	yes	yes
Exercise Facility	yes	no	no	yes	yes	yes	yes	yes	yes
Central Laundry	no	yes	yes	no	no	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	yes
Picnic Area	yes	no	no	no	no	yes	no	no	no
Playground	yes	yes	yes	yes	yes	yes	yes	no	yes
Swimming Pool	no	yes	no	no	yes	yes	yes	yes	yes
Tennis Court	no	no	no	no	no	yes	yes	yes	yes
Volleyball Court	no	no	no	no	no	yes	no	no	yes
Services									
Security									
In-Unit Alarm	no	no	no	no	yes	no	no	yes	yes
Limited Access	no	no	no	no	no	yes	no	yes	yes
Patrol	no	no	no	no	no	yes	no	yes	yes
Perimeter Fencing	no	no	no	no	yes	no	no	yes	no
Video Surveillance	no	no	no	yes	no	no	no	yes	no
Premium Amenities									
View	no	no	no	no	no	yes	no	no	no
Other Amenities									
Other	Library, craft room	n/a	n/a	n/a	n/a	Grill at picnic area	n/a	n/a	n/a

The Subject will offer an extensive amenities package that will be generally similar to the amenities offered at the comparable properties. Although the Subject will not offer a swimming pool, an amenity offered by six of the eight comparables, we do not believe that the lack of this amenity will negatively impact the Subject. The one LIHTC property in Hahira, Gateway Pines I, does not offer a swimming pool. Management reported that the property has a vacancy rate of 1.8 percent and is maintaining a waiting list. Therefore, the lack of this amenity has not impacted its performance. Overall, we believe that the Subject’s proposed amenities will allow it to effectively compete in the local market.

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

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Park Apartments	LIHTC	88	0	0.00%
Brittany Woods	LIHTC/Section 8	104	1	1.00%
Gateway Pines I	LIHTC	56	1	1.80%
Heron Lake	LIHTC/Market	152	2	1.30%
Northwind Apartment Homes	Market	276	20	7.20%
Spanish Mission Apartments	Market	150	11	7.30%
Spring Chase Apartments	Market	288	7	2.40%
Staten Crossing	Market	196	13	6.60%
Total		1,310	55	4.20%

As illustrated, overall vacancy in the market is healthy at 4.2 percent. Vacancy among the LIHTC properties is even lower at 1.0 percent. Additionally, all four of the LIHTC comparables reported having waiting lists. The low vacancy rates and waiting lists at the LIHTC properties suggest a need for additional LIHTC units in the market. The market rate properties Northwind Apartments, Spanish Mission, and Staten Crossing reported moderate vacancy rates of 6.6 to 7.3 percent. All three properties indicated that vacancy rates can fluctuate widely as there is a significant number of military tenants at the property. Additionally, the property managers reported having student tenants from Valdosta State University, which can cause vacancy rates to increase during the summer months. All three off these market rate properties are located in Valdosta, and are within closer proximity to Moody Air Force Base and Valdosta State University than the Subject, which will be in Hahira. It is unlikely that the Subject will have a significant percentage of military or student tenants, and therefore, the Subject should maintain a lower vacancy rate in its market rate units than these properties. We have estimated a stabilized vacancy rate of five percent or less for both the Subject’s LIHTC and market rate units, particularly given the lack of available rental housing in the immediate Hahira market.

7. Properties Under Construction and Proposed

There are no new LIHTC or market rate properties that have been proposed or 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	Ashton Park Apartments	LIHTC	Similar	Similar	Superior	Inferior	Inferior	-10
2	Brittany Woods	LIHTC/Section 8	Inferior	Inferior	Superior	Inferior	Inferior	-30
3	Gateway Pines I	LIHTC	Similar	Superior	Similar	Similar	Slightly Superior	15
4	Heron Lake	LIHTC/Market	Slightly Superior	Similar	Superior	Inferior	Similar	5
5	Northwind Apartment Homes	Market	Superior	Similar	Superior	Inferior	Superior	20
6	Spanish Mission Apartments	Market	Superior	Inferior	Superior	Inferior	Superior	10
7	Spring Chase Apartments	Market	Superior	Similar	Superior	Inferior	Slightly Superior	15
8	Staten Crossing	Market	Superior	Superior	Superior	Inferior	Superior	30

