

Market Feasibility Analysis

Peaks of Cornelia
Approximately 771 Level Grove Road
Cornelia, Habersham County, Georgia 30531

Prepared For

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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the proposed Peaks of Cornelia rental community to be constructed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Cornelia, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject development, assuming it is constructed and operated as proposed in this report.

1. Project Description:

The proposed project involves the new construction of the 80-unit Peaks of Cornelia on a 7.02-acre site along Level Grove Road, east of U.S. Highway 441 (approximately 771 Level Grove Road) in Cornelia, Georgia. The project will offer 12 one-, 40 two- and 28 three-bedroom garden-style units in five (5) two-story, walk-up residential buildings together with a free-standing, 1,500 square-foot community building. Oakwood Apartments will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). Note that 12 of the 80 total units will operate as market-rate units, with no rent or income restrictions. Monthly collected Tax Credit rents will range from \$336 to \$568, depending on unit size and targeted income level. Monthly collected rents for the market-rate units range from \$480 to \$630, depending on bedroom type. The monthly rent will include the cost of trash collection, while all other utility expenses will be the responsibility of the tenant. Up to 10% of the property may provide integrated housing opportunities to persons with disabilities through the use of Section 811 project-based rental assistance or other DCA offered rental assistance. It is of note, however, that this potential subsidy has yet to be secured, at the time of this report. The proposed project is expected to be complete by March of 2018. Additional details regarding the proposed project are included in *Section B* of this report.

2. Site Description/Evaluation:

The proposed subject site is located within a partially developed area of Cornelia, predominantly comprised of commercial and residential structures in good condition. These surrounding land uses are considered conducive to multifamily rental housing. Access to the site is considered good, as it is within 0.8 miles of U.S. Highway 441/State Route 15 and U.S. Highway 23/State Route 365. In addition, on-call, on-site public transportation services are available through Habersham County Transit. Visibility of the site is good from Level Grove Road, but will be slightly obstructed from U.S. Highway 441/ State Route 15 due to the surrounding land uses. Thus, promotional signage is recommended along U.S. Highway 441/State Route 15 to increase the subject project's awareness during the initial lease up process. The site is close to shopping, employment, recreation,

entertainment and education opportunities, and social services and public safety services are all within 5.6 miles. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability. An in-depth site evaluation is included in *Section C* of this report.

3. Market Area Definition:

The Cornelia Site PMA includes all of Cornelia, as well as the surrounding communities of Baldwin, Demorest, Alto, Mount Airy, and portions of Clarkesville. The Site PMA also includes some of the surrounding unincorporated portions of Habersham and Banks counties. The boundaries of the Site PMA generally include State Route 115, State Route 385, and New Liberty Road to the north; the Habersham County boundary to the east; Yonah Homer Road and Rock Springs Road to the south; and the Habersham County boundary to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the furthest boundary is 10.9 miles from the site.

4. Community Demographic Data:

Demographic trends within the Cornelia Site PMA are projected to be positive between 2016 and 2018, as the total population will increase by 547 and households will increase by 190, both of which are reflective of 1.6% increases during this time period. In addition to population and household trends, the number of renter households is projected to increase at a similar rate of 1.8% (69 households) during this same time period and nearly 4,000 renter households are projected for the market in 2018. Renter household growth is projected to be greatest among lower-income households earning below \$40,000, though it is also of note that renter households earning \$40,000 or more will remain stable during the projection period. Based on the preceding factors, a good base of potential support for both affordable and conventional market-rate rental product is expected to continue to exist within the Cornelia Site PMA. Additional demographic data is included in *Section E* of this report.

5. Economic Data:

According to local economic development representatives, the Habersham County economy is improving and multiple commercial/retail properties have been developed and/or are in the development pipeline within the county. It is of note however, that the local economy was severely impacted during the national recession, in terms of both total employment and unemployment rates. This is likely due in part to the relatively large share of jobs within the Manufacturing and Retail Trade segments, as these aforementioned industry segments represent nearly 34.0% of the total workforce within the Cornelia Site PMA. The Habersham County economy has steadily improved since the national recession, however, in terms of the unemployment rate. Notably, the unemployment rate declined by more than five full percentage points since the height of the national recession. However, total employment has struggled to improve within the county

since 2013. Based on the preceding factors, we expect Habersham County will continue to experience a slow economic recovery from the impact of the national recession. In addition, we also expect demand for affordable housing such as that primarily proposed at the subject project will remain high within the area, especially when considering the relatively large share of jobs within the Manufacturing and Retail Trade industries, as these industries typically offer lower wage paying positions. Additional economic data is included in *Section F* of this report.

6. Project-Specific Affordability and Demand Analysis:

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the proposed project's overall Tax Credit capture rate of 8.7% is considered low and easily achievable within the Cornelia Site PMA. This is also true of the subject's capture rates by AMHI level, which are 2.7% and 10.3% for the subject units at 50% and 60% of AMHI, respectively. This is especially true, given the high occupancy rate (98.4%) reported at the one existing general-occupancy LIHTC project, and limited supply of such product, in the market. Also note that the 12 market-rate units proposed at the subject site have a capture rate of just 5.8%, demonstrating that sufficient support also exists for the proposed unrestricted market-rate units at the subject site. Detailed demand calculations are provided in *Section G* of this report.

7. Competitive Rental Analysis

Tax Credit

The subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed three properties that operate under the LIHTC program. Two of these three properties, however, are age-restricted and therefore are not considered comparable to or competitive with the proposed family-oriented subject project. The one remaining property (Heritage Gardens), however, is a general-occupancy property targeting households earning up to 30%, 50% and 60% of AMHI. This property is considered competitive with the subject project and has been included in our comparable analysis.

Due to the limited supply of general-occupancy LIHTC product in the Site PMA, we also identified and surveyed two additional properties outside the Site PMA, but within the nearby region in the towns of Cleveland and Toccoa, Georgia. These additional properties offer similar unit types and target similar income segments as compared to the subject project and will therefore offer a good additional comparison to the subject project. Note however, that since these properties are located outside the Site PMA they derive demographic support from different geographic areas as compared to the subject project and are therefore not considered competitive with the subject project. As such, these properties have been included for comparability purposes only.

The three comparable properties and the proposed development are summarized as follows. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum B, *Comparable Property Profiles*.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Peaks of Cornelia	2018	68*	-	-	-	Families; 50% & 60% AMHI
5	Heritage Gardens	2006	64*	98.4%	1.4 Miles	30% AMHI: 18 H.H.	Families; 30%, 50%, & 60% AMHI
901	Fern Point Apts.	2012	48	100.0%	20.4 Miles	1 & 2-Br: 3 H.H.	Families; 50% & 60% AMHI
903	Whitehall Commons	2009	43*	100.0%	17.1 Miles	300 H.H.	Families; 50% & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 99.4%, which is reflective of just one (1) vacant unit at Heritage Gardens (Map ID 5). It is also of note that each of the three comparable properties currently maintains waiting lists for at least a portion of their unit types. The high occupancy rates and waiting lists maintained are good indications of strong and likely pent-up demand for additional family-oriented LIHTC product in the market and region.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Peaks of Cornelia	\$472/50% (3) \$566/60% (7)	\$566/50% (8) \$679/60% (26)	\$654/50% (6) \$785/60% (18)	-	-
5	Heritage Gardens	\$325/30% (2/0) \$523/50% (11/0) \$623/60% (3/0)	\$392/30% (5/0) \$631/50% (18/0) \$750/60% (9/1)	\$452/30% (2/0) \$728/50% (11/0) \$865/60% (3/0)	-	None
901	Fern Point Apts.	\$513/50% (2/0) \$568/60% (8/0)	\$602/50% (4/0) \$692/60% (24/0)	\$712/50% (2/0) \$822/60% (8/0)	-	None
903	Whitehall Commons	-	\$637/50% (9/0) \$757/60% (5/0)	\$732/50% (14/0) \$882/60% (10/0)	\$831/50% (4/0) \$991/60% (1/0)	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents ranging from \$472 to \$785 will be the lowest in the market and region, relative to similar unit types offered among the comparable properties. These low proposed gross rents will likely create a competitive advantage for the subject project, especially when considering the newness of the subject project and the high occupancy rates reported among the comparable properties.

Comparable Tax Credit Summary

Based on our survey, there is a limited supply of family-oriented LIHTC product in the Site PMA, as only one such property (Heritage Gardens) is currently offered in the market. The Tax Credit units offered at this aforementioned property are 98.4% occupied (one vacant unit), demonstrating high demand for general-occupancy LIHTC product in the market. The two additional LIHTC properties surveyed outside the Site PMA are both 100.0% occupied, further demonstrating high demand for general-occupancy LIHTC product in the region. The subject project will offer the lowest priced LIHTC units among the comparable properties in terms of gross rents. The unit sizes (square feet) to be offered at the subject project will be the smallest among the comparable properties, but are considered appropriate for and marketable to the targeted tenant population. The subject project will offer a competitive overall amenity package and the inclusion of in-unit washer/dryer appliances and a swimming pool at the subject project is expected to create a competitive advantage for the property. Overall, the subject project is considered marketable as proposed and is expected to represent a value to low-income renters in the Cornelia market.

Market-Rate

In addition to the Tax Credit units, the subject project will also offer 12 unrestricted market-rate units. We identified and surveyed six market-rate projects in the market that we consider most comparable to the subject project. This selection was based on, but not limited to age, unit type, design, size (square footage) and amenities. These six comparable market-rate properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built	Units	Occupancy Rate	Distance to Site	Rent Special
Site	Peaks of Cornelia	2018	12*	-	-	-
1	Willow Tree Apts.	1982	72	100.0%	1.3 Miles	None
2	Pine Forest Village Apts. I	1982	24	100.0%	1.2 Miles	None
3	Pine Forest Village Apts. II	1985	24	100.0%	1.2 Miles	None
5	Heritage Gardens	2006	16*	93.8%	1.4 Miles	None
6	Crown Point	1997	40	100.0%	1.4 Miles	None
8	Cameron at Clarksville Apt. Homes	2004	60	100.0%	8.7 Miles	None

*Market-rate units only

The six selected market-rate projects have a combined total of 236 units with an overall occupancy rate of 99.6%. None of the comparable properties reports an occupancy rate below 93.8%. In fact, five of the six comparable properties are 100.0% occupied. The high occupancy rates reported among the selected properties are good indications that each of the selected properties has been well-received within the Cornelia market and will serve as accurate benchmarks with which to compare the subject project. Note that one of the selected properties, Heritage Gardens (Map ID 5), is a mixed-income (market-rate and Tax Credit) property similar to the subject project.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
Site	Peaks of Cornelia	\$616 (2)	\$727 (6)	\$847 (4)
1	Willow Tree Apts.	-	\$707/ (72/0)	-
2	Pine Forest Village Apts. I	-	\$707 (12/0)	\$832 (12/0)
3	Pine Forest Village Apts. II	\$638 (8/0)	\$707 (16/0)	-
5	Heritage Gardens	\$746 (4/0)	\$888 (8/1)	\$1,018 (4/0)
6	Crown Point	-	\$688-\$708 (40/0)	-
8	Cameron at Clarksville Apt. Homes	\$775 (4/0)	\$912 (20/0)	\$987 (36/0)

The subject's proposed gross market-rate rents are within range of those reported among the comparable properties and are therefore considered appropriate for the Cornelia market.

Comparable Market-Rate Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the comparable market-rate properties within the market, it is our opinion that the proposed development will be competitive with these properties. It is also of note that the subject project will be significantly newer than most of the existing comparable market-rate properties in the market, as most of the properties selected as comparables were originally built prior to 1998. The newness of the subject project along with its competitive position in terms of price point, design, and amenities offered, is expected to contribute to the project's overall marketability within the Cornelia market.

An in-depth analysis of the Cornelia rental housing market is included in *Section H* of this report.

8. Absorption/Stabilization Estimates

Based on our analysis, it is our opinion that the 68 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately seven months. This absorption period is based on an average monthly absorption rate of approximately nine units per month. It is anticipated that the subject's 12 market-rate units will stabilize in approximately one month.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market exists for the 80 general-occupancy LIHTC and market-rate units proposed at the subject site, assuming it is developed and operated as detailed in this report. Changes to the project's site design, rents, amenities or opening date may alter these findings.

The subject site location is considered conducive to multifamily housing and is easily accessible and within close proximity of most basic community services. The subject's location is expected to have a positive impact on the overall marketability of the subject project.

The subject project will offer both LIHTC and unrestricted market-rate units targeting general-occupancy (family) households. Within the Site PMA, only one general-occupancy LIHTC property exists, Heritage Gardens (Map ID 5). The LIHTC units offered at this property are 98.4% occupied, which is reflective of just one vacant unit. We also identified and surveyed two additional comparable LIHTC projects outside the Site PMA, but within the region. These properties are both 100.0% occupied. Based on the preceding factors, non-subsidized family-oriented LIHTC product is in high demand within the market and region. The comparable market-rate properties surveyed in the market report an overall occupancy rate of 99.6%, demonstrating that market-rate product similar to that proposed at the subject site is also in high demand within the area. The subject project is considered competitively positioned in terms of price point (gross rents), design, and amenities offered. In fact, the subject project will offer the lowest priced LIHTC units in the market. This will likely create a competitive advantage for the subject property.

In addition, the proposed LIHTC units at the subject project have a capture rate of 8.7%, while the market-rate units proposed at the property have a capture rate of 5.8%. These capture rates are both considered low and demonstrate a good base of potential income-appropriate renter support in the market for each of the proposed unit types at the subject project.

Based on the preceding analysis and additional information contained within this report, we believe the proposed subject development is marketable and supportable within the Cornelia Site PMA as proposed and the project is not expected to have any adverse impact on future occupancy rates among existing comparable LIHTC properties in the market. In fact, we expect the subject project will help fill a void in the market, as only one general-occupancy LIHTC property exists in the market and a limited supply of modern market-rate product is available. We do not have any recommendations or modifications to the subject development at this time.

SUMMARY TABLE

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

Development Name:	Peaks of Cornelia	Total # Units: 80
Location:	Approximately 771 Level Grove Road, Cornelia, GA 30531	# LIHTC Units: 68
PMA Boundary:	The boundaries of the Site PMA generally include State Route 115, State Route 385, and New Liberty Road to the north; the Habersham County boundary to the east; Yonah Homer Road and Rock Springs Road to the south; and the Habersham County boundary to the west.	
	Farthest Boundary Distance to Subject:	10.9 miles

RENTAL HOUSING STOCK (found on page H-1 & 7 and A-4 & 5)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	399	6	98.5%
Market-Rate Housing	6*	236	1	99.6%
Assisted/Subsidized Housing not to include LIHTC	0	-	-	-
LIHTC	3*	163	5	96.9%
Stabilized Comps	3**	155	1	99.4%
Properties in Construction & Lease Up	0	-	-	-

*Includes mixed-income properties

**Includes comps located outside of Site PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	One-Br.	1.0	700	\$336 (50%)	\$555	\$0.68	65.2%	\$649	\$0.82
7	One-Br.	1.0	700	\$430 (60%)	\$555	\$0.68	29.1%	\$649	\$0.82
2	One-Br.	1.0	700	\$480 (MR)	\$555	\$0.68	15.6%	\$649	\$0.82
8	Two-Br.	2.0	1,050	\$394 (50%)	\$556	\$0.55	41.1%	\$749	\$0.69
26	Two-Br.	2.0	1,050	\$507 (60%)	\$556	\$0.55	9.7%	\$749	\$0.69
6	Two-Br.	2.0	1,050	\$555 (MR)	\$556	\$0.55	0.2%	\$749	\$0.69
6	Three-Br.	2.0	1,200	\$437 (50%)	\$742	\$0.63	69.8%	\$820	\$0.64
18	Three-Br.	2.0	1,200	\$568 (60%)	\$742	\$0.63	30.6%	\$820	\$0.64
4	Three-Br.	2.0	1,200	\$630 (MR)	\$742	\$0.63	17.8%	\$820	\$0.64

DEMOGRAPHIC DATA (found on page E-3 & G-5)

	2010		2016		2018	
Renter Households	3,389	29.3%	3,872	32.3%	3,941	32.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,423	11.9%	1,451	11.9%
Income-Qualified Renter HHs (MR) (if applicable)	N/A	N/A	1,164	9.7%	1,178	9.7%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	30%	50%	60%	Market-rate	Other:___	Overall (LIHTC)
Renter Household Growth	-	23	22	14	-	28
Existing Households (Overburd + Substand)	-	612	474	192	-	753
Homeowner conversion (Seniors)	-	N/A	N/A	N/A	-	N/A
Total Primary Market Demand	-	635	496	206	-	781
Less Comparable/Competitive Supply	-	0	0	0	-	0
Adjusted Income-Qualified Renter HHs	-	635	496	206	-	781

CAPTURE RATES (found on page G-5)

Targeted Population	30%	50%	60%	Market-rate	Other:___	Overall (LIHTC)
Capture Rate	-	2.7%	10.3%	5.8%	-	8.7%

SECTION B - PROJECT DESCRIPTION

The proposed project involves the new construction of the 80-unit Peaks of Cornelia on a 7.02-acre site along Level Grove Road, east of U.S. Highway 441 (approximately 771 Level Grove Road) in Cornelia, Georgia. The project will offer 12 one-, 40 two- and 28 three-bedroom garden-style units in five (5) two-story, walk-up residential buildings together with a free-standing, 1,200 square-foot community building. Oakwood Apartments will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). Note that 12 of the 80 total units will operate as market-rate units, with no rent or income restrictions. Monthly collected Tax Credit rents will range from \$336 to \$568, depending on unit size and targeted income level. Monthly collected rents for the market-rate units range from \$480 to \$630, depending on bedroom type. Up to 10% of the property may provide integrated housing opportunities to persons with disabilities through the use of Section 811 project-based rental assistance or other DCA offered rental assistance. It is of note, however, that this potential subsidy has yet to be secured, at the time of this report. The proposed project is expected to be complete by March of 2018. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

1. **Project Name:** Peaks of Cornelia
2. **Property Location:** Approximately 771 Level Grove Road
Cornelia, Georgia 30531
(Habersham County)

Census Tract: 6.02

QCT: No DDA: No
3. **Project Type:** New Construction

4. Unit Configuration and Rents:

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
3	One-Br.	1.0	Garden	700	50%	\$336	\$136	\$472	\$496
7	One-Br.	1.0	Garden	700	60%	\$430	\$136	\$566	\$596
2	One-Br.	1.0	Garden	700	-	\$480	\$136	\$616	-
8	Two-Br.	2.0	Garden	1,050	50%	\$394	\$172	\$566	\$596
26	Two-Br.	2.0	Garden	1,050	60%	\$507	\$172	\$679	\$715
6	Two-Br.	2.0	Garden	1,050	-	\$555	\$172	\$727	-
6	Three-Br.	2.0	Garden	1,200	50%	\$437	\$217	\$654	\$688
18	Three-Br.	2.0	Garden	1,200	60%	\$568	\$217	\$785	\$825
4	Three-Br.	2.0	Garden	1,200	-	\$630	\$217	\$847	-
80	Total								

Source: Landbridge Development, LLC

AMHI - Area Median Household Income (Habersham County, GA; 2015)

5. Target Market:

Families (general-occupancy)

6. Project Design:

Five (5) two-story, walk-up residential buildings with 80 garden-style units and one (1) stand-alone, 1,500 square-foot community building.

7. Original Year Built:

Not Applicable; New Construction

8. Projected Opening Date:

March 2018

9. Unit Amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Garbage Disposal
- Central Air Conditioning
- Carpet
- Window Blinds
- Ceiling Fans
- In-Unit Washer/Dryer Appliances

10. Community Amenities:

- On-Site Management
- Club House/Community Room
- Swimming Pool
- Computer Center
- Playground
- Picnic Area

11. Resident Services:

The subject site will not offer any resident services.

12. Utility Responsibility:

The cost of trash collection will be included in the monthly rent. Tenants will be responsible for all other utility charges, including the cost of:

- Electric Heat
- Electric Water Heat
- Electric Cooking
- General Electricity
- Cold Water
- Sewer

13. Rental Assistance:

According to the developer, up to 10% of the property may potentially operate with a Section 811 subsidy available to persons with disabilities. This subsidy, however, has yet to be secured at the time of this report. As such, we have evaluated the subject project assuming the property operates exclusively under the LIHTC program throughout this report.

14. Parking:

The subject site will offer 160 open lot parking spaces at no additional charge. This equates to 2.0 spaces per unit, which is considered appropriate for multifamily rental product such as that proposed at the site.