*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	Location	1BR	2BR	3BR
The Village On Park (Subject)	Hahira	\$307	\$356	\$399
LIHTC Maximum (Net)	-	\$321	\$374	\$421
Ashton Park Apartments	Valdosta	\$368	\$441	\$497
Gateway Pines I	Hahira	\$395	\$450	\$505
Heron Lake	Valdosta	\$377	\$446	\$516
Average (excluding Subject)	-	\$380	\$446	\$506

LIHTC Rent Comparison - @60%

Property Name	Location	1BR	2BR	3BR
The Village On Park (Subject)	Hahira	\$399	\$466	\$525
LIHTC Maximum (Net)	-	\$416	\$487	\$552
Ashton Park Apartments	Valdosta	\$464	\$558	\$619
Brittany Woods	Valdosta	\$283	\$288	\$309
Gateway Pines I	Hahira	\$415	\$505	\$565
Heron Lake	Valdosta	\$444	\$529	\$649
Average (excluding Subject)	-	\$402	\$470	\$536

As illustrated, all of the Subject’s proposed 50 and 60 percent AMI rents are below the maximum allowable levels. Additionally, the Subject’s proposed 50 percent AMI rents will be the lowest in the market, indicating a significant price value relationship for these units. Additionally, the Subject’s proposed 60 percent AMI rents will be lower than all of the comparables, with the exception of Brittany Woods. This property was originally constructed in 1970 and was renovated with LIHTC in 2001. The property offers both LIHTC units as well as units subsidized with a project based Section 8 subsidy. Given the Subject’s new construction and competitive amenities, it is reasonable to assume that the Subject can achieve rents well

above this property. LIHTC vacancy in the market is low at 1.0 percent and all of the LIHTC properties reported having waiting lists. The lack of vacancies and waiting lists suggest a void in the local rental market. As a newly constructed property, the Subject will be similar to superior to the LIHTC housing stock. As the Subject’s proposed rents are among the lowest in the market, we believe that they are reasonable and achievable.

Analysis of “Market Rents”

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

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

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

Subject Comparison To "Market Rents "

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR 50%	\$307	\$204	\$700	\$520	69%
2 BR 50%	\$356	\$288	\$912	\$629	77%
3 BR 50%	\$399	\$309	\$1,096	\$737	85%
1 BR 60%	\$399	\$204	\$700	\$558	40%
2 BR 60%	\$466	\$288	\$912	\$675	45%
3 BR 60%	\$525	\$309	\$1,096	\$786	50%
1BR Market	\$480	\$565	\$700	\$658	37%
2BR Market	\$560	\$655	\$912	\$778	39%
3BR Market	\$630	\$760	\$1,096	\$886	41%

As illustrated, the Subject’s proposed LIHTC rents are within the rent range observed at the comparable properties, but well below the averages, yielding a significant rent advantage for the Subject’s LIHTC units. The Subject’s proposed market rents are below the minimum observed market rents. As a newly constructed property with a competitive amenities package, the Subject will be generally similar to superior to the existing rental housing stock. The LIHTC vacancy rate in the local market is low at 1.0 percent and all four LIHTC properties reported having waiting lists. Therefore, the rents at the LIHTC properties have been accepted in the market. As

the Subject’s proposed rents will be on the lower end of the observed range, we believe they are reasonable and achievable. Vacancy among the market rate comparables is healthy at 4.2 percent, with many of the vacancies being attributed to the deployment of military tenants stationed at Moody Air Force Base as well as college students at Valdosta State University leaving for the summer. As illustrated, the Subject’s proposed units will offer a significant rent advantage of 37 to 85 percent and are considered achievable.

9. LIHTC Competition – DCA Funded Properties within the PMA

There are no LIHTC properties recently allocated, proposed, or under construction in the Subject’s PMA. Of the three LIHTC properties located within the PMA boundaries, only one is located within the Subject’s immediate Hahira market. Gateway Pines I is located approximately five miles from the Subject site and entered the market in 2012. The property only has one vacant unit, for a vacancy rate of 1.8 percent. Further, management reported that the property has a waiting list, although management was unable to estimate the number of households on the list, and that demand for affordable housing in the market is high. The remaining two LIHTC properties in the PMA are located in Valdosta, between 13.4 and 14.7 miles south of the Subject site. These properties also have low vacancy rates between zero and 1.3 percent and both have waiting lists. The LIHTC property Brittany Woods is located just south of the PMA and has also been included as a comparable. This property has a vacancy rate of 1.0 percent and is maintaining a waiting list for all unit types. Given the lack of available LIHTC units in the market, coupled with the low capture rates in our demand analysis and the lengthy waiting lists, we believe there is sufficient demand for the Subject’s 64 units in the market. We do not believe that the addition of the Subject to the market will negatively impact the existing LIHTC housing supply.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	17,494	60.3%	11,532	39.7%
2010	19,977	55.9%	15,763	44.1%
2015	19,709	52.5%	17,858	47.5%
Projected Mkt Entry				
June 2018	20,084	52.3%	18,314	47.7%
2020	20,352	52.2%	18,639	47.8%

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

As illustrated, the majority of households in the PMA are owner-occupied households. However, the percentage of renter-occupied households in the PMA is well above the national average of one-third. Additionally, the percentage of renter-occupied households in the PMA is expected to increase slightly through the Subject’s market entry date and is expected to continue to increase through 2020. The large percentage of renter-occupied households in the PMA indicates demand for affordable rental housing such as the Subject.

Historical Vacancy

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

Historical Vacancy					
Comparable Property	Type	Total Units	2QTR 2014	2QTR 2015	2QTR 2016
Ashton Park Apartments	LIHTC	88	0.00%	0.00%	0.00%
Brittany Woods	LIHTC/Section 8	104	0.00%	7.70%	1.00%
Gateway Pines I	LIHTC	56	-	-	1.80%
Heron Lake	LIHTC/Market	152	5.30%	2.00%	1.30%
Northwind Apartment Homes	Market	276	5.30%	2.20%	7.20%
Spanish Mission Apartments	Market	150	9.30%	6.70%	7.30%
Spring Chase Apartments	Market	288	0.70%	1.00%	2.40%
Staten Crossing	Market	196	5.10%	5.10%	6.60%
		1,374	3.70%	3.50%	3.50%

As the previous table illustrates, the average vacancy rate among the comparables has remained relatively consistent since the second quarter of 2014. The slight fluctuations among the market rate comparables are attributable to deployments by military tenants stationed at Moody Air Force Base as well as the properties having tenants who are students at Valdosta State University who leave during the summer months.

Change in Rental Rates

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

RENT GROWTH		
Comparable Property	Rent Structure	Rent Growth
Decrease of up to 2% in 50% units; Increase of 5-6% in 1-2BR 60% units; decrease of 3% in 3BR 60% units		
Ashton Park Apartments	LIHTC	3BR 60% units
Brittany Woods	LIHTC/Section 8	None
Gateway Pines I	LIHTC	Increase of 4-5%
Heron Lake	LIHTC/Market	Increase of 1-10%
Northwind Apartment Homes	Market	Increase of 3%
Spanish Mission Apartments	Market	Increase of 2-10%
Spring Chase Apartments	Market	None
Staten Crossing	Market	None

Five of the eight comparables reported rent growth over the past year, indicating a healthy, growing market. The slight decreases in the rents at select units at Ashton Park are due to utility allowance changes. Overall, the rent growth experienced by the comparables bodes well for the Subject’s units.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac.com statistics, one in every 1,394 housing units in the state of Georgia is in some stage of foreclosure as of April 2016. This is below the national rate of one in every 1,308 housing units. Lowndes County is experiencing a foreclosure rate of one in every 929 housing units, well above the state and national rates. Despite the high foreclosure rate in

Lowndes County, we did not witness any foreclosed, abandoned, or vacant housing units in the Subject's immediate neighborhood.