15. Current Project Status:

Not Applicable; New Construction

16. Statistical Area:

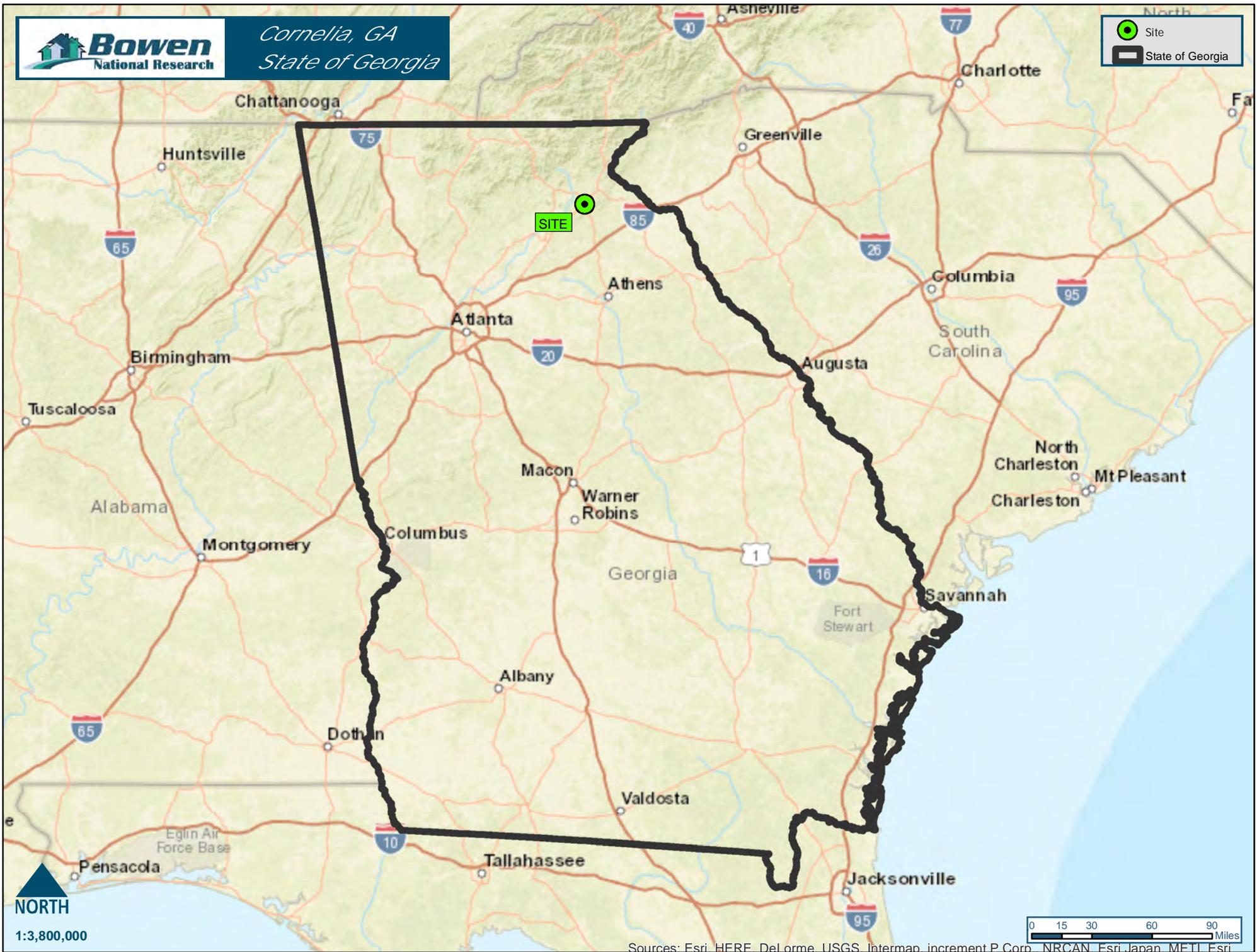
Habersham County, Georgia (2015)

A state map, area map and map illustrating the site neighborhood are on the following pages.



Cornelia, GA
State of Georgia

Legend:
● Site
▭ State of Georgia

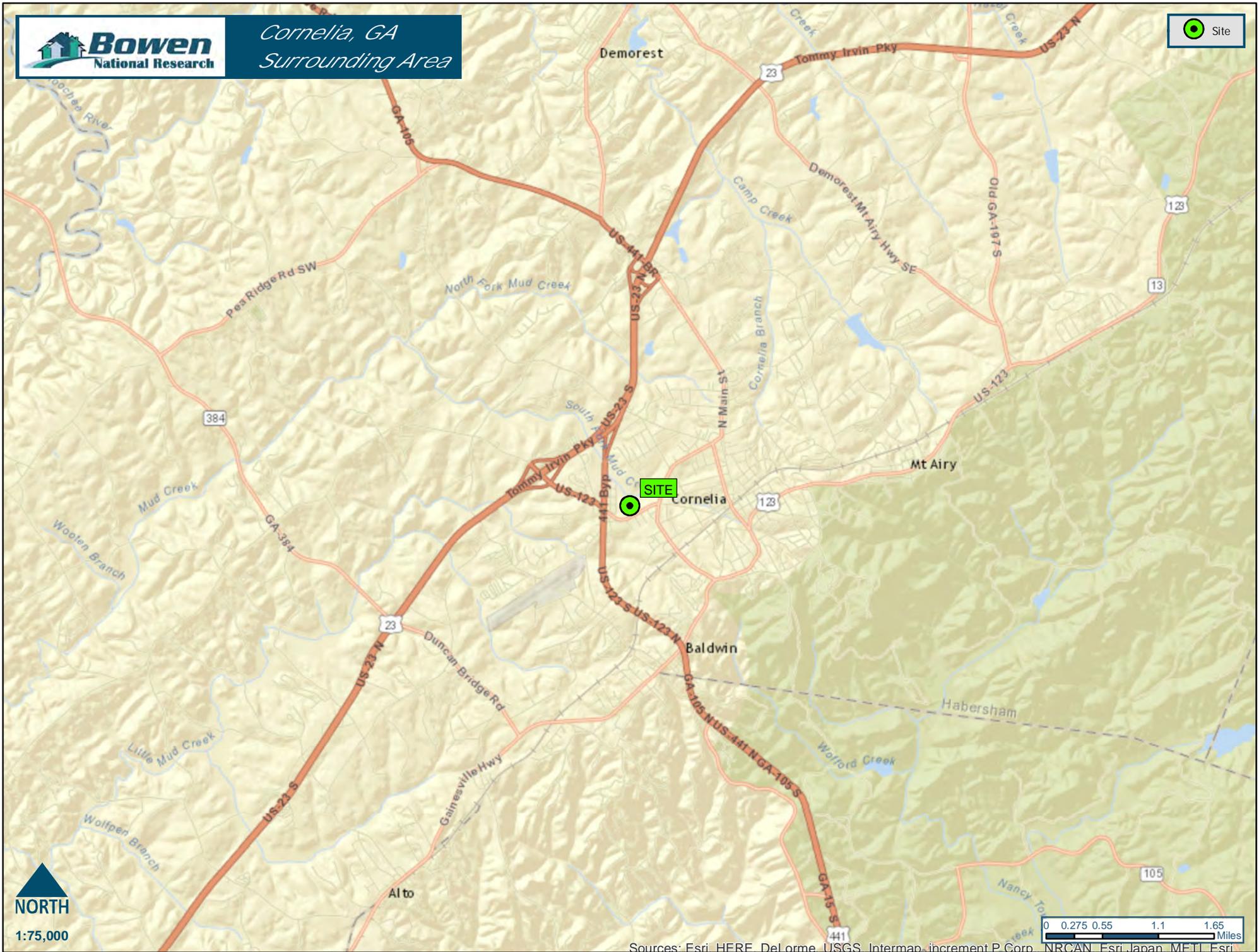
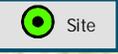


NORTH
1:3,800,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



Cornelia, GA
Surrounding Area



1:75,000

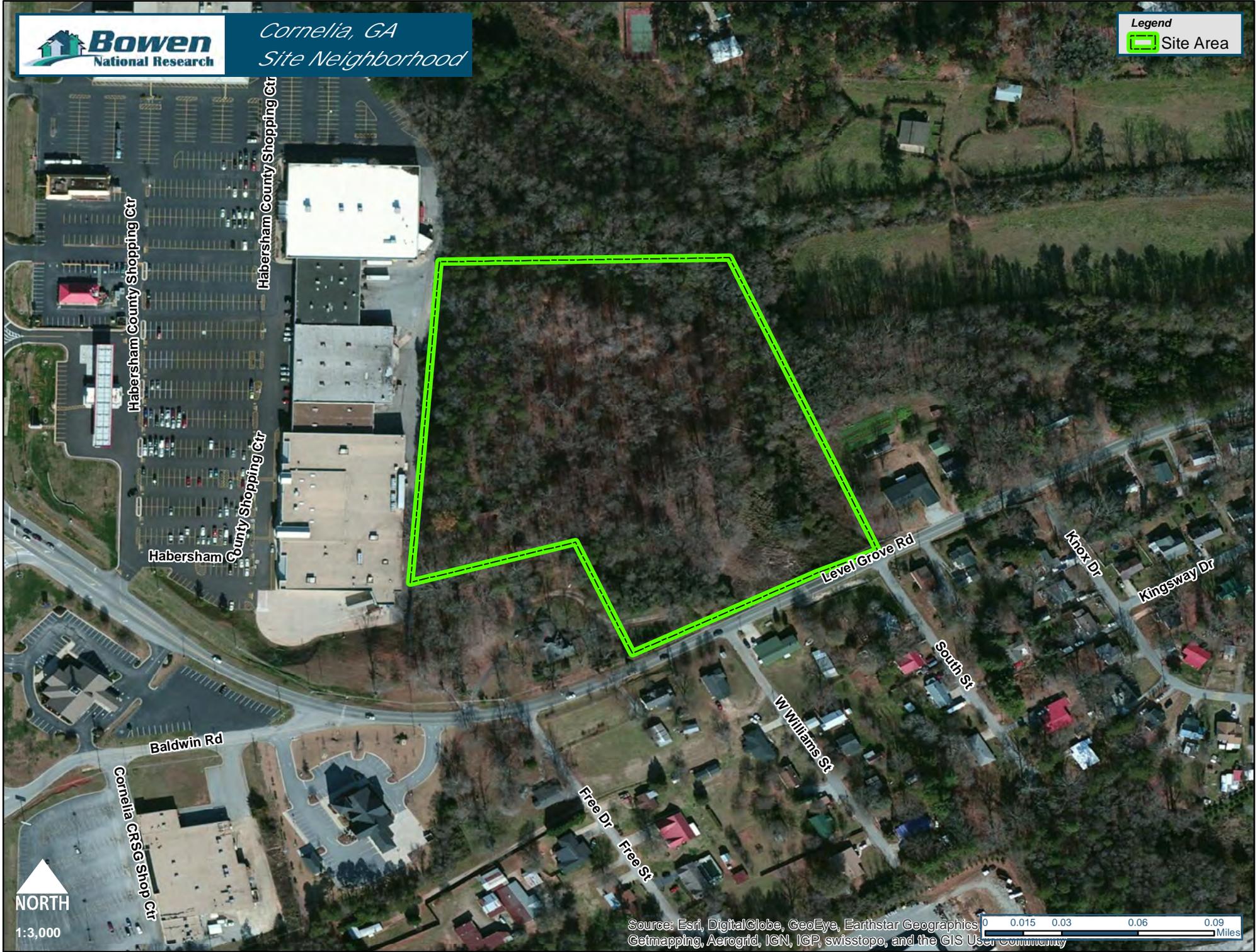
0 0.275 0.55 1.1 1.65 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



Cornelia, GA
Site Neighborhood

Legend
 Site Area



NORTH
1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
0 0.015 0.03 0.06 0.09 Miles

SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site consists of wooded land located at approximately 770 Level Grove Road in the western portion of Cornelia, Georgia. Located within Habersham County, Cornelia is approximately 44.0 miles northwest of Athens, Georgia and approximately 77.0 miles northeast of Atlanta, Georgia. Jordan Resnick, an employee of Bowen National Research, inspected the site and area apartments during the week of April 4, 2016.

2. SURROUNDING LAND USES

The subject site is within a partially developed area of Cornelia. Surrounding land uses generally include single-family homes, undeveloped land and a shopping center. Adjacent land uses are detailed as follows:

North -	Undeveloped, wooded land borders the subject site to the north, followed by single-family homes in fair to good condition. Extending farther north are additional single-family homes and undeveloped land.
East -	Undeveloped, wooded land and single-family homes in fair condition border the site to the east. Continuing east and extending beyond are additional single-family homes in fair condition.
South -	Level Grove Road, a two-lane moderately traveled roadway, borders the site to the south, immediately followed by single-family homes in fair to good condition. Continuing south is undeveloped, wooded land. Southeast of the site is Fieldale Farms.
West -	The Habersham County Shopping Center borders the site to the west, immediately followed by U.S. Highway 441/State Route 15, a four-lane divided highway. Extending beyond U.S. Highway 441/State Route 15 are the Quality Foods shopping center, additional local businesses, residential dwellings and undeveloped land.

The surrounding land uses primarily include residential dwellings and a shopping center that are generally considered to be in good condition. These land uses are considered conducive to multifamily rental housing and will have a positive impact on the subject's marketability.

3. ACCESS AND VISIBILITY

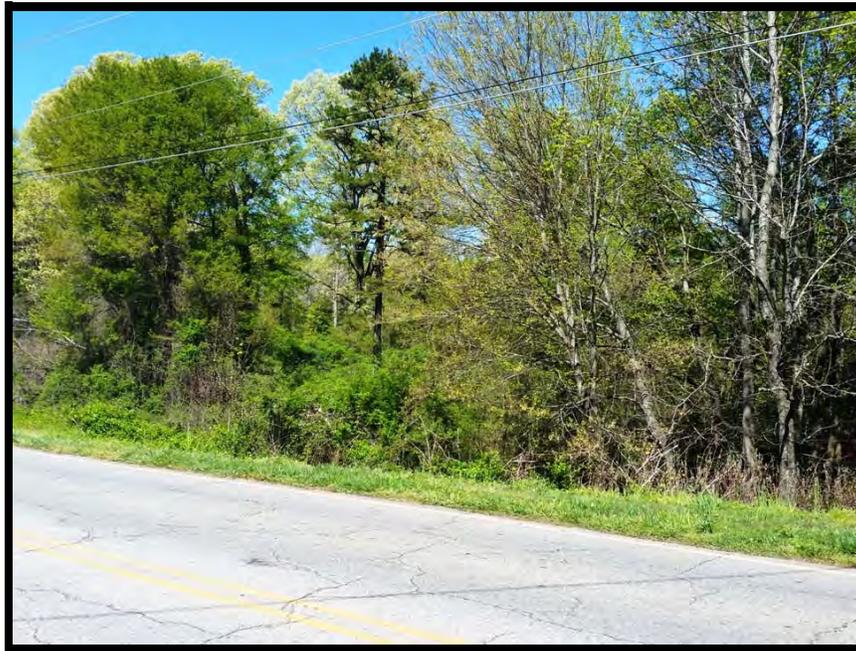
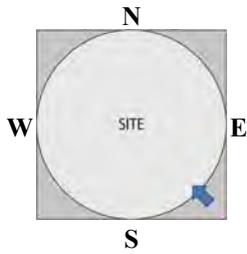
The subject property is located on the north side of Level Grove Road. Vehicular traffic along this roadway is moderate, particularly during peak commuting hours due to the presence of multiple community services within the immediate area. Ingress and egress are considered convenient, with clear lines of site provided in both directions of travel. Additionally, the subject project is within 0.8 miles of U.S. Highway 441/State Route 15 and U.S. Highway 23/State Route 365. Although there are no scheduled bus stops within Cornelia, on-call, on-site transportation services are available through Habersham County Transit. Overall, access is considered good. The subject site is clearly visible upon ingress along Level Grove Road, as the subject site maintains frontage and is expected to provide proper site signage along this aforementioned roadway. Note however, that visibility of the site will be slightly obstructed by the adjacent shopping center for motorists traveling along U.S. Highway 441/State Route 15. Thus, promotional signage is recommended along this arterial roadway to increase the subject project's awareness during the initial lease up process.

Based on information provided by area planning and zoning officials, as well as the observations of our analyst, no notable roads or other infrastructure projects are underway or planned for the immediate site area.

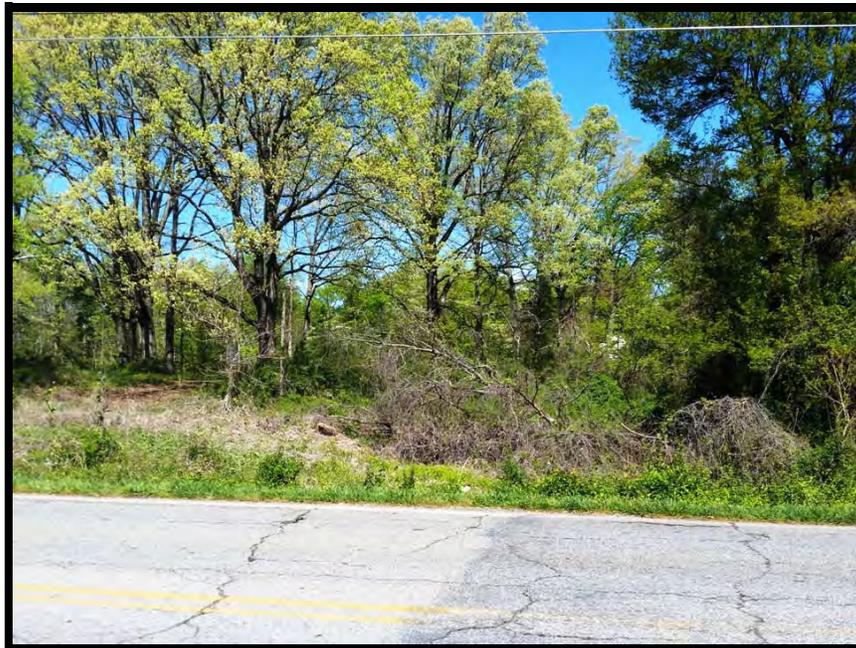
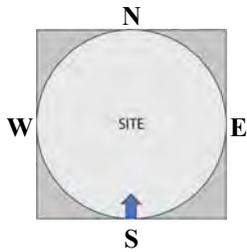
4. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

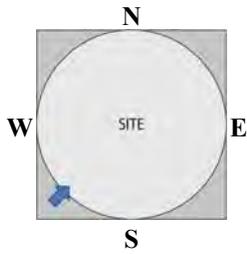
SITE PHOTOGRAPHS



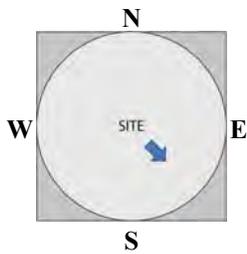
View of site from the southeast



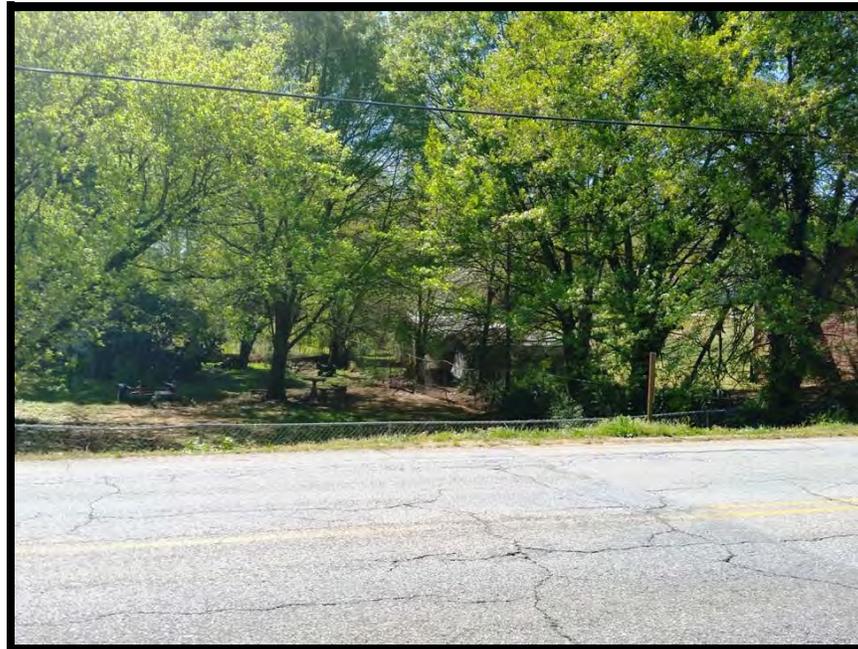
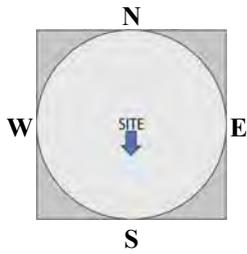
View of site from the south