12. Primary Housing Void

There are only three LIHTC properties located in the Subject's PMA, and two of these properties are between 13.4 and 14.7 miles south of the Subject site in Valdosta. There is only one LIHTC property located in the Subject's immediate Hahira market. Gateway Pines I was built in 2012 and only has one vacant unit for a vacancy rate of 1.8 percent. Further, management reported that the property has a waiting list. The two LIHTC properties located in Valdosta that are in the Subject's PMA also reported low vacancy rates between zero and 1.3 percent and both have waiting lists. The lack of vacant LIHTC units in the market along with the presence of waiting lists at all three of the LIHTC properties in the PMA suggests that there is a housing void in the market. Additionally, property managers specifically noted a need for additional LIHTC units in the market. As a newly constructed LIHTC property with a competitive amenities package, the Subject will be a desirable development and will help to fill the housing void that exists within the PMA.

13. Affect of Subject on Other Affordable Units in Market

Given the low vacancy rates and waiting lists at all of the LIHTC comparables, there appears to be sufficient demand for an additional 64 rental units in the market. We do not believe that the Subject will have a negative effect on the existing affordable units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Vacancy among the LIHTC comparables is low at 1.0 percent and all four LIHTC comparables have waiting lists. Vacancy among the market rate comparables is also healthy at 4.2 percent, with vacancy fluctuations being attributable to deployments by military tenants stationed at Moody Air Force base and tenants who are students at Valdosta State University who leave for the summer months. However, the Subject is located in Hahira and the market rate comparables are located in Valdosta. Therefore, we do not believe that the Subject's market rate units will experience the same vacancy fluctuations as the market rate properties in Valdosta. The Subject will be a newly constructed LIHTC development with competitive amenities. The Subject's proposed LIHTC rents are at the low end of the observed rent range at the LIHTC comparables and the Subject's proposed market rents are below the rent range observed at the market rate comparables. As proposed, the Subject's units yield a rent advantage of 37 to 85 percent. Given the lack of vacant LIHTC units in the market and the waiting lists at all four LIHTC comparables, there appears to be a housing void in the local market. Overall, we believe there is adequate demand for the Subject's units as proposed, and we do not believe that the Subject will have a negative impact on the existing LIHTC housing stock.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information for three of the comparables. This information is illustrated in the following table.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Gateway Pines I	LIHTC	Family	2012	56	6
Northwind Apartment Homes	Market	Family	2004	276	20
Heron Lake	LIHTC/Market	Family	2003	152	38

As illustrated, three of the comparables were able to provide absorption information; however, given that the information provided by Northwind Apartment Homes and Heron Lake is more than 10 years old, we have not relied as heavily on this information. Gateway Pines I is the only LIHTC property located in Hahira. This property entered the market in 2012 and reported an absorption pace of six units per month. Given the low vacancy rates and waiting lists at the comparables, we believe that the Subject will experience a slightly faster absorption pace of eight units per month. At this pace, the Subject would reach a stabilized occupancy rate of 93 percent within eight months.

J. INTERVIEWS

Georgia Department of Community Affairs, Waycross Office

We spoke with Pat McNally, Office Director for the Georgia DCA Waycross Office, which administers Housing Choice Vouchers for Lowndes County. There are approximately 738 vouchers in use within the county and 50 applicants on the waiting list. Information regarding the payment standards for the Subject’s region can be found in the following table.

PAYMENT STANDARDS
Lowndes County

Unit Type	Payment Standard
1BR	\$591
2BR	\$735
3BR	\$942

Source: Georgia Department of Community Affairs, 5/2016

Payment standards for the county are set at 110 percent of FMR. The Subject’s proposed LIHTC and market rents are below the current payment standards.