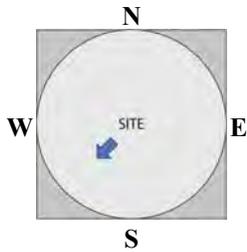
View of site from the southwest



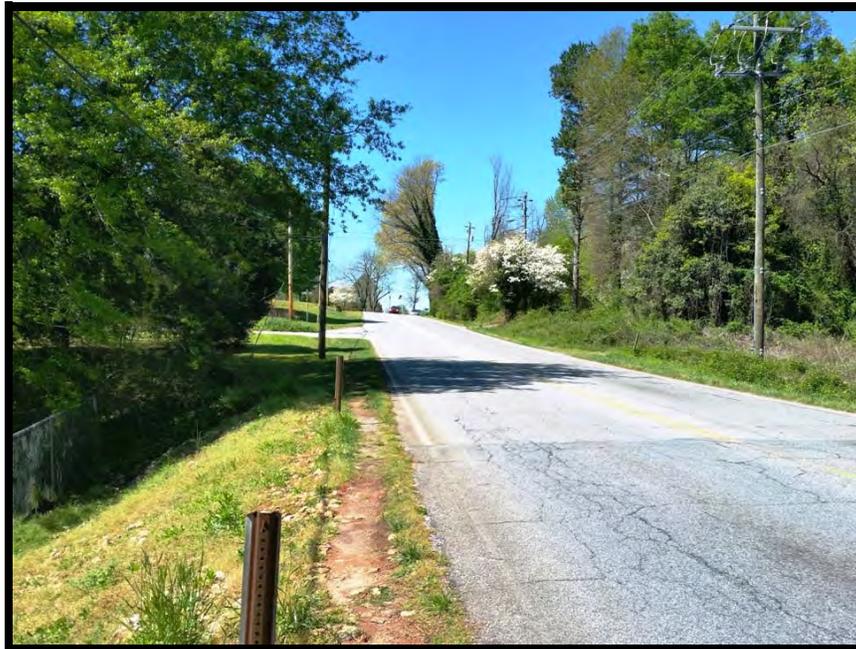
Southeast view from site



South view from site



Southwest view from site



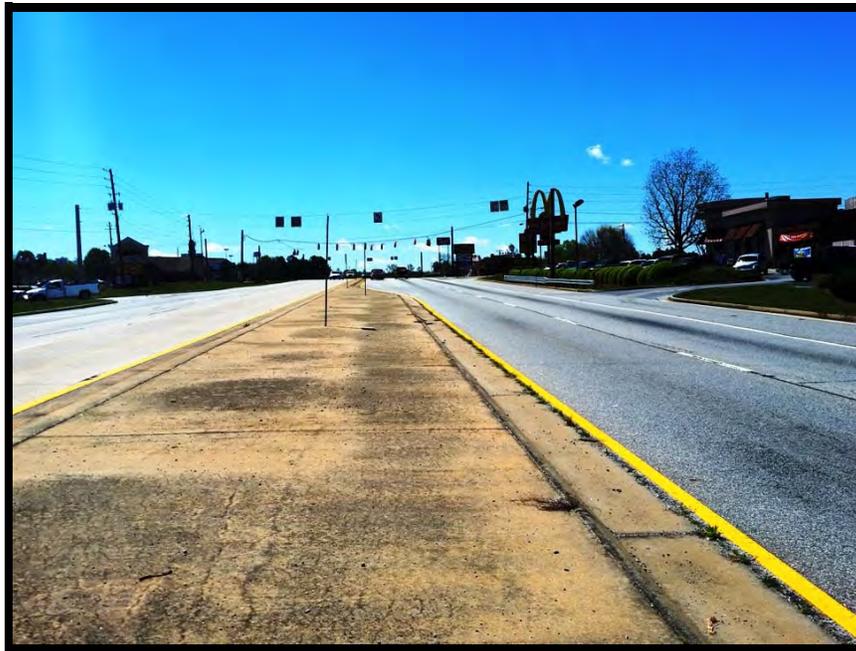
Streetscape: West view of Level Grove Road



Streetscape: East view of Level Grove Road



Streetscape: North view of U.S. Highway 441 (Georgia 15 Bypass)



Streetscape: South view of U.S. Highway 441 (Georgia 15 Bypass)



Shopping Plaza West of Site

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

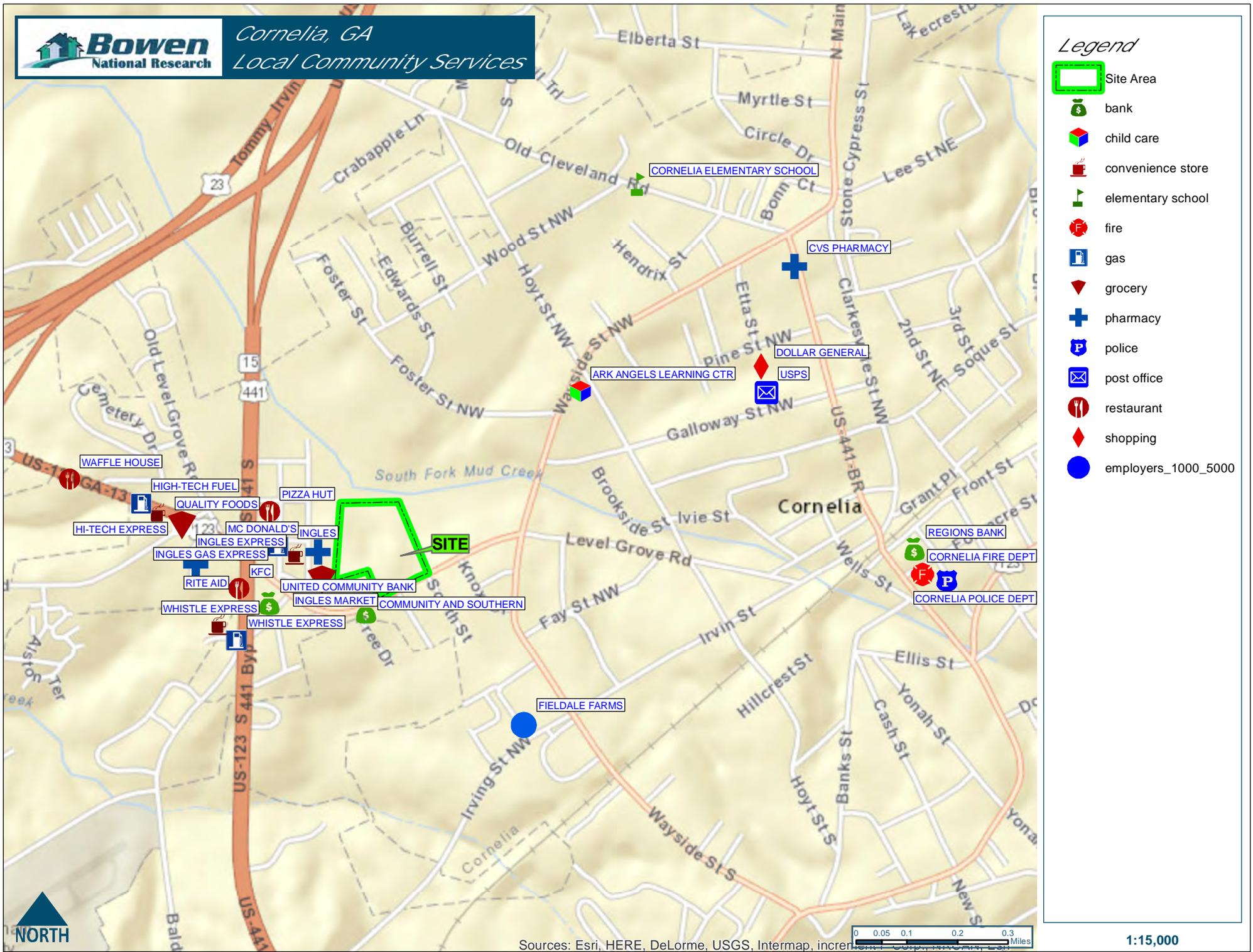
The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 441/State Route 15	0.2 West
	U.S. Highway 23/State Route 365	0.8 West
Public Bus Stop	Habersham County Transit	On-Call, On-Site
Major Employers/ Employment Centers	Habersham County Shopping Center	0.2 West
	Fieldale Farms	0.4 Southeast
	Walmart Supercenter	2.3 North
	Habersham County Medical Center	5.6 North
Convenience Store	Ingles Express	0.2 West
	Whistle Express	0.3 West
	HT (Hi-Tech) Express	0.6 West
Grocery	Ingles Market	0.2 West
	Quality Foods	0.3 West
Discount Department Store	Dollar General	1.0 Northeast
	Walmart Supercenter	2.3 North
	Kmart	2.7 North
	Big Lots	2.8 North
Shopping Center/Mall	Habersham County Shopping Center	0.2 West
	Quality Foods Shopping Center	0.3 West
	Habersham Crossing	2.8 North
Schools: Elementary Middle/Junior High High	Cornelia Elementary School	1.0 Northeast
	South Habersham Middle School	2.2 West
	Habersham Central High School	4.5 Northeast
Hospital	Express Care of Habersham	2.0 Northeast
	Habersham County Medical Center	5.6 North
Police	Cornelia Police Department	1.1 East
Fire	Cornelia Fire Department	1.0 East
Post Office	U.S. Post Office	1.0 Northeast
Bank	Community & Southern Bank	0.1 Southwest
	United Community Bank	0.2 West
	Regions Bank	1.0 East
Gas Station	Ingles Gas Express	0.2 West
	Whistle Express	0.3 West
	HT (Hi-Tech) Fuel	0.6 West
Pharmacy	Ingles Market	0.2 West
	Rite Aid	0.3 West
	CVS	1.0 Northeast
Restaurant	Pizza Hut	0.3 West
	KFC	0.3 West
	McDonald's	0.4 West
	Waffle House	0.6 West
Day Care	Ark Angel's Learning Center	0.6 Northeast
Park	Cornelia City Park	1.8 East
Community Center	Cornelia Community House	1.6 East

The subject's location near U.S. Highway 441/State Route 15 allows it to be within close proximity to several community services. Notably, there are two shopping centers within 0.3 miles of the site, which include Ingles Market, Quality Foods, Belk, Bealls Outlet, Pizza Hut, Rite Aid, Aaron's, KFC and various other retailers and restaurants. Additionally, a Walmart Supercenter is located 2.3 miles north of the site.

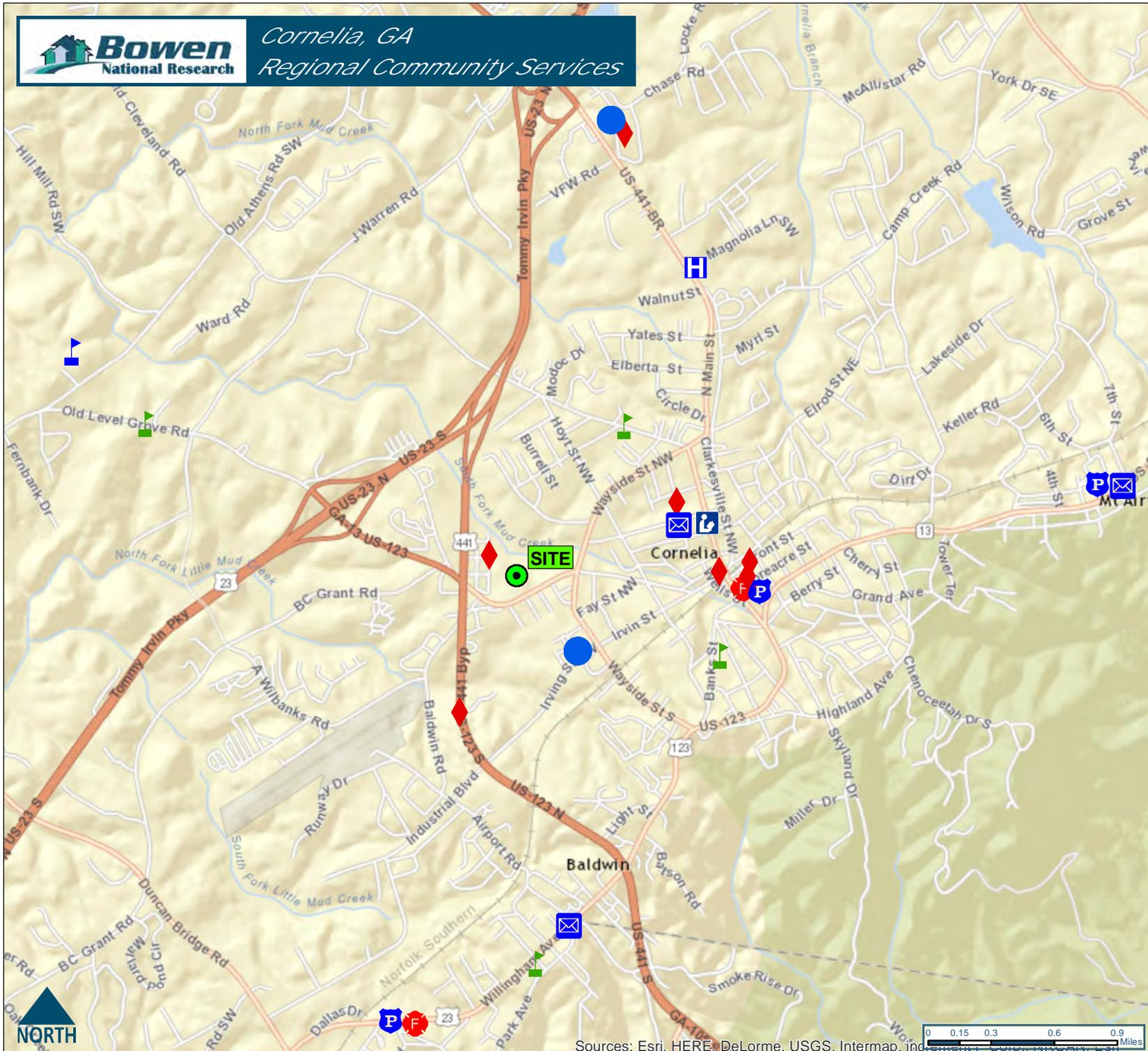
Public safety services are provided by the Cornelia Police and Fire departments, both located within 1.1 mile. In addition, Habersham County Medical Center is the nearest full-service hospital and is located 5.6 miles from the subject site. Habersham County Schools serve the subject site, with all applicable attendance schools being within 4.5 miles of the site.

Maps illustrating the location of community services are on the following pages.



- Legend*
- Site Area
 - bank
 - child care
 - convenience store
 - elementary school
 - fire
 - gas
 - grocery
 - pharmacy
 - police
 - post office
 - restaurant
 - shopping
 - employers_1000_5000





Legend

- Site
- elementary school
- fire
- hospital
- library
- middle school
- police
- post office
- shopping
- employers_1000_5000



6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the Site PMA is 42, with an overall personal crime index of 40 and a property crime index of 38. Total crime risk for Habersham County is 50, with indexes for personal and property crime of 48 and 47, respectively.

	Crime Risk Index	
	Site PMA	Habersham County
Total Crime	42	50
Personal Crime	40	48
Murder	89	80
Rape	33	39
Robbery	12	12
Assault	37	66
Property Crime	38	47
Burglary	52	62
Larceny	34	39
Motor Vehicle Theft	29	41

Source: Applied Geographic Solutions

As the preceding illustrates, the crime risk index reported for the Site PMA (42) is lower than that reported for Habersham County (50) as a whole, and both are well below the national average of 100. These low crime rates have likely resulted in a low perception of crime within the Cornelia market, which is expected to contribute to the overall marketability of the subject project.

A map illustrating crime risk is on the following page.



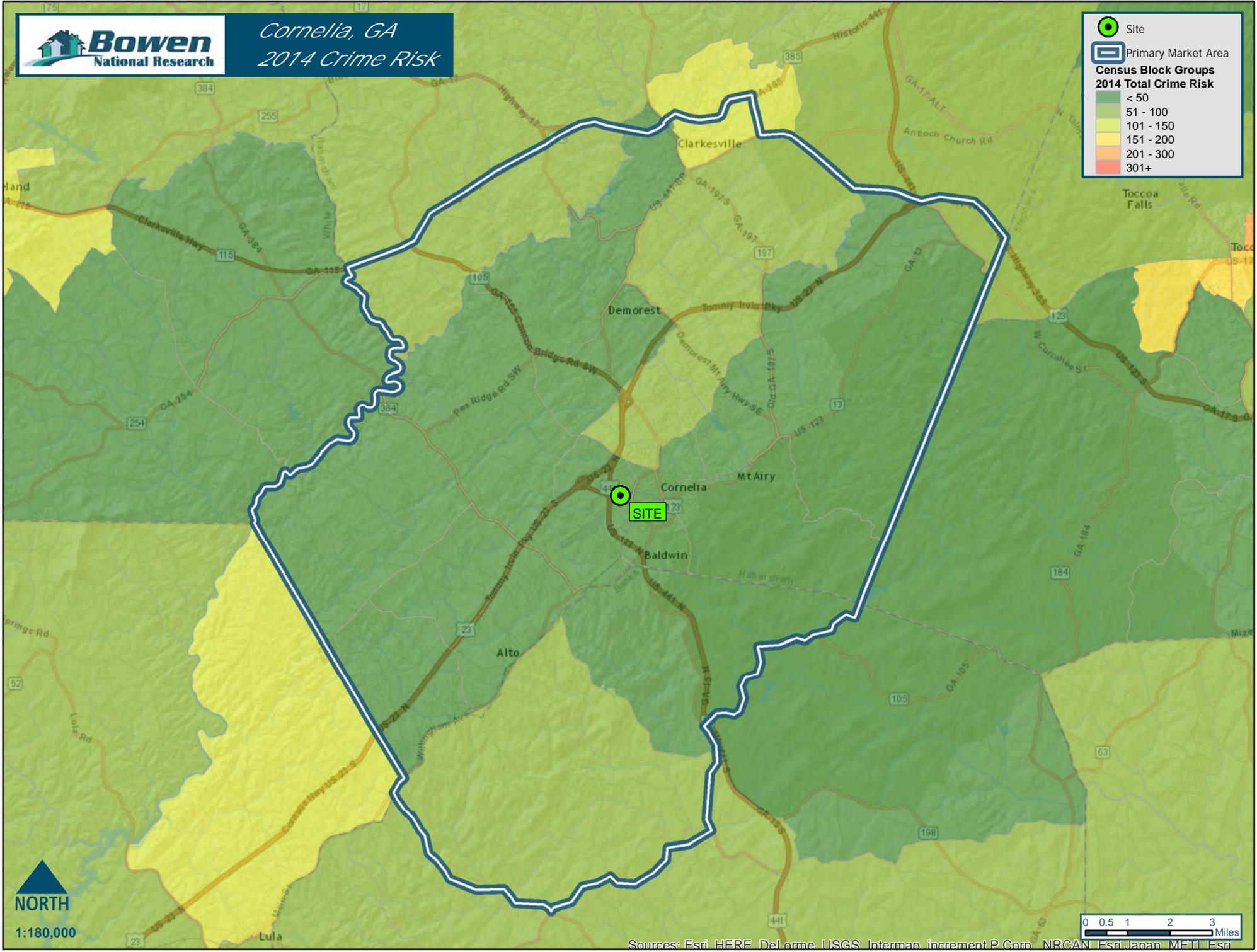
Cornelia, GA
2014 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH
1:180,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

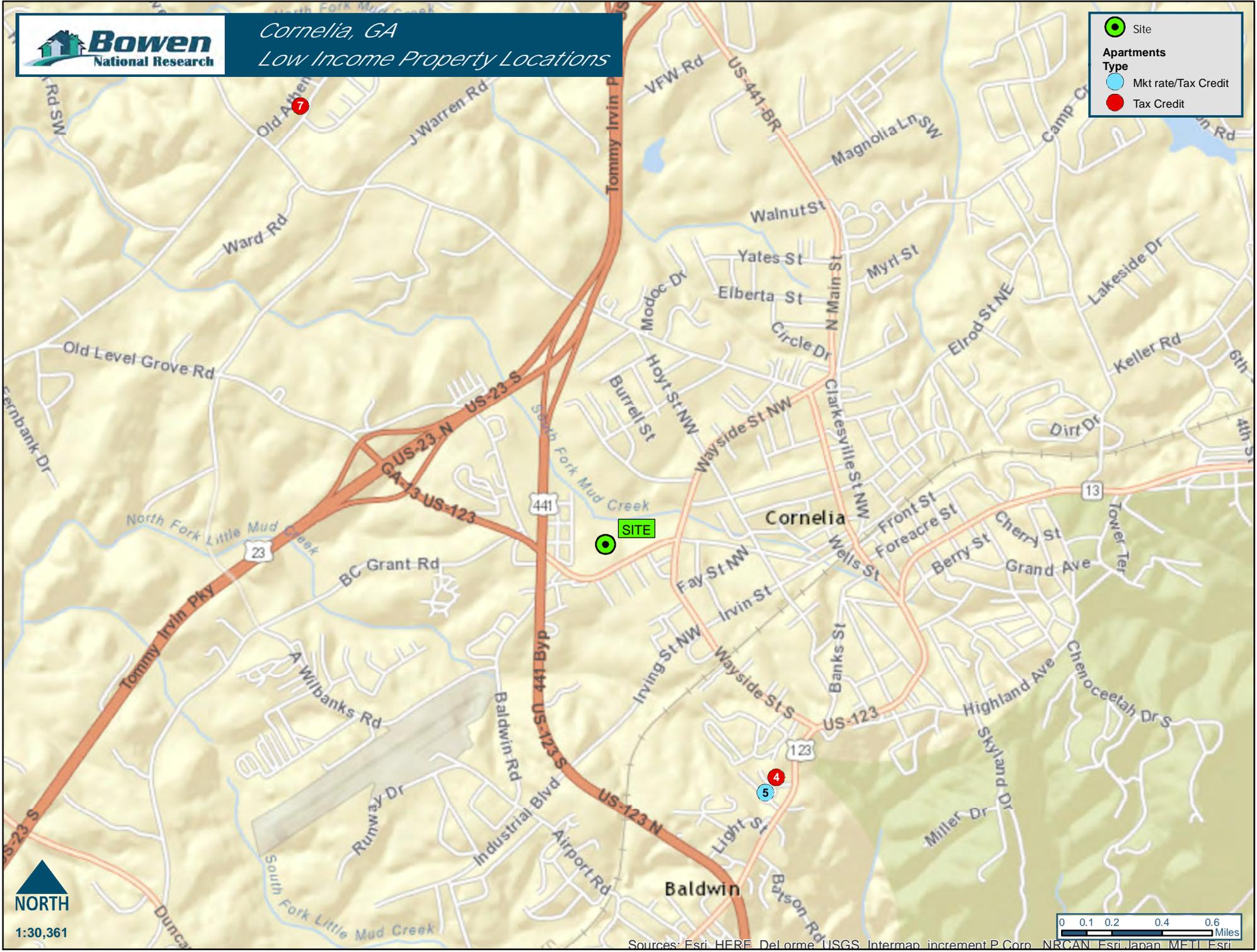
7. OVERALL SITE EVALUATION

The proposed subject site is located within a partially developed area of Cornelia, predominantly comprised of commercial and residential structures in good condition. These surrounding land uses are considered conducive to multifamily rental housing. Access to the site is considered good, as it is within 0.8 miles of U.S. Highway 441/State Route 15 and U.S. Highway 23/State Route 365. In addition, on-call, on-site public transportation services are available through Habersham County Transit. Visibility of the site is good from Level Grove Road, but will be slightly obstructed from U.S. Highway 441/ State Route 15 due to the surrounding land uses. Thus, promotional signage is recommended along U.S. Highway 441/State Route 15 to increase the subject project's awareness during the initial lease up process. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social services and public safety services are all within 5.6 miles. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

8. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.