Planning

The City of Valdosta handles the planning and zoning services for the City of Hahira through an intergovernmental agreement. According to Matt Martin with the City of Valdosta Planning and Zoning Division, there is no development currently underway or proposed within the Hahira area. Additionally, we did not witness any construction during our field work.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- Both population and number of households in the PMA experienced strong growth through 2015, outpacing growth in both the MSA and the nation. Through 2020, the population in the PMA is expected to continue growing at a faster pace than the MSA, but at a slightly slower pace than the nation. Over this same time period, household growth in the PMA is expected to mirror national growth and slightly outpace growth in the MSA. Approximately 43.5 percent of households in the PMA are earning less than \$29,999 annually, and this percentage is expected to increase through 2020. The significant percentage of households in the lowest income cohorts illustrates a strong need for affordable housing within the PMA. Tenure patterns in the PMA demonstrate that a significant percentage, 47.5 percent, of households in the PMA are renter-occupied. This percentage is well above the national average of approximately 33 percent. Further, the percentage of renter-occupied households is expected to increase slightly through the Subject's market entry date and will continue increasing through 2020. Overall, demographic trends within the PMA demonstrate a growing market with a need for affordable housing such as the Subject.
- Retail trade, educational services, and health care/social assistance are the largest industries within the PMA. Combined, they represent approximately 44.6 percent of total employment within the PMA. While both educational services and healthcare/social assistance are considered relatively stable industries in times of economic distress, retail trade is more volatile. When compared to the nation, educational services and retail trade are significantly overrepresented in the PMA. Conversely, manufacturing and professional/scientific/technical services are underrepresented in the PMA when compared to the nation. Though the county was partially reliant on the manufacturing industry in the past, several manufacturers vanished from the area during the most recent recession. However, Lowndes County has experienced recent employment expansion. According to a *Georgia Trend* article from March 2015, several companies underwent major expansions in 2014 including Fussell Tire and Services, Bimbo Bakeries USA, and Express Scripts, all of which invested in expansions and created new jobs in Valdosta. This expansion however is not yet apparent in the employment data.

Total employment in the MSA was significantly affected by the most recent recession. Following the recession, there were increases in total employment for two years, but total employment declined again from 2013 to 2014. However, 2015 numbers indicate an increase of 1.3 percent and 2016 year to date numbers indicate an increase of 0.5 percent. Despite these recent increases however, total employment figures are still well below their pre-recession peak, indicating that the local economy is still trying to recover from the most recent national recession. Since the recession, the unemployment rate in the MSA has remained above the nation. The 2016 year to date average unemployment rate is 5.5 percent, compared to 5.3 percent in the nation. Overall, the MSA was affected by the national recession, and is still in the process of recovering.

- The Subject's capture rates range from 0.4 to 1.4 percent at the 50 percent AMI level, with an overall capture rate of 1.0 percent. The Subject's 60 percent AMI capture rates range from 0.6 to 2.6 percent at the 60 percent AMI level, with an overall capture rate of

1.6 percent. The capture rates for the Subject's market rate units range from 0.2 to 1.2 percent, with an overall capture rate of 0.7 percent. The overall capture rate for the Subject's LIHTC units is 2.3 percent while the capture rate for the overall project is 2.0 percent. All of the Subject's capture rates are well within the threshold requirements set forth by Georgia DCA. Given the low capture rates and low vacancy rates in the market, we believe there is adequate demand for the Subject's units as proposed.

- Three of the comparables were able to provide absorption information; however, given that the information provided by Northwind Apartment Homes and Heron Lake is more than 10 years old, we have not relied as heavily on this information. Gateway Pines I is the only LIHTC property located in Hahira. This property entered the market in 2012 and reported an absorption pace of six units per month. Given the low vacancy rates and waiting lists at the comparables, we believe that the Subject will experience a slightly faster absorption pace of eight units per month. At this pace, the Subject would reach a stabilized occupancy rate of 93 percent within eight months.
- Overall vacancy in the market is healthy at 4.2 percent. Vacancy among the LIHTC properties is even lower at 1.0 percent. Additionally, all four of the LIHTC comparables reported having waiting lists. The low vacancy rates and waiting lists at the LIHTC properties suggest a need for additional LIHTC units in the market. The market rate properties Northwind Apartments, Spanish Mission, and Staten Crossing reported moderate vacancy rates of 6.6 to 7.4 percent. Both properties indicated that vacancy rates can fluctuate widely as there is a significant number of military tenants at the property. Additionally, both property managers reported having student tenants from Valdosta State University, which can cause vacancy rates to increase during the summer months. All three of these market rate properties are located in Valdosta, and are within closer proximity to Moody Air Force Base and Valdosta State University than the Subject, which will be in Hahira. It is unlikely that the Subject will have a significant percentage of military or student tenants, and therefore, the Subject's market rate units should maintain a lower vacancy rate than these properties. We have estimated a stabilized vacancy rate of five percent or less for both the Subject's LIHTC and market rate units, particularly given the lack of available rental housing in the immediate Hahira market.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. Vacancy among the LIHTC comparables is low at 1.0 percent and all four LIHTC comparables have waiting lists. Vacancy among the market rate comparables is also healthy at 4.2 percent, with vacancy fluctuations being attributable to deployments by military tenants stationed at Moody Air Force base and tenants who are students at Valdosta State University who leave for the summer months. However, the Subject is located in Hahira and the market rate comparables are located in Valdosta. Therefore, we do not believe that the Subject's market rate units will experience the same vacancy fluctuations as the market rate properties in Valdosta. The Subject will be a newly constructed LIHTC development with competitive amenities. The Subject's proposed LIHTC rents are at the low end of the observed rent range at the LIHTC comparables and the Subject's proposed market rents are below the rent range observed at the market rate comparables. As proposed, the Subject's units yield a rent advantage of 37 to 85 percent. Given the lack of vacant LIHTC units in the market and the waiting lists at all four LIHTC comparables, there appears to be a housing void in the

local market. Overall, we believe there is adequate demand for the Subject's units as proposed, and we do not believe that the Subject will have a negative impact on the existing LIHTC housing stock.

Recommendations

- We believe that the Subject will be successful in the local market and we recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

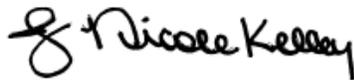
I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown 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
Certified General Appraiser
6-6-2016
Date



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



J. Nicole Kelley
Real Estate Analyst
6-6-2016
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
Certified General Appraiser

6-6-2016

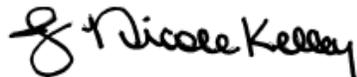
Date



Edward R. Mitchell, MAI
Manager
Novogradac & Company LLP

6-6-2016

Date



J. Nicole Kelley
Real Estate Analyst

6-6-2016

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

State of Connecticut – Certified General Real Estate Appraiser, No. RCG.0001439

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

EDWARD R. MITCHELL, MAI

I. Education

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

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

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

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

II. Work History

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

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

IV. Certifications & Licenses

- Alabama State Certified General Real Property Appraiser #G01192
- Florida State Certified General Real Property Appraiser #RZ3784
- Georgia State Certified General Real Property Appraiser #4649
- Mississippi State Certified Real Property Appraiser #GA 1135
- North Carolina State Certified General Real Property Appraiser #A7996
- South Carolina State Certified General Property Appraiser #7354
- West Virginia State Certified Real Property Appraiser #CG 524
- Licensed Real Estate Salesperson (Georgia)

STATEMENT OF PROFESSIONAL QUALIFICATIONS

J. Nicole Kelley

I. Education

Auburn University, Auburn, Alabama
Bachelor of Science in Business Administration: International Business
Auburn University, Auburn, Alabama
Master of Business Administration (MBA)

II. Professional Experience

Independent Real Estate Consultant
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Real Estate Researcher, Novogradac & Company LLP

III. Professional Training and Continuing Education

Member, National Council of Housing Market Analysts (NCHMA)
Member, Women in Affordable Housing Network (WAHN)
Successfully completed “Introduction to Commercial Real Estate Analysis” and
“Financial Analysis for Commercial Real Estate Investment”

IV. Real Estate Assignments

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

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.