 Site
Apartments Type
 Mkt rate/Tax Credit
 Tax Credit



SECTION D – PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Cornelia Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Cornelia Site PMA includes all of Cornelia, as well as the surrounding communities of Baldwin, Demorest, Alto, Mount Airy, and portions of Clarkesville. The Site PMA also includes some of the surrounding unincorporated portions of Habersham and Banks counties. The boundaries of the Site PMA generally include State Route 115, State Route 385, and New Liberty Road to the north; the Habersham County boundary to the east; Yonah Homer Road and Rock Springs Road to the south; and the Habersham County boundary to the west.

Rhonda Cochran is the Community Manager at Heritage Gardens (Map ID 5), an 80-unit mixed-income (market-rate and Tax Credit) rental community in Cornelia. According to Ms. Cochran, the majority of her property's residents has originated from throughout the Habersham County area and believes that the proposed development will generate support from a similar geographical region. Ms. Cochran confirmed the boundaries of the Site PMA.

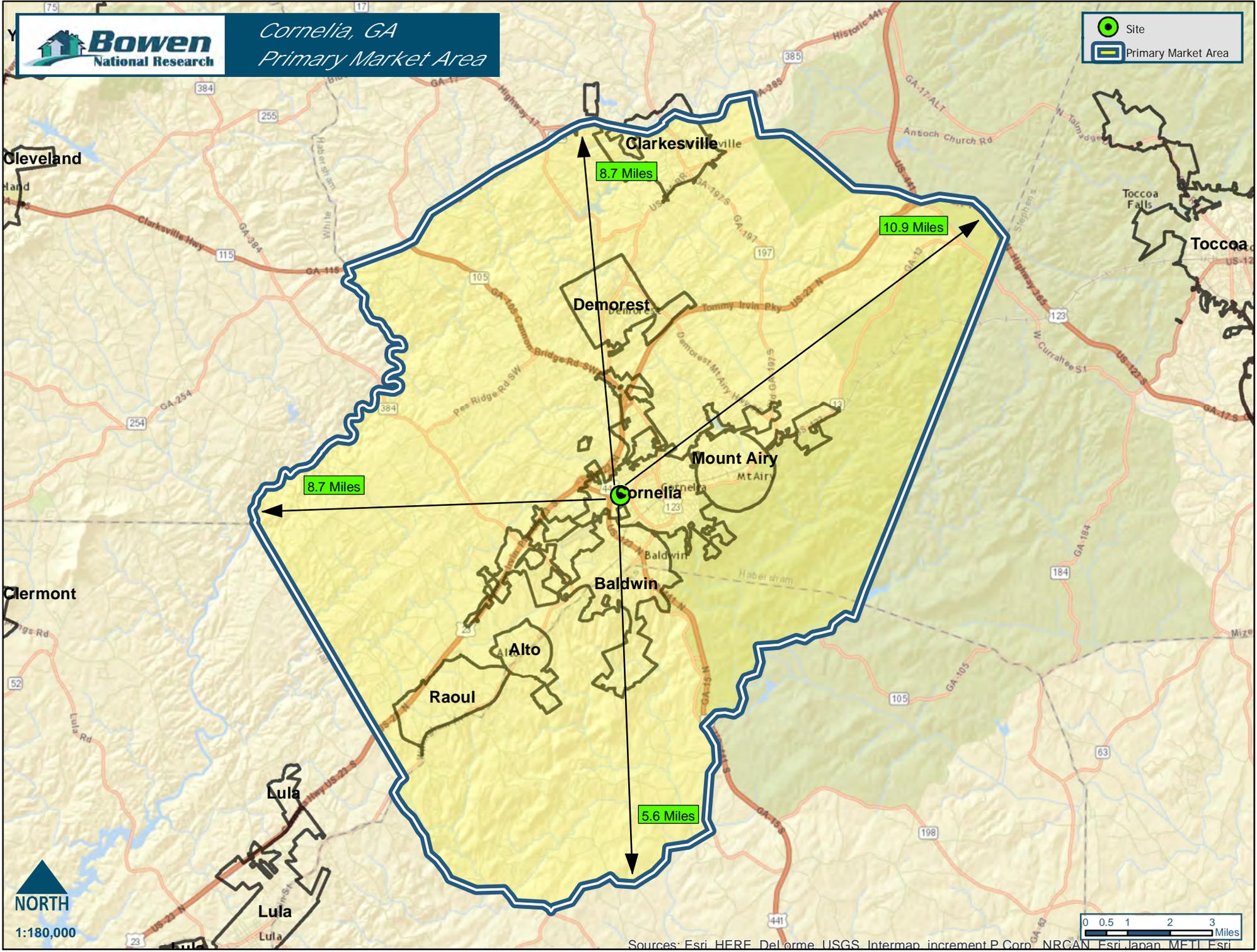
Though some support for the proposed project will undoubtedly originate from areas outside the Site PMA, the majority of support is expected to derive from within the boundaries of the Site PMA. Based on the preceding analysis, we have not considered a secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.

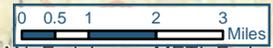


*Cornelia, GA
Primary Market Area*

● Site
▭ Primary Market Area



NORTH
1:180,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

SECTION E – COMMUNITY DEMOGRAPHIC DATA

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2016 (estimated) and 2018 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2016 (Estimated)	2018 (Projected)
Population	28,208	33,563	34,897	35,444
Population Change	-	5,355	1,334	547
Percent Change	-	19.0%	4.0%	1.6%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Cornelia Site PMA population base increased by 5,355 between 2000 and 2010. This represents an 19.0% increase over the 2000 population, or an annual rate of 1.8%. Between 2010 and 2016, the population increased by 1,334, or 4.0%. It is projected that the population will increase by 547, or 1.6%, between 2016 and 2018.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2016 (Estimated)		2018 (Projected)		Change 2016-2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	9,343	27.8%	9,445	27.1%	9,654	27.2%	209	2.2%
20 to 24	2,290	6.8%	2,310	6.6%	2,229	6.3%	-81	-3.5%
25 to 34	4,573	13.6%	4,674	13.4%	4,579	12.9%	-96	-2.0%
35 to 44	4,576	13.6%	4,632	13.3%	4,678	13.2%	46	1.0%
45 to 54	4,504	13.4%	4,472	12.8%	4,503	12.7%	31	0.7%
55 to 64	3,710	11.1%	4,069	11.7%	4,204	11.9%	134	3.3%
65 to 74	2,553	7.6%	3,121	8.9%	3,274	9.2%	152	4.9%
75 & Over	2,013	6.0%	2,173	6.2%	2,324	6.6%	151	7.0%
Total	33,562	100.0%	34,897	100.0%	35,444	100.0%	547	1.6%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over 51% of the population is expected to be between 25 and 64 years old in 2016. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Cornelia Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2016 (Estimated)	2018 (Projected)
Households	10,174	11,561	11,981	12,170
Household Change	-	1,387	420	190
Percent Change	-	13.6%	3.6%	1.6%
Household Size	2.77	2.90	2.72	2.73

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Cornelia Site PMA, households increased by 1,387 (13.6%) between 2000 and 2010. Between 2010 and 2016, households increased by 420 or 3.6%. By 2018, there will be 12,170 households, an increase of 190 households, or 1.6% over 2016 levels. This is an increase of approximately 95 households annually over the next two years, which is considered good household growth and will likely increase housing demand within the market.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2016 (Estimated)		2018 (Projected)		Change 2016-2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	480	4.2%	452	3.8%	455	3.7%	3	0.6%
25 to 34	1,684	14.6%	1,695	14.1%	1,652	13.6%	-42	-2.5%
35 to 44	2,103	18.2%	2,109	17.6%	2,118	17.4%	9	0.4%
45 to 54	2,257	19.5%	2,202	18.4%	2,204	18.1%	2	0.1%
55 to 64	2,092	18.1%	2,215	18.5%	2,268	18.6%	54	2.4%
65 to 74	1,584	13.7%	1,878	15.7%	1,952	16.0%	74	3.9%
75 to 84	987	8.5%	1,028	8.6%	1,079	8.9%	51	5.0%
85 & Over	373	3.2%	401	3.4%	441	3.6%	39	9.8%
Total	11,560	100.0%	11,981	100.0%	12,170	100.0%	190	1.6%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As previously discussed, the primary age group of potential renters at the subject project is those between the ages of 25 and 64, an age cohort which is estimated to comprise nearly 69.0% of all households in 2016. It is also of note that this age cohort is projected to increase by 23, or 0.3%, between 2016 and 2018. Although modest, this household growth demonstrates a stable base of potential age-appropriate household support in the market for the subject project.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2016 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	8,172	70.7%	8,109	67.7%	8,230	67.6%
Renter-Occupied	3,389	29.3%	3,872	32.3%	3,941	32.4%
Total	11,561	100.0%	11,981	100.0%	12,170	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2016, homeowners occupied 67.7% of all occupied housing units, while the remaining 32.3% were occupied by renters. Note the number of renter households is projected to increase by 69, or 1.8%, between 2016 and 2018. This is a good indication of a stable, and likely expanding, rental market within the Site PMA.

The household sizes by tenure within the Site PMA, based on the 2016 estimates and 2018 projections, were distributed as follows:

Persons Per Renter Household	2016 (Estimated)		2018 (Projected)		Change 2016-2018	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,209	31.2%	1,232	31.3%	23	1.9%
2 Persons	827	21.4%	839	21.3%	12	1.4%
3 Persons	669	17.3%	683	17.3%	14	2.1%
4 Persons	532	13.7%	538	13.7%	7	1.3%
5 Persons+	635	16.4%	647	16.4%	13	2.0%
Total	3,872	100.0%	3,941	100.0%	68	1.8%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household	2016 (Estimated)		2018 (Projected)		Change 2016-2018	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,701	21.0%	1,730	21.0%	29	1.7%
2 Persons	3,060	37.7%	3,094	37.6%	33	1.1%
3 Persons	1,325	16.3%	1,350	16.4%	25	1.9%
4 Persons	1,097	13.5%	1,111	13.5%	15	1.3%
5 Persons+	926	11.4%	945	11.5%	19	2.0%
Total	8,109	100.0%	8,230	100.0%	121	1.5%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The one- through three-bedroom units proposed at the subject project are expected to house up to five-person households. As such, the subject project will be able to accommodate most renter households in the market, based on household size.

The distribution of households by income within the Cornelia Site PMA is summarized as follows:

Household Income	2010 (Census)		2016 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	936	8.1%	1,155	9.6%	1,188	9.8%
\$10,000 to \$19,999	1,832	15.8%	2,207	18.4%	2,257	18.5%
\$20,000 to \$29,999	1,641	14.2%	1,861	15.5%	1,906	15.7%
\$30,000 to \$39,999	1,632	14.1%	1,616	13.5%	1,634	13.4%
\$40,000 to \$49,999	1,028	8.9%	1,050	8.8%	1,066	8.8%
\$50,000 to \$59,999	786	6.8%	800	6.7%	813	6.7%
\$60,000 to \$74,999	1,257	10.9%	1,061	8.9%	1,071	8.8%
\$75,000 to \$99,999	1,203	10.4%	1,160	9.7%	1,167	9.6%
\$100,000 to \$124,999	588	5.1%	486	4.1%	485	4.0%
\$125,000 to \$149,999	251	2.2%	224	1.9%	222	1.8%
\$150,000 to \$199,999	203	1.8%	170	1.4%	170	1.4%
\$200,000 & Over	204	1.8%	190	1.6%	191	1.6%
Total	11,561	100.0%	11,981	100.0%	12,170	100.0%
Median Income	\$38,406		\$34,751		\$34,492	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$38,406. This declined by 9.5% to \$34,751 in 2016. By 2018, it is projected that the median household income will be \$34,492, a decline of 0.7% over 2016.

The following tables illustrate renter household income by household size for 2010, 2016 and 2018 for the Cornelia Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	233	117	95	5	37	487
\$10,000 to \$19,999	267	171	105	145	157	844
\$20,000 to \$29,999	171	126	141	101	74	613
\$30,000 to \$39,999	277	73	139	61	61	612
\$40,000 to \$49,999	8	100	33	65	48	254
\$50,000 to \$59,999	1	15	24	25	13	77
\$60,000 to \$74,999	69	20	20	14	48	171
\$75,000 to \$99,999	5	54	7	12	63	141
\$100,000 to \$124,999	6	8	6	10	39	68
\$125,000 to \$149,999	3	13	14	21	5	56
\$150,000 to \$199,999	6	23	1	2	2	34
\$200,000 & Over	11	11	0	6	6	34
Total	1,056	730	584	467	552	3,389

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2016 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	288	137	111	16	58	610
\$10,000 to \$19,999	330	218	158	184	203	1,093
\$20,000 to \$29,999	221	146	171	122	92	752
\$30,000 to \$39,999	248	81	128	52	77	588
\$40,000 to \$49,999	13	123	32	66	47	282
\$50,000 to \$59,999	2	15	19	28	15	78
\$60,000 to \$74,999	79	18	20	16	42	175
\$75,000 to \$99,999	2	41	5	10	56	115
\$100,000 to \$124,999	10	11	5	9	31	66
\$125,000 to \$149,999	3	11	15	24	3	57
\$150,000 to \$199,999	4	18	2	1	3	29
\$200,000 & Over	8	8	3	3	7	29
Total	1,209	827	669	532	635	3,872

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2018 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	295	138	115	15	58	622
\$10,000 to \$19,999	338	217	163	187	210	1,116
\$20,000 to \$29,999	224	153	175	124	92	768
\$30,000 to \$39,999	251	83	130	53	79	596
\$40,000 to \$49,999	14	126	33	66	47	285
\$50,000 to \$59,999	3	16	20	28	18	83
\$60,000 to \$74,999	78	18	19	16	43	173
\$75,000 to \$99,999	3	41	5	9	56	114
\$100,000 to \$124,999	10	11	5	11	31	68
\$125,000 to \$149,999	3	11	15	23	3	55
\$150,000 to \$199,999	4	18	3	2	3	29
\$200,000 & Over	9	10	2	3	7	31
Total	1,232	839	683	538	647	3,941

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Demographic trends within the Cornelia Site PMA are projected to be positive between 2016 and 2018, as the total population will increase by 547 and households will increase by 190, both of which are reflective of 1.6% increases during this time period. In addition to population and household trends, the number of renter households is projected to increase at a similar rate of 1.8% (69 households) during this same time period and nearly 4,000 renter households are projected for the market in 2018. Renter household growth is projected to be greatest among lower-income households earning below \$40,000, though it is also of note that renter households earning \$40,000 or more will remain stable during the projection period. Based on the preceding factors, a good base of potential support for both affordable and conventional market-rate rental product is expected to continue to exist within the Cornelia Site PMA.

SECTION F – ECONOMIC TRENDS

1. LABOR FORCE PROFILE

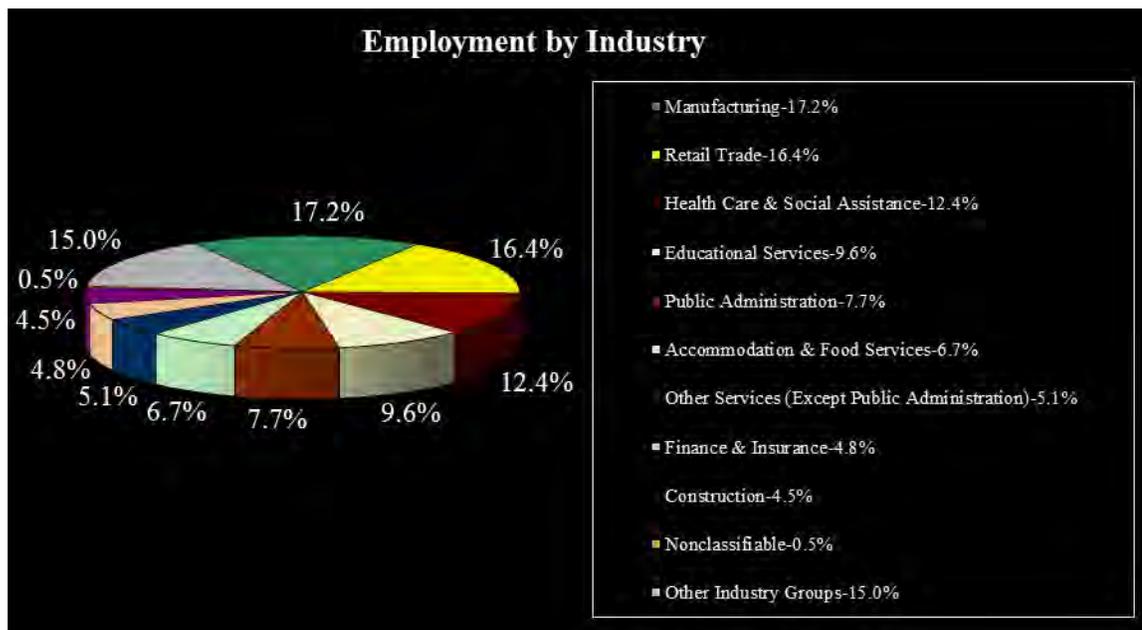
The labor force within the Cornelia Site PMA is based primarily in three sectors. Manufacturing (which comprises 17.2%), Retail Trade and Health Care & Social Assistance comprise approximately 46% of the Site PMA labor force. Non-classifiable jobs comprised over 1% of the labor force. Employment in the Cornelia Site PMA, as of 2016, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	19	1.3%	163	1.1%	8.6
Mining	0	0.0%	0	0.0%	0.0
Utilities	5	0.3%	25	0.2%	5.0
Construction	99	6.6%	650	4.5%	6.6
Manufacturing	55	3.7%	2,471	17.2%	44.9
Wholesale Trade	38	2.5%	336	2.3%	8.8
Retail Trade	278	18.6%	2,357	16.4%	8.5
Transportation & Warehousing	33	2.2%	184	1.3%	5.6
Information	19	1.3%	201	1.4%	10.6
Finance & Insurance	138	9.2%	691	4.8%	5.0
Real Estate & Rental & Leasing	78	5.2%	355	2.5%	4.6
Professional, Scientific & Technical Services	83	5.5%	543	3.8%	6.5
Management of Companies & Enterprises	1	0.1%	3	0.0%	3.0
Administrative, Support, Waste Management & Remediation Services	61	4.1%	266	1.9%	4.4
Educational Services	36	2.4%	1,380	9.6%	38.3
Health Care & Social Assistance	106	7.1%	1,776	12.4%	16.8
Arts, Entertainment & Recreation	15	1.0%	74	0.5%	4.9
Accommodation & Food Services	82	5.5%	965	6.7%	11.8
Other Services (Except Public Administration)	216	14.4%	729	5.1%	3.4
Public Administration	80	5.3%	1,110	7.7%	13.9
Nonclassifiable	56	3.7%	72	0.5%	1.3
Total	1,498	100.0%	14,351	100.0%	9.6

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the North Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	North Georgia Nonmetropolitan Area	Georgia
Management Occupations	\$79,010	\$111,250
Business and Financial Occupations	\$56,750	\$70,750
Computer and Mathematical Occupations	\$60,160	\$81,100
Architecture and Engineering Occupations	\$62,100	\$76,920
Community and Social Service Occupations	\$38,340	\$44,150
Art, Design, Entertainment and Sports Medicine Occupations	\$38,780	\$51,440
Healthcare Practitioners and Technical Occupations	\$62,310	\$74,690
Healthcare Support Occupations	\$25,440	\$27,640
Protective Service Occupations	\$31,570	\$34,870
Food Preparation and Serving Related Occupations	\$19,720	\$20,150
Building and Grounds Cleaning and Maintenance Occupations	\$23,830	\$24,510
Personal Care and Service Occupations	\$22,960	\$24,220
Sales and Related Occupations	\$30,300	\$37,170
Office and Administrative Support Occupations	\$29,850	\$34,610
Construction and Extraction Occupations	\$33,100	\$38,540
Installation, Maintenance and Repair Occupations	\$37,950	\$43,540
Production Occupations	\$30,400	\$32,590
Transportation and Moving Occupations	\$27,800	\$33,620

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$19,720 to \$38,780 within the North Georgia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$64,066. It is important to note that most occupational types within the North Georgia Nonmetropolitan Area have lower typical wages than the State of Georgia's typical wages. As the subject project will offer both affordable Tax Credit and unrestricted market-rate units, it will be open to most households in the market, in terms of household income. Regardless, the area employment base appears to have a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The ten largest employers within the Habersham County area comprise a total of 6,790 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Fieldale Farms	Poultry Farm	2,500
Habersham County Board of Education	Public School	1,100
Habersham County Hospital Authority	Medical Center	600
Mt. Vernon Mills	Yarn Store	700
Ethicon	Medical Supply Store	600
Lee Arrendale Correctional Institute	Correctional Institute	550
Scovill	Fastener Manufacturer	200
Piedmont College	Liberal Arts Institution	220
GlobalTech Industries, Incorporated	Candle Manufacturer	200
Habersham Metal Products Company	Metal Manufacturer	120
	Total	6,790

Source: Development Authority of Habersham County 2016

According to a representative with the Habersham Development Authority the Habersham County economy is expanding and improving. Notably, construction was completed in March of 2015 on a 22,000 square foot development on the vacant land adjacent to the Walmart Supercenter in Cornelia. The Sansone Group plans to spend \$5 million on the project and the development currently features such retailers at CATO, Rue 21, Shoe Show, Little Caesars and Sally Beauty Supply. This representative also stated that at the beginning of 2016 the Habersham County Development Authority approved the sale of approximately five acres of property near the entrance to the Airport Industrial Park at Duncan Bridge Road and Industrial Park Road. The property was purchased by J&E Real Estate Investments for the development of commercial space. However, additional information was not available pertaining to this planned development. It is also of note that the area's largest employer, Fieldale Farms, plans to expand their current operations by adding approximately 100 new jobs to the area over the next 18 to 24 months.

In addition to the preceding economic development activity within Habersham County, Kubota invested \$100 million and expanded its operations in 2014, by building a plant at the Gateway Industrial Centre off Highway 365 in Hail County, which is adjacent to Habersham County. Once complete the plant is expected to create 650 jobs in the area by 2017. Although located outside of Habersham County, it is likely that this expansion will create job opportunities for some residents within Habersham County.

WARN (layoff notices):

According to the Georgia Department of Economic Development there have been two WARN notices of large-scale layoffs/closures reported for Habersham County since January 2014. Below is a table summarizing these notices:

WARN Notices				
Company	Location	Jobs	Notice Date	Effective date
Navitor Southeast	Alto, Georgia	71	11/30/2015	N/A
Navitor	Alto, Georgia	60	10/17/2014	N/A

N/A – Not available

As the preceding illustrates, the two WARN notices impacted a total of 131 jobs, which comprises just 0.7% of the total employment base reported for the county through February of 2016. As such, it is likely that these notices have had a minimal impact on the overall economy within Habersham County.

3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

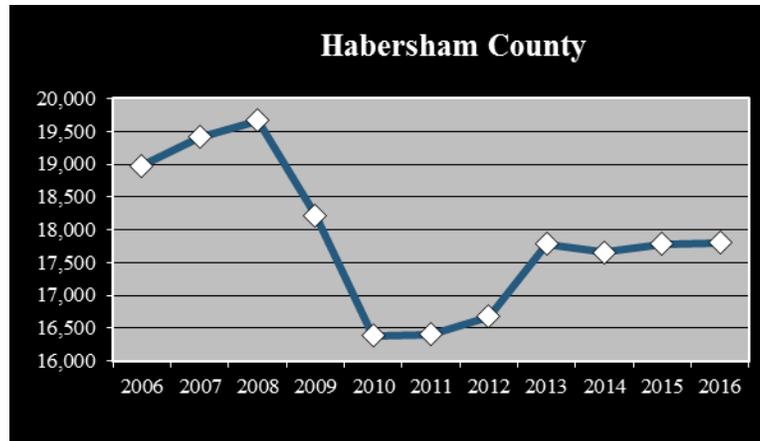
Excluding 2016, the employment base has increased by 8.4% over the past five years in Habersham County, more than the Georgia state increase of 5.3%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Habersham County, the state of Georgia and the United States.

Year	Total Employment					
	Habersham County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2006	18,974	-	4,489,128	-	145,000,042	-
2007	19,416	2.3%	4,597,640	2.4%	146,388,400	1.0%
2008	19,664	1.3%	4,575,010	-0.5%	146,047,748	-0.2%
2009	18,218	-7.4%	4,311,854	-5.8%	140,696,560	-3.7%
2010	16,390	-10.0%	4,202,052	-2.5%	140,469,139	-0.2%
2011	16,411	0.1%	4,263,305	1.5%	141,791,255	0.9%
2012	16,679	1.6%	4,349,796	2.0%	143,688,931	1.3%
2013	17,781	6.6%	4,369,349	0.4%	145,126,067	1.0%
2014	17,656	-0.7%	4,416,715	1.1%	147,604,328	1.7%
2015	17,785	0.7%	4,490,931	1.7%	149,950,804	1.6%
2016*	17,805	0.1%	4,553,540	1.4%	150,558,884	0.4%

Source: Department of Labor; Bureau of Labor Statistics

*Through February



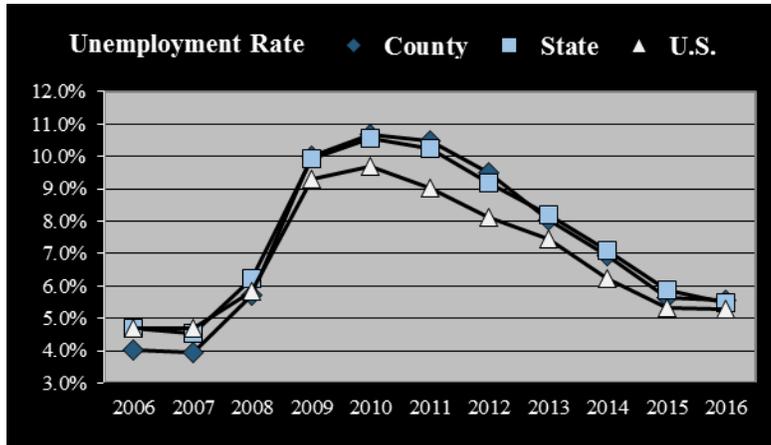
As the preceding illustrates, the Habersham County employment base experienced a sharp decline between 2008 and 2010, declining by 3,274 jobs, or 16.6%, during this time period. The employment base began to increase between 2010 and 2013, but has since remained relatively stable.

Unemployment rates for Habersham County, the state of Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Habersham County	Georgia	United States
2006	4.0%	4.7%	4.7%
2007	4.0%	4.5%	4.7%
2008	5.7%	6.2%	5.8%
2009	10.0%	9.9%	9.3%
2010	10.7%	10.6%	9.7%
2011	10.5%	10.2%	9.0%
2012	9.5%	9.2%	8.1%
2013	8.0%	8.2%	7.4%
2014	6.9%	7.1%	6.2%
2015	5.6%	5.9%	5.3%
2016*	5.6%	5.5%	5.3%

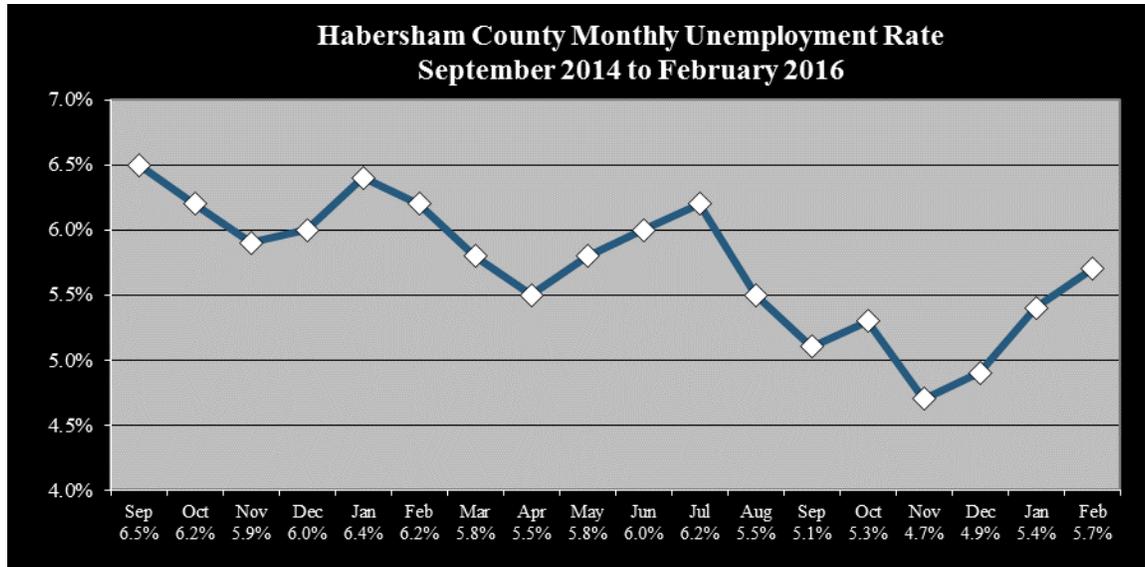
Source: Department of Labor, Bureau of Labor Statistics

*Through February



The unemployment rate in Habersham County was also negatively impacted by the national recession, increasing from 4.0% in 2007 to 10.7% in 2010. The unemployment rate steadily declined, however, between 2010 and 2015, to a rate of 5.6% and has remained stable through February of 2016. Note the unemployment rate reported for the county thus far in 2016 is similar to both state and national averages.

The following table illustrates the monthly unemployment rate in Habersham County for the most recent 18-month period for which data is currently available.



The monthly unemployment rate within the county has fluctuated over the past 18-month period, but has generally trended downward during this time. Although the unemployment rate has increased each month since November of 2015, it has remained below 6.0% each month since August of 2015.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Habersham County.

In-Place Employment Habersham County			
Year	Employment	Change	Percent Change
2005	14,563	-	-
2006	14,194	-369	-2.5%
2007	14,264	70	0.5%
2008	14,464	200	1.4%
2009	13,312	-1,152	-8.0%
2010	12,919	-393	-3.0%
2011	12,867	-52	-0.4%
2012	12,883	16	0.1%
2013	14,239	1,356	10.5%
2014	14,170	-69	-0.5%
2015*	14,487	317	2.2%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2014, the most recent year that year-end figures are available, indicates in-place employment in Habersham County to be 80.3% of the total Habersham County employment. This means that Habersham County has more employed persons leaving the county for daytime employment than those who work in the county, which is not unusual for more rural markets such as the Habersham County area. This is not expected to have any adverse impact on the overall marketability of the subject project, as most potential tenants will be familiar with commuting trends within the area.

4. ECONOMIC FORECAST

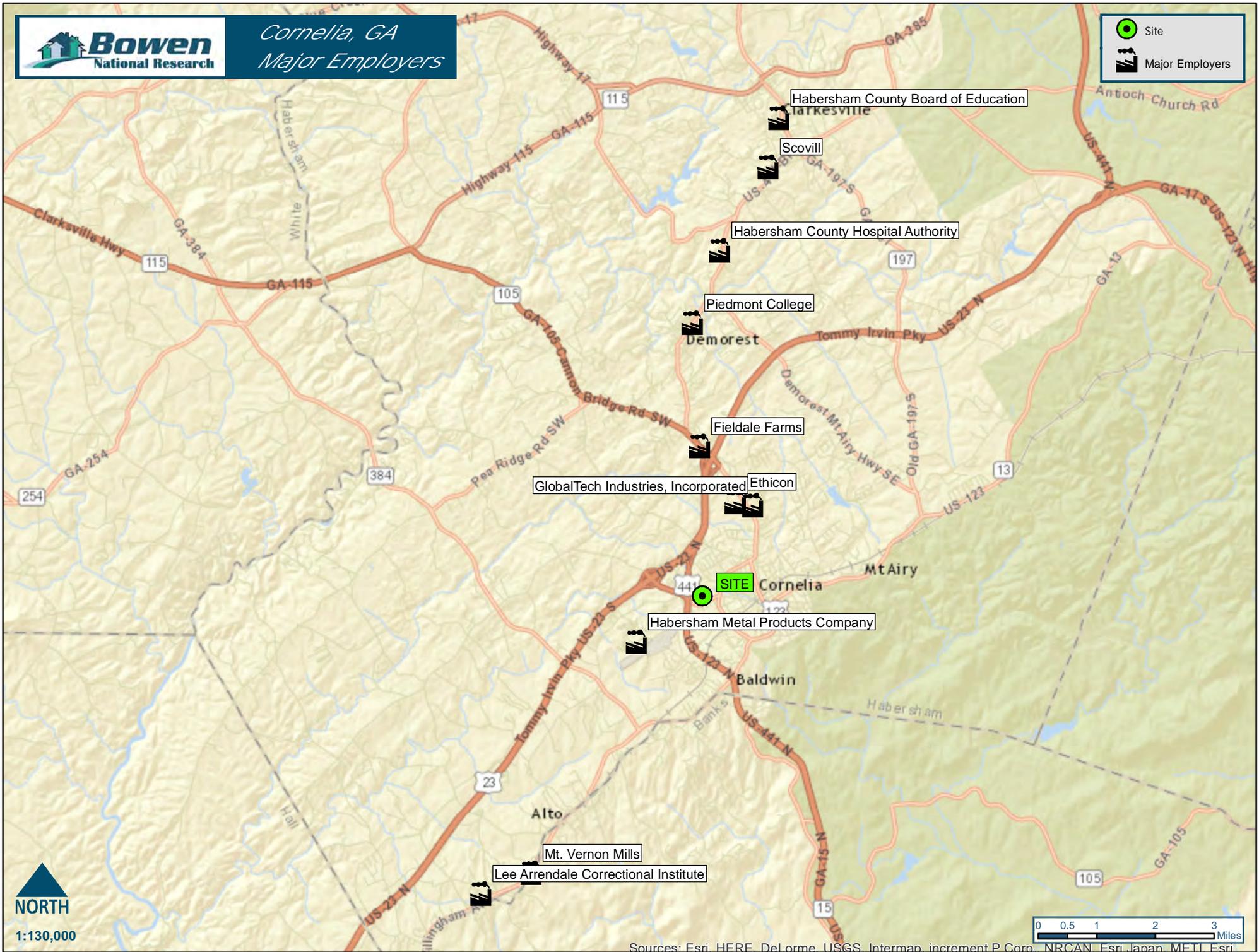
According to local economic development representatives, the Habersham County economy is improving and multiple commercial/retail properties have been developed and/or are in the development pipeline within the county. It is of note however, that the local economy was severely impacted during the national recession, in terms of both total employment and unemployment rates. This is likely due in part to the relatively large share of jobs within the Manufacturing and Retail Trade segments, as these aforementioned industry segments represent nearly 34.0% of the total workforce within the Cornelia Site PMA. The Habersham County economy has steadily improved since the national recession, however, in terms of the unemployment rate. Notably, the unemployment rate declined by more than five full percentage points since the height of the national recession. However, total employment has struggled to improve within the county since 2013. Based on the preceding factors, we expect Habersham County will continue to experience a slow economic recovery from the impact of the national recession. In addition, we also expect demand for affordable housing such as that primarily proposed at the subject project will remain high within the area, especially when considering the relatively large share of jobs within the Manufacturing and Retail Trade industries, as these industries typically offer lower wage paying positions.

A map illustrating notable employment centers is on the following page.



*Cornelia, GA
Major Employers*

● Site
Major Employers



1:130,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri

SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Habersham County, Georgia, which has a median four-person household income of \$52,900 for 2015. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level for the subject project.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,550	\$22,260
Two-Person	\$21,200	\$25,440
Three-Person	\$23,850	\$28,620
Four-Person	\$26,450	\$31,740
Five-Person	\$28,600	\$34,320

a. Maximum Income Limits

The largest proposed Tax Credit units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income for the Tax Credit units at the subject site is **\$34,320**. Note that the subject project will also offer some unrestricted market-rate units. As these units will be unrestricted, there is no maximum income limit for the subject's market-rate units.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed LIHTC units will have a lowest gross rent of \$472 (one-bedroom unit at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,664. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$16,183**.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the proposed project with units built to serve households at 50% and 60% of AMHI are as follows. Note that 12 (15.0%) of the subject units will be market-rate and operate with no income restrictions. Therefore, we have factored all renters in the market with incomes above the maximum allowable LIHTC limit of \$34,320 when evaluating demand for the subject's market-rate units. This minimum income for the market-rate units was conservatively utilized to avoid overlap with the subject's Tax Credits units.

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$16,183	\$28,600
Tax Credit (Limited To 60% Of AMHI)	\$19,406	\$34,320
Tax Credit Overall	\$16,183	\$34,320
Market-Rate	\$34,321	-

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined. This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include renter-qualified households**

b. **Demand from Existing Households:** The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent.*

Based on Table B25074 of the American Community Survey (ACS) 2009-2013 5-year estimates, approximately 6.1% to 47.1% (depending upon targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing.*

Based on Table B25016 of the American Community Survey (ACS) 2009-2013 5-year estimates, 10.4% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure that accounts for more than 2% of total demand must be based on actual market conditions, as documented in the study.*

Not applicable, as the subject project will not be age-restricted.

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2014/2015) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2014 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. 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 are no general-occupancy LIHTC properties that were funded and/or built during the projection period (2014 to current). Additionally, there are no existing LIHTC properties operating below a stabilized occupancy of 90.0% within the Site PMA. As such, there were no existing LIHTC properties included as part of supply in our demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income			
	50% AMHI (\$16,183 - \$28,600)	60% AMHI (\$19,406 - \$34,320)	Tax Credit Overall (\$16,183 - \$34,320)	Market Rate (\$34,321+)
Demand From New Households (Age- And Income-Appropriate)	1,086 - 1,063 = 23	1,092 - 1,070 = 22	1,451 - 1,423 = 28	1,178 - 1,164 = 14
+				
Demand From Existing Households (Rent Overburdened)	1,063 X 47.1% = 501	1,070 X 33.9% = 363	1,423 X 42.5% = 605	1,164 X 6.1% = 71
+				
Demand From Existing Households (Renters In Substandard Housing)	1,063 X 10.4% = 111	1,070 X 10.4% = 111	1,423 X 10.4% = 148	1,164 X 10.4% = 121
=				
Demand Subtotal	635	496	781	206
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A
=				
Total Demand	635	496	781	206
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	0	0	0
=				
Net Demand	635	496	781	206
Proposed Units / Net Demand	17 / 635	51 / 496	68 / 781	12 / 206
Capture Rate	= 2.7%	= 10.3%	= 8.7%	= 5.8%

N/A – Not applicable

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the proposed project's overall Tax Credit capture rate of 8.7% is considered low and easily achievable within the Cornelia Site PMA. This is especially true, given the high occupancy rate (98.4%) reported at the one existing general-occupancy LIHTC project, and limited supply of such product, in the market. The capture rates by AMHI level are also considered achievable within the Site PMA. Also note that the 12 market-rate units proposed at the subject site have a capture rate of just 5.8%, demonstrating that sufficient support also exists for the proposed unrestricted market-rate units at the subject site.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows.

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	25%
Two-Bedroom	50%
Three-Bedroom	25%
Total	100.0%

Applying these shares to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows:

Bedroom Size (Share Of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Subject Rents
One-Bedroom (25%)	50%	3	159	0	159	1.9%	1 Month	\$555	\$336
One-Bedroom (25%)	60%	7	124	0	124	5.6%	2 Months	\$555	\$430
One-Bedroom (25%)	MR	2	52	0	52	3.8%	1 Month	\$555	\$480
One-Bedroom	Total	12	335	0	335	3.6%	2 Months	-	-
Two-Bedroom (50%)	50%	8	318	0	318	2.5%	2 Months	\$556	\$394
Two-Bedroom (50%)	60%	26	248	0	248	10.5%	7 Months	\$556	\$507
Two-Bedroom (50%)	MR	6	103	0	103	5.8%	1 Month	\$556	\$555
Two-Bedroom	Total	40	669	0	669	6.0%	7 Months	-	-
Three-Bedroom (25%)	50%	6	158	0	158	3.8%	2 Months	\$742	\$437
Three-Bedroom (25%)	60%	18	124	0	124	14.5%	4 Months	\$742	\$568
Three-Bedroom (25%)	MR	4	51	0	51	7.8%	1 Month	\$742	\$630
Three-Bedroom	Total	28	333	0	333	8.4%	5 Months	-	-

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in *Addendum E*.
MR – Market-Rate

The capture rates by bedroom type and AMHI level for the subject's LIHTC units range from 1.9% to 14.5%, depending upon unit type. Utilizing this methodology, these capture rates are considered achievable and demonstrate a good base of potential income-eligible renter households in the Cornelia market for the proposed LIHTC units at the subject development. Also note that the capture rates by bedroom type for the proposed market-rate units are also low, ranging from 3.8% to 7.8%, demonstrating sufficient support for the unrestricted units proposed at the subject project.

SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Cornelia Site PMA in 2010 and 2016 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2016 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	11,561	87.6%	11,981	86.5%
Owner-Occupied	8,172	70.7%	8,109	67.7%
Renter-Occupied	3,389	29.3%	3,872	32.3%
Vacant	1,631	12.4%	1,872	13.5%
Total	13,192	100.0%	13,853	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2016 update of the 2010 Census, of the 13,853 total housing units in the market, 13.5% were vacant. Although the number and share of vacant housing units increased between 2010 and 2016, it is important to note that the units reflected in the preceding table includes dilapidated, abandoned, and/or for-sale housing units, as well as those utilized solely for recreation/seasonal purposes. Therefore, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental housing market within the Site PMA.

Conventional Rentals

We identified and personally surveyed eight conventional housing projects containing a total of 399 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.5%, a strong rate for rental housing. Each of the rental housing segments surveyed is summarized in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	5	220	0	100.0%
Market-Rate/Tax Credit	1	80	2	97.5%
Tax Credit	2	99	4	96.0%
Total	8	399	6	98.5%

Each of the rental housing segments surveyed is performing well, as no single housing segment reports an occupancy rate below 96.0%. It is also of note that only six (6) vacant units are reported among the eight properties surveyed, further demonstrating high demand and limited availability of conventional rental product in the Cornelia market.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	6.8%	0	0.0%	\$638
Two-Bedroom	1.0	92	39.0%	0	0.0%	\$707
Two-Bedroom	1.5	28	11.9%	0	0.0%	\$707
Two-Bedroom	2.0	48	20.3%	1	2.1%	\$888
Three-Bedroom	1.5	12	5.1%	0	0.0%	\$832
Three-Bedroom	2.0	40	16.9%	0	0.0%	\$987
Total Market-Rate		236	100.0%	1	0.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	35	21.5%	2	5.7%	\$478
Two-Bedroom	1.0	20	12.3%	2	10.0%	\$565
Two-Bedroom	2.0	92	56.4%	1	1.1%	\$582
Three-Bedroom	2.0	16	9.8%	0	0.0%	\$728
Total Tax Credit		163	100.0%	5	3.1%	-

The market-rate units are 99.6% occupied and the non-subsidized Tax Credit units are 96.9% occupied. Note that while non-subsidized Tax Credit product reports a larger number of vacant units as compared to market-rate product, four of the five vacant non-subsidized Tax Credit units are concentrated at an age-restricted property (Manor Place Apartments) which is not considered comparable to or competitive with the proposed family-oriented property. General-occupancy Tax Credit product in the market reports an overall occupancy rate of 98.4% (one vacant unit), demonstrating high demand for such product in the market. It is also of note that only one such property (Heritage Gardens) exists in the Cornelia market, thus the subject project is expected to help fill a void in the local rental market. Also note that the median gross Tax Credit rents reported in the preceding table are significantly lower than the median gross rents reported among similar market-rate product. This is a good indication that non-subsidized Tax Credit product represents an excellent value within the Site PMA.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	16	6.3%
A-	1	60	0.0%
B	2	112	0.0%
C+	2	48	0.0%

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	128	0.8%
A-	1	35	11.4%

As the preceding illustrates, non-subsidized Tax Credit product is generally of very good or excellent quality within the Cornelia Site PMA, as each property surveyed was assigned a rating of “A-“ or better by our analyst. This is a good indication the non-subsidized Tax Credit product represents some of the highest quality rental product available in the market. Although non-subsidized Tax Credit product with a rating of “A-“ reports a vacancy rate of 11.4%, this is reflective of just four (4) vacant units located at Manor Place Apartments (Map ID 4), an age-restricted property. The small number of vacant units currently reported at this small 35-unit property has resulted in an abnormally high vacancy rate at this property. Vacancy rates do not exceed 1.6% among the two other non-subsidized Tax Credit properties surveyed in the market.

2. SUMMARY OF ASSISTED PROJECTS

A total of three Tax Credit apartment developments were identified and surveyed in the Cornelia Site PMA. These projects were surveyed in April of 2016. Note that while only three assisted properties were surveyed at the time of this report, we are aware of four additional properties which are federally subsidized within the Cornelia Site PMA. Based on our research and previous surveys conducted by Bowen National Research in the Cornelia market, these four additional properties are believed to operate under the Rural Development 515 (RD 515) and Public Housing programs. Despite multiple attempts, both in-person and via telephone, we were unable to survey these four additional properties. Regardless, none of these additional properties operate under the Low-Income Housing Tax Credit (LIHTC) program and therefore will not be directly competitive with the proposed subject project. Since these properties were unable to be surveyed and will not compete with the subject project, they have been excluded from our analysis. The following table summarizes the three assisted properties surveyed in the Cornelia market at the time of this report.

Map I.D.	Project Name	Type	Year Built	Total Units	Occupancy	Gross Rent (Unit Mix)		
						One-Br.	Two-Br.	Three-Br.
4	Manor Place Apts.	TAX	2002	35	88.6%	\$478 (15)	\$565 (20)	-
5	Heritage Gardens	TAX	2006	64*	98.4%	\$325 - \$623 (16)	\$392 - \$750 (32)	\$452 - \$865 (16)
7	Green Mountain Village	TAX	2012	64	100.0%	\$498 (4)	\$582 (60)	-
Total				163	96.9%			

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

TAX - Tax Credit

*Market-rate units not included

These three properties offer a combined total of 163 affordable units, which report an overall occupancy rate of 96.9%. This is a good occupancy rate and demonstrates high demand for affordable rental product, particularly Tax Credit product, within the Site PMA. Note that while Manor Place Apartments (Map ID 4) reports an occupancy rate of 88.6%, this is reflective of just four (4) vacant units at this small 35-unit property, thus resulting in a slightly less than stable occupancy rate. However, filling just one (1) vacant unit at this property would result in an occupancy rate above 90.0%.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (GDCA) Rental Assistance Division-North Athens Office, there are approximately 15 Housing Choice Voucher holders within Habersham County and 25 people currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. Annual turnover within the Voucher program is estimated at two households. This reflects the continuing need for affordable housing and/or Housing Choice Voucher assistance within the Habersham County area.

The following table identifies the existing non-subsidized Tax Credit properties surveyed within the Site PMA that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
4	Manor Place Apts.*	31**	1	3.2%
5	Heritage Gardens	64***	4	6.3%
7	Green Mountain Village*	64^	N/A	N/A
Total		95**	5	5.3%

*Age-Restricted
 **Occupied units only
 ***Tax Credit units only
 ^Units not included in total
 N/A – Not Available

As the preceding table illustrates, there are a total of just five (5) Voucher holders residing at the existing non-subsidized LIHTC properties in the market. This comprises only 5.3% of the 95 total non-subsidized LIHTC units occupied among the properties for which this information was available. This is a good indication that there is limited support from Voucher holders within the Cornelia market, which coincides with information provided by GDCA officials with the North Athens Office, as this representative indicated that only 15 Vouchers are issued within all of Habersham County. However, when considering that approximately 95.0% of the occupied units at these LIHTC projects are occupied by non-voucher holders, it can also be concluded that the rents at these properties are achievable and will serve as accurate benchmarks with which to compare the subject project.



If the rents do not exceed Fair Market Rents, households with Housing Choice Vouchers may be eligible to reside at a LIHTC project. The following table outlines the HUD 2015 Fair Market Rents for Habersham County, Georgia and the proposed subject gross rents.

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents
One-Bedroom	\$504	\$472 (50%)
		\$566 (60%)
		\$616 (MR)
Two-Bedroom	\$598	\$566 (50%)
		\$679 (60%)
		\$727 (MR)
Three-Bedroom	\$881	\$654 (50%)
		\$785 (60%)
		\$847 (MR)

MR – Market-Rate

As the preceding illustrates, aside from the one- and two-bedroom units at 60% of AMHI, as well as the one- and two-bedroom market-rate units, the proposed gross rents are set below the current Fair Market Rents. As such, the subject project will be able to accommodate Housing Choice Voucher holders. This will likely increase the base of income-appropriate renter households within the Cornelia Site PMA for the subject development and has been considered in our absorption estimates in *Section I* of this report.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there are no multifamily projects in the development pipeline within the Site PMA.

Building Permit Data

The following table illustrates single-family and multifamily building permits issued within Habersham County for the past ten years. Note building permit data was unavailable for the city of Cornelia.

Housing Unit Building Permits for Habersham County:										
Permits	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Multifamily Permits	28	17	18	3	3	4	68	4	0	0
Single-Family Permits	416	513	338	172	69	31	44	33	34	35
Total Units	444	530	356	175	72	35	112	37	34	35

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding illustrates, the number of building permits issued within the county generally declined between 2005 and 2010, likely as a result of the impact of the national recession. Since 2010, the number of permits issued has stabilized within the county, with a significant increase in multifamily permits reported in 2011. Notably, the 68 multifamily permits issued in 2011 is primarily reflective of the 64 units constructed at Green Mountain Village (Map ID 7), an age-restricted Tax Credit property. No new general-occupancy Tax Credit units have been constructed in the market since 2006, when Heritage Gardens (Map ID 5) opened. Based on the preceding, the subject project will provide much needed modern general-occupancy Tax Credit units within the area.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed three properties that operate under the LIHTC program. Two of these three properties, however, are age-restricted and therefore are not considered comparable to or competitive with the proposed family-oriented subject project. The one remaining property (Heritage Gardens), however, is a general-occupancy property targeting households earning up to 30%, 50% and 60% of AMHI. This property is considered competitive with the subject project and has been included in our comparable analysis.

Due to the limited supply of general-occupancy LIHTC product in the Site PMA, we also identified and surveyed two additional properties outside the Site PMA, but within the nearby region in the towns of Cleveland and Toccoa, Georgia. These additional properties offer similar unit types and target similar income segments as compared to the subject project and will therefore offer a good additional comparison to the subject project. Note however, that since these properties are located outside the Site PMA they derive demographic support from different geographic areas as compared to the subject project and are therefore not considered competitive with the subject project. As such, these properties have been included for comparability purposes only.

The three comparable properties and the proposed development are summarized as follows. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum B, *Comparable Property Profiles*.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Peaks of Cornelia	2018	68*	-	-	-	Families; 50% & 60% AMHI
5	Heritage Gardens	2006	64*	98.4%	1.4 Miles	30% AMHI: 18 H.H.	Families; 30%, 50%, & 60% AMHI
901	Fern Point Apts.	2012	48	100.0%	20.4 Miles	1 & 2-Br: 3 H.H.	Families; 50% & 60% AMHI
903	Whitehall Commons	2009	43*	100.0%	17.1 Miles	300 H.H.	Families; 50% & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

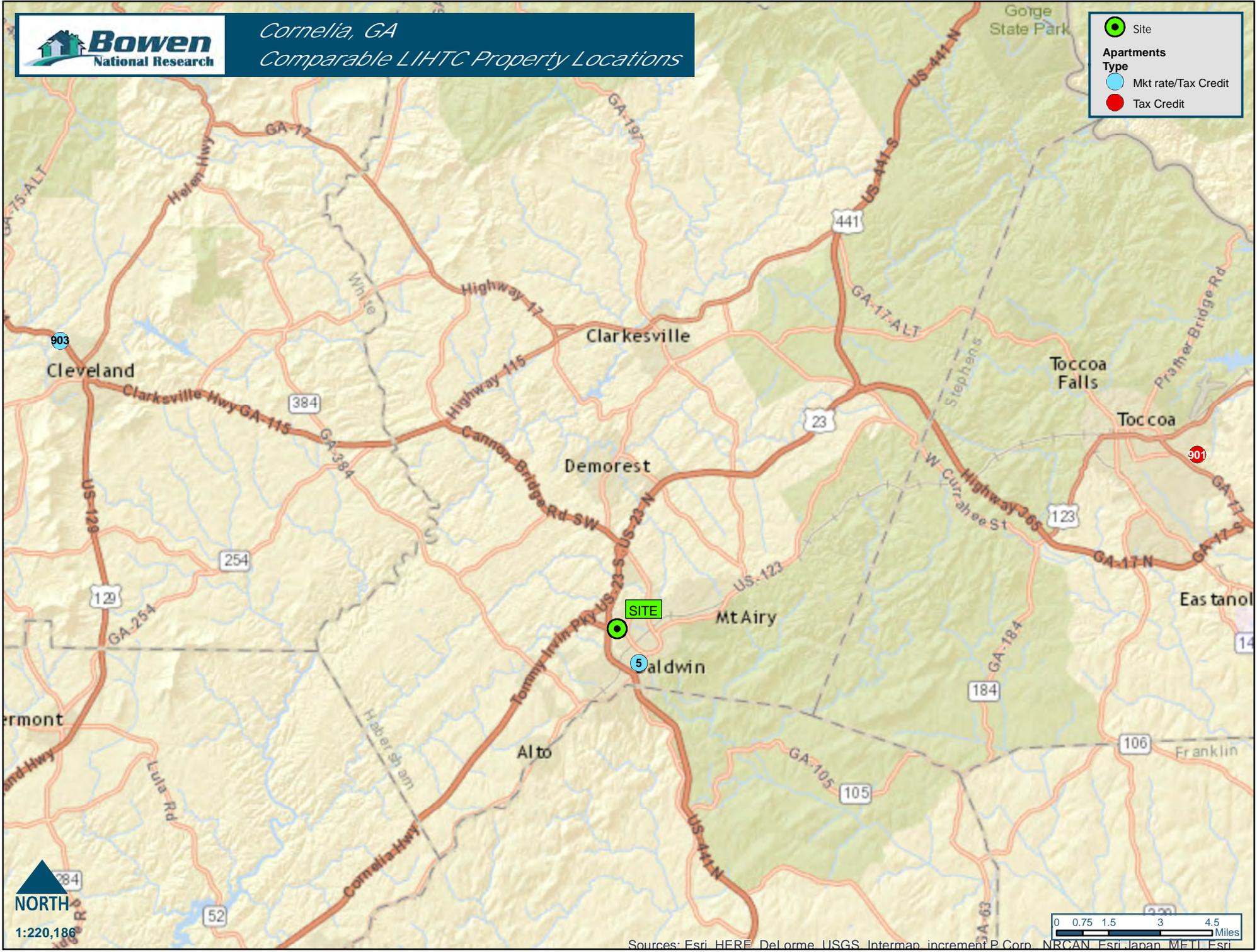
The three LIHTC projects have a combined occupancy rate of 99.4%, which is reflective of just one (1) vacant unit at Heritage Gardens (Map ID 5). It is also of note that each of the three comparable properties currently maintains waiting lists for at least a portion of their unit types. The high occupancy rates and waiting lists maintained are good indications of strong and likely pent-up demand for additional family-oriented LIHTC product in the market and region.

The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed site location.



Cornelia, GA
Comparable LIHTC Property Locations

● Site
● Apartments Type
● Mkt rate/Tax Credit
● Tax Credit



NORTH
1:220,186

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Peaks of Cornelia	\$472/50% (3) \$566/60% (7)	\$566/50% (8) \$679/60% (26)	\$654/50% (6) \$785/60% (18)	-	-
5	Heritage Gardens	\$325/30% (2/0) \$523/50% (11/0) \$623/60% (3/0)	\$392/30% (5/0) \$631/50% (18/0) \$750/60% (9/1)	\$452/30% (2/0) \$728/50% (11/0) \$865/60% (3/0)	-	None
901	Fern Point Apts.	\$513/50% (2/0) \$568/60% (8/0)	\$602/50% (4/0) \$692/60% (24/0)	\$712/50% (2/0) \$822/60% (8/0)	-	None
903	Whitehall Commons	-	\$637/50% (9/0) \$757/60% (5/0)	\$732/50% (14/0) \$882/60% (10/0)	\$831/50% (4/0) \$991/60% (1/0)	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents ranging from \$472 to \$785 will be the lowest in the market and region, relative to similar unit types offered among the comparable properties. These low proposed gross rents will likely create a competitive advantage for the subject project, especially when considering the newness of the subject project and the high occupancy rates reported among the comparable properties.

The following table illustrates the weighted average *collected* rents of the comparable LIHTC projects by bedroom type.

Weighted Average Collected Rent Of Comparable LIHTC Units*		
One-Br.	Two-Br.	Three-Br.
\$390 (50%)	\$448 (50%)	\$496 (50%)
\$430 (60%)	\$518 (60%)	\$608 (60%)

*Only units targeting similar AMHI levels as the subject project

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent (% AMHI)	Proposed Rent (% AMHI)	Difference	Proposed Rent (% AMHI)	Rent Advantage
One-Br.	\$390 (50%)	- \$336 (50%)	\$54	/ \$336 (50%)	16.1%
	\$430 (60%)	- \$430 (60%)	\$0	/ \$430 (60%)	0.0%
Two-Br.	\$448 (50%)	- \$394 (50%)	\$54	/ \$394 (50%)	13.7%
	\$518 (60%)	- \$507 (60%)	\$11	/ \$507 (60%)	2.2%
Three-Br.	\$496 (50%)	- \$437 (50%)	\$59	/ \$437 (50%)	13.5%
	\$608 (60%)	- \$568 (60%)	\$40	/ \$568 (60%)	7.0%

As the preceding illustrates, the proposed subject units generally represent rent advantages ranging from 2.2% to 16.1%, depending upon unit type, as compared to the weighted average collected rents of the comparable LIHTC projects. Please note however that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in *Addendum E* of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Peaks of Cornelia	700	1,050	1,200	-
5	Heritage Gardens	856	1,074	1,304	-
901	Fern Point Apts.	775	1,162	1,260	-
903	Whitehall Commons	-	1,099	1,308	1,442

900 Series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Peaks of Cornelia	1.0	2.0	2.0	-
5	Heritage Gardens	1.0	2.0	2.0	-
901	Fern Point Apts.	1.0	2.0	2.0	-
903	Whitehall Commons	-	2.0	2.0	2.0

900 Series Map IDs are located outside the Site PMA

As the preceding illustrates, the subject project will offer the smallest units among the comparable properties, in terms of square footage. Although smaller than the competition, the proposed unit sizes are considered appropriate for affordable family-oriented rental housing and are not expected to have any adverse impact on the overall marketability of the subject project. This is especially true when considering the limited existing supply of family-oriented LIHTC product in the Cornelia Site PMA and the fact that most of the subject units are generally within 100 square feet of most of the comparable units offered in the market and region. The smaller proposed unit sizes will, however, likely prohibit the subject project's ability to command rent premiums over the comparables within the market. The number of bathrooms to be included in the subject units is competitive with those offered among the comparable properties and is appropriate for affordable multifamily rental housing.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market and region.

COMPARABLE PROPERTIES AMENITIES - CORNELIA, GEORGIA

MAP ID	APPLIANCES							UNIT AMENITIES												
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
SITE	X	X		X	X		X		C	X	X		X				B		S	
5	X	X		X	X	X	X		C	S	X	X					B		S	
903	X	X		X	X	X	X		C			X					B	S	S	
901	X	X		X	X	X	X		C	X		X					B		S	

MAP ID	PROJECT AMENITIES																	OTHER		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES		BUSINESS CENTER	
SITE	X	X		X	X		X							X		X				
5		X	X	X		X	X									X		X		Gazebo
903	X	X	X		X	X	X							X	X	X				Shuffleboard
901		X	X		A	X	X							X						Walking Trail

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

Parking	
A - Attached	C - Carport
D - Detached	O - On Street
S - Surface	G - Parking Garage
(o) - Optional	(s) - Some

Sports Courts	
B - Basketball	D - Baseball Diamonds
P - Putting Green	T - Tennis
V - Volleyball	X - Multiple

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

Community Space	
A - Activity Room	L - Lounge/Gathering Room
T - Training Room	



The subject project will be very competitive in terms of both unit and project amenities, as illustrated in the preceding tables. It is of note however, that all three of the comparable properties offer microwave ovens within their units and a fitness center as a community amenity to their tenants. However, the inclusion of such amenities, while beneficial, is not considered necessary to the overall marketability of a low-income rental property such as the subject project. This is especially true when considering the lower proposed gross rents at the subject project and the limited supply of existing family-oriented LIHTC product within the Site PMA. Further, the subject project will also include in-unit washer/dryer appliances and a swimming pool, features not currently offered among the comparable properties. The aforementioned features will likely create a competitive advantage for the property. Based on the preceding analysis, the subject project is considered marketable in terms of amenities offered.

Comparable Tax Credit Summary

Based on our survey, there is a limited supply of family-oriented LIHTC product in the Site PMA, as only one such property (Heritage Gardens) is currently offered in the market. The Tax Credit units offered at this aforementioned property are 98.4% occupied (one vacant unit), demonstrating high demand for general-occupancy LIHTC product in the market. The two additional LIHTC properties surveyed outside the Site PMA are both 100.0% occupied, further demonstrating high demand for general-occupancy LIHTC product in the region. The subject project will offer the lowest priced LIHTC units among the comparable properties in terms of gross rents. The unit sizes (square feet) to be offered at the subject project will be the smallest among the comparable properties, but are considered appropriate for and marketable to the targeted tenant population. The subject project will offer a competitive overall amenity package and the inclusion of in-unit washer/dryer appliances and a swimming pool at the subject project is expected to create a competitive advantage for the property. Overall, the subject project is considered marketable as proposed and is expected to represent a value to low-income renters in the Cornelia market.

Comparable/Competitive Housing Impact

The anticipated occupancy rates of the existing comparable Tax Credit developments in the Site PMA following the first year of occupancy at the subject site is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2018
5	Heritage Gardens	98.4%*	95.0%+

*Tax Credit units only

As previously discussed and illustrated in the preceding table, there is only one general-occupancy LIHTC property in the Cornelia Site PMA. This property, Heritage Gardens (Map ID 5), currently reports an occupancy rate of 98.4%, which is reflective of just one (1) vacant unit. Given the limited supply of general-occupancy LIHTC product in the Site PMA and projected demographic growth among low-income renter households in the market, we do not expect the development of the subject project to have any adverse impact on future occupancy rates at the one existing comparable LIHTC project in the market.

Market-Rate Units

In addition to the Tax Credit units, the subject project will also offer 12 unrestricted market-rate units. We identified and surveyed six market-rate projects in the market that we consider most comparable to the subject project. This selection was based on, but not limited to age, unit type, design, size (square footage) and amenities. These six comparable market-rate properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built	Units	Occupancy Rate	Distance to Site	Rent Special
Site	Peaks of Cornelia	2018	12*	-	-	-
1	Willow Tree Apts.	1982	72	100.0%	1.3 Miles	None
2	Pine Forest Village Apts. I	1982	24	100.0%	1.2 Miles	None
3	Pine Forest Village Apts. II	1985	24	100.0%	1.2 Miles	None
5	Heritage Gardens	2006	16*	93.8%	1.4 Miles	None
6	Crown Point	1997	40	100.0%	1.4 Miles	None
8	Cameron at Clarksville Apt. Homes	2004	60	100.0%	8.7 Miles	None

*Market-rate units only

The six selected market-rate projects have a combined total of 236 units with an overall occupancy rate of 99.6%. None of the comparable properties reports an occupancy rate below 93.8%. In fact, five of the six comparable properties are 100.0% occupied. The high occupancy rates reported among the selected properties are good indications that each of the selected properties has been well-received within the Cornelia market and will serve as accurate benchmarks with which to compare the subject project. Note that one of the selected properties, Heritage Gardens (Map ID 5), is a mixed-income (market-rate and Tax Credit) property similar to the subject project.

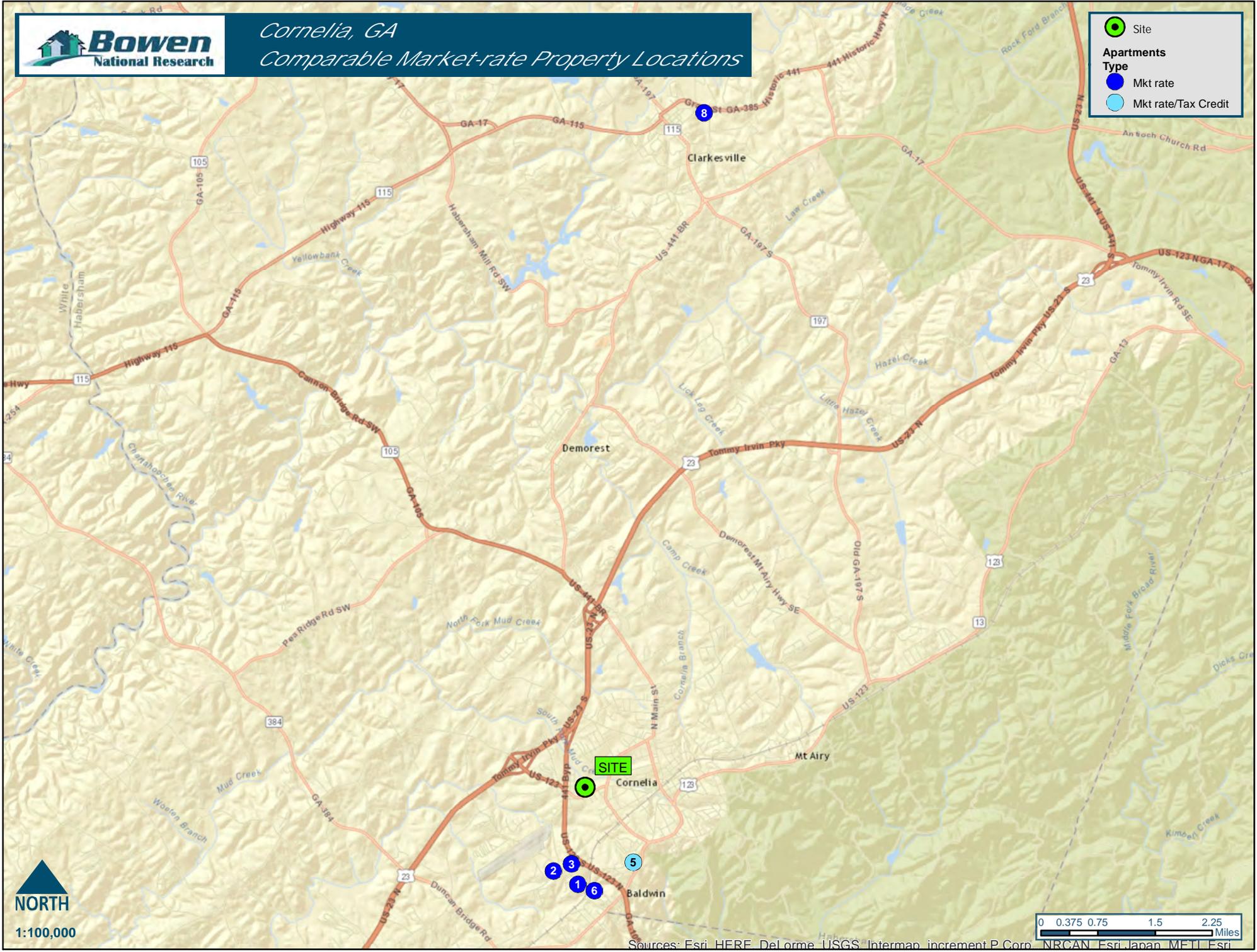
The map on the following page illustrates the location of the comparable market-rate properties relative to the proposed subject site location.



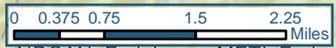


Cornelia, GA
Comparable Market-rate Property Locations

● Site
● Apartments Type
● Mkt rate
● Mkt rate/Tax Credit



NORTH
1:100,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
Site	Peaks of Cornelia	\$616 (2)	\$727 (6)	\$847 (4)
1	Willow Tree Apts.	-	\$707/ (72/0)	-
2	Pine Forest Village Apts. I	-	\$707 (12/0)	\$832 (12/0)
3	Pine Forest Village Apts. II	\$638 (8/0)	\$707 (16/0)	-
5	Heritage Gardens	\$746 (4/0)	\$888 (8/1)	\$1,018 (4/0)
6	Crown Point	-	\$688-\$708 (40/0)	-
8	Cameron at Clarksville Apt. Homes	\$775 (4/0)	\$912 (20/0)	\$987 (36/0)

The subject's proposed gross market-rate rents are within range of those reported among the comparable properties and are therefore considered appropriate for the Cornelia market.

The following table illustrates the weighted average *collected* rents of the comparable market-rate projects by bedroom type.

Weighted Average Collected Rent Of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$555	\$556	\$742

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$555	- \$480	\$75	/ \$480	15.6%
Two-Br.	\$556	- \$555	\$1	/ \$555	0.2%
Three-Br.	\$742	- \$630	\$112	/ \$630	17.8%

As the preceding illustrates, the proposed collected market-rate rents represent rent advantages ranging from 0.2% to 17.8%, depending upon unit type. Although the two-bedroom rent represents a minimal rent advantage of 0.2%, it is important to remember that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. In addition, the above rents do not factor for differences in unit design and/or amenities offered. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the subject project's collected rents are available in *Addendum E* of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different comparable market-rate unit types offered in the market are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Peaks of Cornelia	700	1,050	1,200
1	Willow Tree Apts.	-	870	-
2	Pine Forest Village Apts. I	-	800	1,000
3	Pine Forest Village Apts. II	800	1,000	-
5	Heritage Gardens	856	1,074	1,304
6	Crown Point	-	1,000	-
8	Cameron at Clarksville Apt. Homes	790	1,078	1,234 - 1,294

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Peaks of Cornelia	1.0	2.0	2.0
1	Willow Tree Apts.	-	1.0	-
2	Pine Forest Village Apts. I	-	1.5	1.5
3	Pine Forest Village Apts. II	1.0	1.5	-
5	Heritage Gardens	1.0	2.0	2.0
6	Crown Point	-	1.0 - 2.0	-
8	Cameron at Clarksville Apt. Homes	1.0	2.0	2.0

The market-rate units at the subject project are competitively positioned in terms of both unit size (square feet) and number of bathrooms offered, as illustrated in the preceding table.

The following tables compare the amenities of the subject development with the most comparable projects in the market.

COMPARABLE PROPERTIES AMENITIES - CORNELIA, GEORGIA

MAP ID	APPLIANCES						UNIT AMENITIES													
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
SITE	X	X		X	X		X		C	X	X		X				B		S	
1	X	X		X			X		C	X							B		S	
2	X	X					X		C	X							B		S	
3	X	X					X		C	X							B		S	
6	X	X		X			X		C	X	X						B		S	
8	X	X		X	X		X		C	X	X	X					B		D(o) S	Exterior Storage
5	X	X		X	X	X	X		C	S	X	X	X				B		S	

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

Parking
A - Attached
C - Carport
D - Detached
O - On Street
S - Surface
G - Parking Garage
(o) - Optional
(s) - Some

Sports Courts
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

Community Space
A - Activity Room
L - Lounge/Gathering Room
T - Training Room

COMPARABLE PROPERTIES AMENITIES - CORNELIA, GEORGIA

MAP ID	PROJECT AMENITIES														OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB		LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE	X	X		X	X		X							X		X			
1																			
2		X					X												
3		X					X												
6																			
8	X	X	X		L		X		B	O					X				
5		X	X	X		X	X								X		X		Gazebo

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
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T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

Community Space
A - Activity Room
L - Lounge/Gathering Room
T - Training Room



The subject project will offer a very competitive amenity package, in terms of both unit and project amenities. Notably, the subject project will offer key features not limited to dishwashers, central air conditioning, on-site management, and a playground, which will ensure the subject's competitive position among the comparable market-rate properties. In addition, the subject project will offer in-unit washer/dryer appliances, a swimming pool, club house/community space, and computer center, features which are not typically offered among the comparable properties. This will likely create a marketing advantage for the subject's market-rate units. Overall, the subject project does not appear to lack any key amenities that would adversely impact its marketability.

Comparable Market-Rate Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the comparable market-rate properties within the market, it is our opinion that the proposed development will be competitive with these properties. It is also of note that the subject project will be significantly newer than most of the existing comparable market-rate properties in the market, as most of the properties selected as comparables were originally built prior to 1998. The newness of the subject project along with its competitive position in terms of price point, design, and amenities offered, is expected to contribute to the project's overall marketability within the Cornelia market.

One page profiles of the Comparable/Competitive Tax Credit and market-rate properties are included in *Addendum B* of this report.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$111,906. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$111,906 home is \$673, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$111,906
Mortgaged Value = 95% of Median Home Price	\$106,311
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$539
Estimated Taxes and Insurance*	\$135
Estimated Monthly Mortgage Payment	\$673

*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit rents at the subject project range from \$336 to \$568, depending upon bedroom type and AMHI level, while the proposed collected market-rate rents range from \$480 to \$630. While some potential tenants of the subject project, particularly those of the market-rate units, could likely afford the cost of a monthly mortgage for a typical home in the area, it is also important to note that the subject project will be significantly newer and likely of superior quality as compared to a “median” priced home in the area. In addition, the subject project will include the cost of trash collection, as well as a comprehensive amenity package, in the cost of rent. Such expenses/features are not typically included in the cost of a monthly mortgage payment for a typical home in the area. Based on the preceding factors, we do not anticipate any competitive impact on or from the homebuyer market.

SECTION I – ABSORPTION & STABILIZATION RATES

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2018 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2018.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the high occupancy rates reported among comparable properties in the market, the limited supply of modern LIHTC and market-rate product in the market, the subject's capture rate, achievable market rents and the competitiveness of the proposed subject development within the Cornelia Site PMA. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout the Site PMA.

Based on our analysis, it is our opinion that the 68 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately seven months. This absorption period is based on an average monthly absorption rate of approximately nine units per month. It is anticipated that the subject's 12 market-rate units will stabilize in approximately one month.

These absorption projections assume a March 2018 opening date. A different opening date may impact the absorption potential (positively or negatively) for the subject project. Further, these absorption projections assume the project will be built and operated as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

SECTION J – INTERVIEWS

The following are summaries of interviews conducted with various local sources regarding the need for affordable housing within the Cornelia Site PMA.

- Mike Beecham, the Director of the Habersham Development Authority, stated that there is need for more affordable housing in the Habersham County area. He continued to state that the need is not as bad as other areas in Georgia, but that there is still a need. Mr. Beecham further explained that both market-rate and LIHTC units are needed and that he believes that demand is greatest for two-bedroom units.
- Rhonda Cochran is the Community Manager at Heritage Gardens (Map ID 5), an 80-unit mixed-income (Tax Credit and market-rate) community located in the Site PMA. Ms. Cochran explained that there is absolutely a need for more affordable housing in the Cornelia area. Specifically, Ms. Cochran believes there is a need for studios, one, two, and three bedroom apartments open to households of all ages. She also believes there is even demand for student and/or market-rate housing, stating that she receives a great deal of calls from students in the area that do not qualify for affordable housing.
- Nancy Dove, Office Director at the Georgia Department of Community Affairs, Rental Assistance Division-Athens Office, stated that there is a huge need for affordable housing in Habersham County. There is not much funding available for Rental Assistance in the county according to Ms. Dove and the economy is not creating any new jobs that can sustain essential housing and living necessities of most families/individuals within the area. This further contributes to the ongoing need for affordable housing in the area.

SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 80 general-occupancy LIHTC and market-rate units proposed at the subject site, assuming it is developed and operated as detailed in this report. Changes to the project's site design, rents, amenities or opening date may alter these findings.

The subject site location is considered conducive to multifamily housing and is easily accessible and within close proximity of most basic community services. The subject's location is expected to have a positive impact on the overall marketability of the subject project.

The subject project will offer both LIHTC and unrestricted market-rate units targeting general-occupancy (family) households. Within the Site PMA, only one general-occupancy LIHTC property exists, Heritage Gardens (Map ID 5). The LIHTC units offered at this property are 98.4% occupied, which is reflective of just one vacant unit. We also identified and surveyed two additional comparable LIHTC projects outside the Site PMA, but within the region. These properties are both 100.0% occupied. Based on the preceding factors, non-subsidized family-oriented LIHTC product is in high demand within the market and region. The comparable market-rate properties surveyed in the market report an overall occupancy rate of 99.6%, demonstrating that market-rate product similar to that proposed at the subject site is also in high demand within the area. The subject project is considered competitively positioned in terms of price point (gross rents), design, and amenities offered. In fact, the subject project will offer the lowest priced LIHTC units in the market. This will likely create a competitive advantage for the subject property.

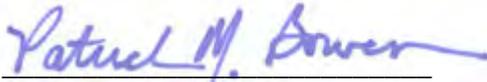
In addition, the proposed LIHTC units at the subject project have a capture rate of 8.7%, while the market-rate units proposed at the property have a capture rate of 5.8%. These capture rates are both considered low and demonstrate a good base of potential income-appropriate renter support in the market for each of the proposed unit types at the subject project.

Based on the preceding analysis and additional information contained within this report, we believe the proposed subject development is marketable and supportable within the Cornelia Site PMA as proposed and the project is not expected to have any adverse impact on future occupancy rates among existing comparable LIHTC properties in the market. In fact, we expect the subject project will help fill a void in the market, as only one general-occupancy LIHTC property exists in the market and a limited supply of modern market-rate product is available. We do not have any recommendations or modifications to the subject development at this time.

SECTION L - SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.

Certified:



Patrick M. Bowen
President/Market Analyst
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(614) 833-9300
patrickb@bowennational.com
Date: April 25, 2016



Jordan Resnick
Market Analyst
jordanr@bowennational.com
Date: April 25, 2016



Craig Rupert
Market Analyst
craigr@bowennational.com
Date: April 25, 2016

SECTION M – MARKET STUDY REPRESENTATION

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

SECTION N - QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jordana Baker, Market Analyst, is a licensed Realtor with experience in the property management and for-sale housing industries. This experience gives her the ability to analyze site-specific housing conditions and how they may impact the overall market. In addition, her property management experience gives her inside knowledge of the day-to-day operations of rental housing. Ms. Baker obtained her Bachelor of Business Administration from The Ohio State University and her Associate of Science in Real Estate from Columbus State Community College.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Lisa Wood, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Jessica Cassady, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. She is also experienced in evaluating projects in the development pipeline and economic trends. Ms. Cassady graduated from Eastern Kentucky University with a Bachelor of Arts in Public Relations.

Jordan Resnick, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Resnick holds a Bachelor of Science degree in Business Administration for The Ohio State University.

Stephanie Viren is the Field Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Christine Sweat, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, she has the ability to analyze market and economic trends and conditions. Ms. Sweat holds a Bachelor of Arts in Communication from the University of Cincinnati.

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

In-House Researchers – Bowen National Research employs a staff of seven in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

CORNELIA, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

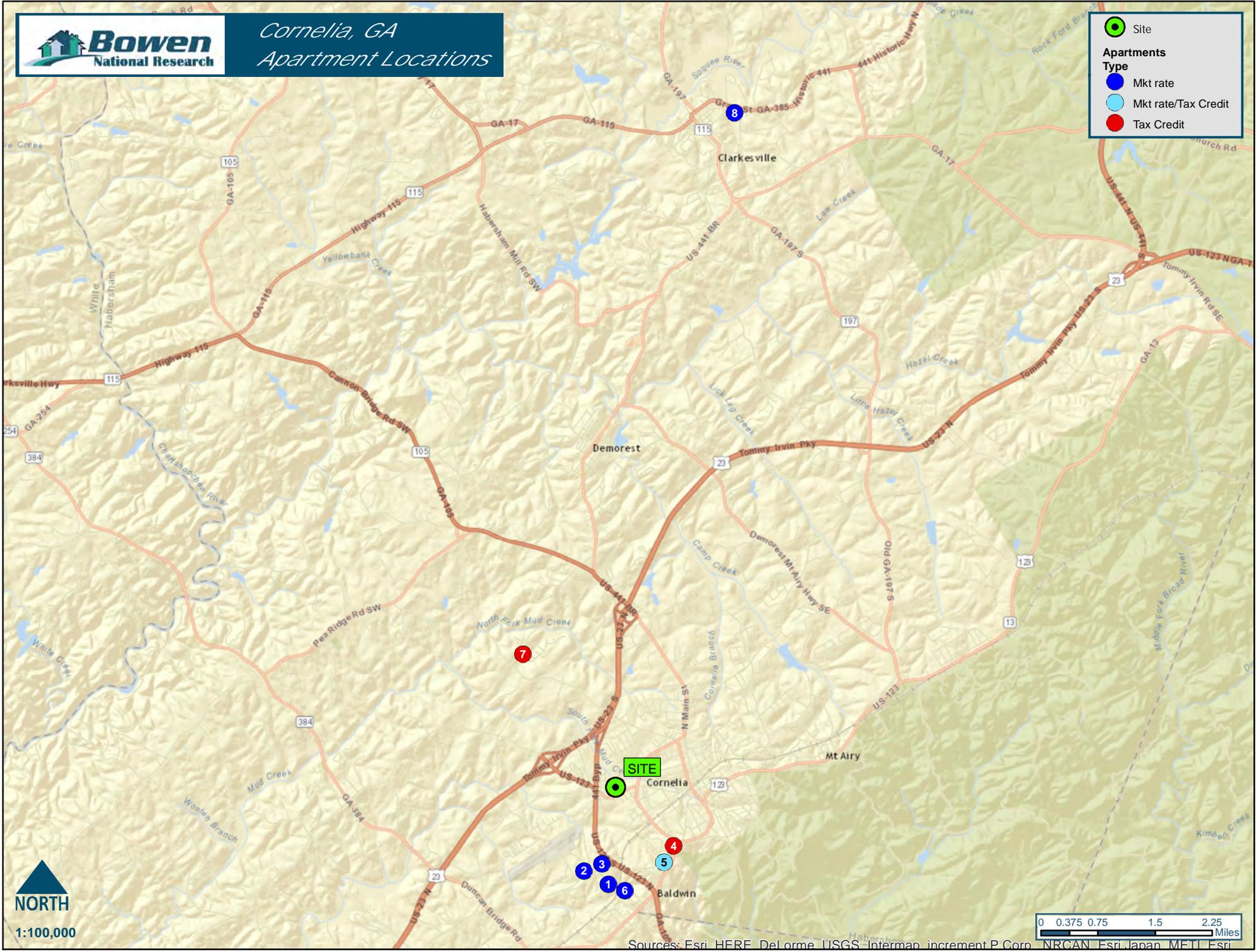


Cornelia, GA Apartment Locations

Site
● Site

Apartments Type

- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:100,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - CORNELIA, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Willow Tree Apts.	MRR	B	1982	72	0	100.0%	1.3
2	Pine Forest Village Apts. I	MRR	C+	1982	24	0	100.0%	1.2
3	Pine Forest Village Apts. II	MRR	C+	1985	24	0	100.0%	1.2
4	Manor Place Apts.	TAX	A-	2002	35	4	88.6%	1.5
5	Heritage Gardens	MRT	A	2006	80	2	97.5%	1.4
6	Crown Point	MRR	B	1997	40	0	100.0%	1.4
7	Green Mountain Village	TAX	A	2012	64	0	100.0%	2.6
8	Cameron at Clarksville Apt. Homes	MRR	A-	2004	60	0	100.0%	8.7

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	5	220	0	100.0%	0
MRT	1	80	2	97.5%	0
TAX	2	99	4	96.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

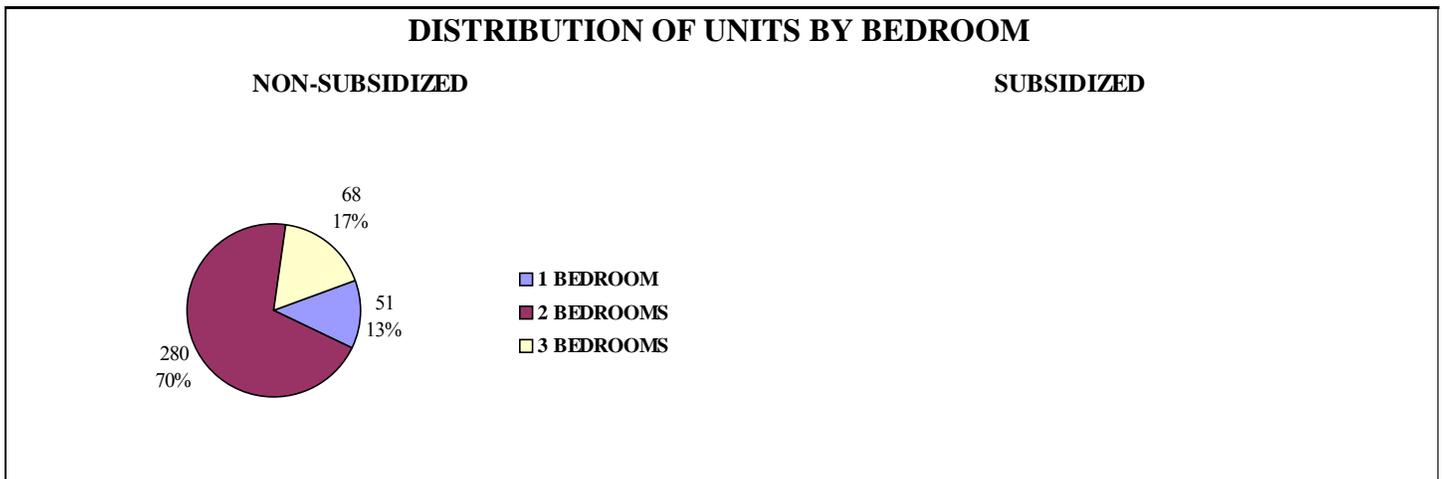
* - Drive Distance (Miles)

Survey Date: April 2016

DISTRIBUTION OF UNITS - CORNELIA, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	6.8%	0	0.0%	\$638
2	1	92	39.0%	0	0.0%	\$707
2	1.5	28	11.9%	0	0.0%	\$707
2	2	48	20.3%	1	2.1%	\$888
3	1.5	12	5.1%	0	0.0%	\$832
3	2	40	16.9%	0	0.0%	\$987
TOTAL		236	100.0%	1	0.4%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	35	21.5%	2	5.7%	\$478
2	1	20	12.3%	2	10.0%	\$565
2	2	92	56.4%	1	1.1%	\$582
3	2	16	9.8%	0	0.0%	\$728
TOTAL		163	100.0%	5	3.1%	
GRAND TOTAL		399	-	6	1.5%	



SURVEY OF PROPERTIES - CORNELIA, GEORGIA

1 Willow Tree Apts.			
	Address Willow Tree & Airport Rd. Baldwin, GA 30511	Phone (706) 778-9546 (Contact in person)	Total Units 72
	Year Built 1982 Comments	Contact Helena	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B Waiting List None
2 Pine Forest Village Apts. I			
	Address 120 Pine Forest Cir. & Airport Rd. Baldwin, GA 30511	Phone (706) 778-9546 (Contact in person)	Total Units 24
	Year Built 1982 Comments Does not accept HCV	Contact Helena	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 1 month
3 Pine Forest Village Apts. II			
	Address Pine Forest Cir. & Airport Rd. Baldwin, GA 30511	Phone (706) 778-9546 (Contact in person)	Total Units 24
	Year Built 1985 Comments Does not accept HCV; Square footage estimated by mgmt.	Contact Helena	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C+ Waiting List None
4 Manor Place Apts.			
	Address 101 Manor Place Dr. Baldwin, GA 30511	Phone (706) 776-2863 (Contact in person)	Total Units 35
	Year Built 2002 Comments 50% AMHI; HCV (1 unit); Random units have ceiling fan	Contact Misty	Vacancies 4 Occupied 88.6% Floors 2 Quality Rating A- Senior Restricted (62+) Waiting List None
5 Heritage Gardens			
	Address 110 Heritage Gardens Dr. Cornelia, GA 30531	Phone (706) 778-1814 (Contact in person)	Total Units 80
	Year Built 2006 Comments Market-rate (64 units); 30%, 50% & 60% AMH (64 units); HCV (4 units); 20 units include washer/dryer	Contact Rhonda	Vacancies 2 Occupied 97.5% Floors 4 Quality Rating A Waiting List 30%: 18 households

Project Type

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Survey Date: April 2016

SURVEY OF PROPERTIES - CORNELIA, GEORGIA

6 Crown Point			
	Address 100 Crown Point Dr. Baldwin, GA 30511 Year Built 1997 Comments Does not accept HCV	Phone (706) 778-8001 (Contact in person) Contact Ron	Total Units 40 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B Waiting List 1 month
	7 Green Mountain Village		
	Address 1237 Old Athens Hwy. Cornelia, GA 30531 Year Built 2012 Comments 50% & 60% AMHI; Unit mix estimated	Phone (706) 894-1315 (Contact in person) Contact Dana	Total Units 64 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A Senior Restricted (55+) Waiting List 1 year
	8 Cameron at Clarksville Apt. Homes		
	Address 130 Cameron Cir. Clarkesville, GA 30523 Year Built 2004 Comments Accepts HCV (0 currently)	Phone (706) 839-1067 (Contact in person) Contact Marsha	Total Units 60 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A- Waiting List None

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: April 2016

COLLECTED RENTS - CORNELIA, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1			\$500						
2							\$500	\$575	
3		\$475					\$500		
4		\$352	\$402						
5		\$199 to \$620	\$229 to \$725	\$254 to \$820					
6			\$525 to \$545						
7		\$335	\$375						
8		\$649	\$749	\$789					

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: April 2016



PRICE PER SQUARE FOOT - CORNELIA, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Pine Forest Village Apts. II	1	800	\$638	\$0.80
8	Cameron at Clarksville Apt. Homes	1	790	\$775	\$0.98
5	Heritage Gardens	1	856	\$325 to \$746	\$0.38 to \$0.87
◆ 4	Manor Place Apts.	1	630	\$478	\$0.76
◆ 7	Green Mountain Village	1	762	\$498	\$0.65
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Willow Tree Apts.	1	870	\$707	\$0.81
2	Pine Forest Village Apts. I	1.5	800	\$707	\$0.88
3	Pine Forest Village Apts. II	1.5	1000	\$707	\$0.71
6	Crown Point	1 to 2	1000	\$688 to \$708	\$0.69 to \$0.71
8	Cameron at Clarksville Apt. Homes	2	1078	\$912	\$0.85
5	Heritage Gardens	2	1074	\$392 to \$888	\$0.36 to \$0.83
◆ 4	Manor Place Apts.	1	830	\$565	\$0.68
◆ 7	Green Mountain Village	2	1078	\$582	\$0.54
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Pine Forest Village Apts. I	1.5	1000	\$832	\$0.83
8	Cameron at Clarksville Apt. Homes	2	1234 to 1294	\$987	\$0.76 to \$0.80
5	Heritage Gardens	2	1304	\$452 to \$1018	\$0.35 to \$0.78

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: April 2016

AVERAGE GROSS RENT PER SQUARE FOOT - CORNELIA, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.86	\$0.79	\$0.78
TOWNHOUSE	\$0.00	\$0.78	\$0.83

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.68	\$0.58	\$0.55
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.73	\$0.69	\$0.72
TOWNHOUSE	\$0.00	\$0.78	\$0.83

TAX CREDIT UNITS - CORNELIA, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
5	Heritage Gardens	2	856	1	30%	\$199
♦ 7	Green Mountain Village	1	762	1	60%	\$335
♦ 7	Green Mountain Village	3	762	1	50%	\$335
♦ 4	Manor Place Apts.	15	630	1	50%	\$352
5	Heritage Gardens	11	856	1	50%	\$397
5	Heritage Gardens	3	856	1	60%	\$497
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
5	Heritage Gardens	5	1074	2	30%	\$229
♦ 7	Green Mountain Village	46	1078	2	60%	\$375
♦ 7	Green Mountain Village	14	1078	2	50%	\$375
♦ 4	Manor Place Apts.	20	830	1	50%	\$402
5	Heritage Gardens	18	1074	2	50%	\$468
5	Heritage Gardens	9	1074	2	60%	\$587
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
5	Heritage Gardens	2	1304	2	30%	\$254
5	Heritage Gardens	11	1304	2	50%	\$530
5	Heritage Gardens	3	1304	2	60%	\$667

♦ - Senior Restricted

QUALITY RATING - CORNELIA, GEORGIA

MARKET-RATE PROJECTS AND UNITS

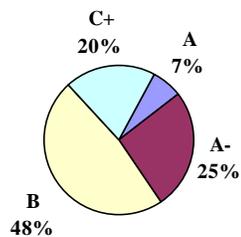
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	16	6.3%		\$746	\$888	\$1,018	
A-	1	60	0.0%		\$775	\$912	\$987	
B	2	112	0.0%			\$707		
C+	2	48	0.0%		\$638	\$707	\$832	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

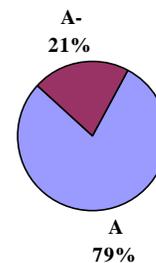
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	2	128	0.8%		\$523	\$582	\$728	
A-	1	35	11.4%		\$478	\$565		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - CORNELIA, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	3	120	0	0.0%	120	30.1%
1990 to 1999	1	40	0	0.0%	160	10.0%
2000 to 2005	2	95	4	4.2%	255	23.8%
2006	1	80	2	2.5%	335	20.1%
2007	0	0	0	0.0%	335	0.0%
2008	0	0	0	0.0%	335	0.0%
2009	0	0	0	0.0%	335	0.0%
2010	0	0	0	0.0%	335	0.0%
2011	0	0	0	0.0%	335	0.0%
2012	1	64	0	0.0%	399	16.0%
2013	0	0	0	0.0%	399	0.0%
2014	0	0	0	0.0%	399	0.0%
2015	0	0	0	0.0%	399	0.0%
2016**	0	0	0	0.0%	399	0.0%
TOTAL	8	399	6	1.5%	399	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of April 2016

Survey Date: April 2016

APPLIANCES AND UNIT AMENITIES - CORNELIA, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	8	100.0%	399
REFRIGERATOR	8	100.0%	399
ICEMAKER	2	25.0%	99
DISHWASHER	5	62.5%	316
DISPOSAL	4	50.0%	239
MICROWAVE	2	25.0%	144
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	8	100.0%	399
AC - WINDOW	0	0.0%	
FLOOR COVERING	8	100.0%	399
WASHER/DRYER	2	25.0%	115
WASHER/DRYER HOOK-UP	8	100.0%	399
PATIO/DECK/BALCONY	5	62.5%	279
CEILING FAN	4	50.0%	239
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	8	100.0%	399
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	25.0%	99

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - CORNELIA, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	1	12.5%	60
ON-SITE MANAGEMENT	6	75.0%	287
LAUNDRY	3	37.5%	204
CLUB HOUSE	1	12.5%	80
MEETING ROOM	3	37.5%	159
FITNESS CENTER	2	25.0%	144
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	4	50.0%	188
COMPUTER LAB	1	12.5%	64
SPORTS COURT	1	12.5%	124
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	1	12.5%	64
SECURITY GATE	0	0.0%	
BUSINESS CENTER	1	12.5%	80
CAR WASH AREA	0	0.0%	
PICNIC AREA	3	37.5%	204
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	12.5%	64

DISTRIBUTION OF UTILITIES - CORNELIA, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	8	399	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	8	399	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	8	399	100.0%
			100.0%
ELECTRIC			
TENANT	8	399	100.0%
			100.0%
WATER			
LANDLORD	4	215	53.9%
TENANT	4	184	46.1%
			100.0%
SEWER			
LANDLORD	4	215	53.9%
TENANT	4	184	46.1%
TRASH PICK-UP			
LANDLORD	8	399	100.0%
			100.0%

UTILITY ALLOWANCE - CORNELIA, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$21	\$27		\$9	\$14	\$20	\$5	\$7	\$37	\$10	\$18	\$22	\$20
1	GARDEN	\$30	\$38		\$11	\$20	\$28	\$8	\$9	\$51	\$13	\$24	\$22	\$20
1	TOWNHOUSE	\$30	\$38		\$11	\$20	\$28	\$8	\$9	\$51	\$13	\$24	\$22	\$20
2	GARDEN	\$38	\$49		\$14	\$25	\$36	\$9	\$12	\$66	\$16	\$28	\$22	\$20
2	TOWNHOUSE	\$38	\$49		\$14	\$25	\$36	\$9	\$12	\$66	\$16	\$28	\$22	\$20
3	GARDEN	\$47	\$60		\$20	\$30	\$44	\$12	\$14	\$80	\$22	\$37	\$22	\$20
3	TOWNHOUSE	\$47	\$60		\$20	\$30	\$44	\$12	\$14	\$80	\$22	\$37	\$22	\$20
4	GARDEN	\$60	\$77		\$24	\$38	\$56	\$14	\$18	\$102	\$28	\$45	\$22	\$20
4	TOWNHOUSE	\$60	\$77		\$24	\$38	\$56	\$14	\$18	\$102	\$28	\$45	\$22	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

1 Willow Tree Apts. 1.3 miles to site



Address	Willow Tree & Airport Rd. Baldwin, GA 30511		
Phone	(706) 778-9546	Contact	Helena
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1982	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks			



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities	

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1	G	72	0	870	\$0.57	\$500



2 Pine Forest Village Apts. I

1.2 miles to site



Address	120 Pine Forest Cir. & Airport Rd. Baldwin, GA 30511		
Phone	(706) 778-9546	Contact	Helena
Total Units	24	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1982	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	1 month		
Quality Rating	C+	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities On-site Management, Playground

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1.5	T	12	0	800	\$0.63	\$500
3	1.5	T	12	0	1000	\$0.58	\$575

3 Pine Forest Village Apts. II

1.2 miles to site



Address	Pine Forest Cir. & Airport Rd. Baldwin, GA 30511		
Phone	(706) 778-9546	Contact	Helena
Total Units	24	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1985	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	C+	Neighborhood Rating	B
Remarks	Does not accept HCV; Square footage estimated by mgmt.		



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities	On-site Management, Playground

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	
1	1	G	8	0	800	\$0.59	\$475	
2	1.5	T	16	0	1000	\$0.50	\$500	

6 Crown Point 1.4 miles to site



Address	100 Crown Point Dr. Baldwin, GA 30511		
Phone	(706) 778-8001	Contact	Ron
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1997	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	1 month		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV		



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1 to 2	G	40	0	1000	\$0.53 - \$0.55	\$525 to \$545



8 Cameron at Clarksville Apt. Homes

8.7 miles to site



Address	130 Cameron Cir. Clarkesville, GA 30523		
Phone	(706) 839-1067	Contact	Marsha
Total Units	60	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	2004	Floors	3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Accepts HCV (0 currently)		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Playground, Sports Court, Storage, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	4	0	790	\$0.82	\$649
2	2	G	20	0	1078	\$0.69	\$749
3	2	G	36	0	1234 to 1294	\$0.61 - \$0.64	\$789

5 Heritage Gardens

1.4 miles to site



Address	110 Heritage Gardens Dr. Cornelia, GA 30531		
Phone	(706) 778-1814	Contact	Rhonda
Total Units	80	Vacancies	2
		Percent Occupied	97.5%
Project Type	Market-Rate & Tax Credit		
Year Open	2006	Floors	4
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	30%: 18 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	Market-rate (64 units); 30%, 50% & 60% AMH (64 units); HCV (4 units); 20 units include washer/dryer		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Picnic Area, Business Center, Gazebo

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	856	\$0.58	\$497	60%
1	1	G	11	0	856	\$0.46	\$397	50%
1	1	G	2	0	856	\$0.23	\$199	30%
1	1	G	4	0	856	\$0.72	\$620	
2	2	G	8	1	1074	\$0.68	\$725	
2	2	G	9	1	1074	\$0.55	\$587	60%
2	2	G	18	0	1074	\$0.44	\$468	50%
2	2	G	5	0	1074	\$0.21	\$229	30%
3	2	G	4	0	1304	\$0.63	\$820	
3	2	G	3	0	1304	\$0.51	\$667	60%
3	2	G	11	0	1304	\$0.41	\$530	50%
3	2	G	2	0	1304	\$0.19	\$254	30%

903 Whitehall Commons

17.1 miles to site



Address	29 Whitehall Commons Ln. Cleveland, GA 30528		
Phone	(706) 219-4100	Contact	Debbie
Total Units	64	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2009	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	300 households		
Quality Rating	A	Neighborhood Rating	B+
Remarks	Market-rate (21 units); 50% & 60% AMHI (43 units); HCV (2 units); Only handicap units have call buttons; All units have wood laminate flooring with carpeting only in bedrooms		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds, E-Call Button
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area, Shuffleboard

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
2	2	G	7	0	1099	\$0.64	\$700	
2	2	G	5	0	1099	\$0.50	\$550	60%
2	2	G	9	0	1099	\$0.39	\$430	50%
3	2	G	11	0	1308	\$0.61	\$799	
3	2	G	10	0	1308	\$0.48	\$625	60%
3	2	G	14	0	1308	\$0.36	\$475	50%
4	2	G	4	0	1442	\$0.35	\$505	50%
4	2	G	3	0	1442	\$0.64	\$925	
4	2	G	1	0	1442	\$0.46	\$665	60%

901 Fern Point Apts.

20.4 miles to site



Address	280 Fern Point Dr. Toccoa, GA 30577		
Phone	(706) 886-0349	Contact	Sharon
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2012	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	1 & 2-br: 3 HH		
Quality Rating	A	Neighborhood Rating	A
Remarks	50% & 60% AMHI; Accepts HCV (0 currently)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Walking Trail

Unit Configuration

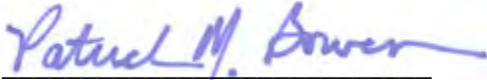
BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	8	0	775	\$0.52	\$405	60%
1	1	G	2	0	775	\$0.45	\$350	50%
2	2	G	24	0	1162	\$0.42	\$485	60%
2	2	G	4	0	1162	\$0.34	\$395	50%
3	2	G	8	0	1260	\$0.45	\$565	60%
3	2	G	2	0	1260	\$0.36	\$455	50%

ADDENDUM C – MEMBER CERTIFICATION & CHECKLIST

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.

Certified:



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Date: April 25, 2016



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Date: April 25, 2016

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary (Exhibit S-2)	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
EMPLOYMENT AND ECONOMY		
18.	Employment by industry	F
19.	Historical unemployment rate	F
20.	Area major employers	F
21.	Five-year employment growth	F
22.	Typical wages by occupation	F
23.	Discussion of commuting patterns of area workers	F
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	E
25.	Area building permits	H
26.	Distribution of income	H
27.	Households by tenure	H
COMPETITIVE ENVIRONMENT		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
ANALYSIS/CONCLUSIONS		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum E
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	K
48.	Market strengths and weaknesses impacting project	K
49.	Recommendations and/or modification to project discussion	K
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	I
52.	Discussion of risks or other mitigating circumstances impacting project projection	H
53.	Interviews with area housing stakeholders	J

CHECKLIST (Continued)

		Section (s)
OTHER REQUIREMENTS		
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	Addendum B
57.	Statement of qualifications	N
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Cornelia, Georgia by Peaks of Cornelia Development, LLC.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject project is identified. The PMA is generally described as the smallest geographic area from which most of the support for the subject project originates. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
 - A drive-time analysis for the site
 - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the subject development. An in-depth evaluation of these two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the subject project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- An analysis of the subject project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows GDCA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type offered at the site.

Please note that non-numbered items in this report are not required by GDCA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the continued market feasibility of the subject project.

3. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions or conclusions in, or the use of, this study.

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4. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

A. INTRODUCTION

We identified six market-rate properties within the Cornelia Site PMA that we consider most comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

The proposed subject development and the six selected properties include the following:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Peaks of Cornelia	2018	80	-	12 (-)	40 (-)	28 (-)
1	Willow Tree Apts.	1982	72	100.0%	-	72 (100.0%)	-
2	Pine Forest Village Apts. I	1982	24	100.0%	-	12 (100.0%)	12 (100.0%)
3	Pine Forest Village Apts. II	1985	24	100.0%	8 (100.0%)	16 (100.0%)	-
5	Heritage Gardens	2006	16*	93.8%	4 (100.0%)	8 (87.5%)	4 (100.0%)
6	Crown Point	1997	40	100.0%	-	40 (100.0%)	-
8	Cameron at Clarksville Apt. Homes	2004	60	100.0%	4 (100.0%)	20 (100.0%)	36 (100.0%)

Occ. – Occupancy
 *Market-rate units only

The six selected market-rate projects have a combined total of 236 units with an overall occupancy rate of 99.6%. None of the comparable properties has an occupancy rate below 93.8%. In fact, five of the six selected properties are 100.0% occupied. These high occupancy rates and waiting lists are clear indications that the selected properties have been well-received within the market and will therefore serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type → **ONE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Peaks of Cornelia		Willow Tree Apts.		Pine Forest Village Apts. II		Heritage Gardens		Crown Point		Cameron at Clarksville Apt. Homes	
Level Grove Road		Willow Tree & Airport Rd.		Pine Forest Cir. & Airport Rd.		110 Heritage Gardens Dr.		100 Crown Point Dr.		130 Cameron Cir.	
Cornelia, GA		Baldwin, GA		Baldwin, GA		Cornelia, GA		Baldwin, GA		Clarkesville, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$500		\$475		\$620		\$525		\$649	
2	Date Surveyed	Apr-16		Apr-16		Apr-16		Apr-16		Apr-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$500	0.57	\$475	0.59	\$620	0.72	\$525	0.53	\$649	0.82
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	WU/2		WU/1,2		WU/4		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2018	\$36	1985	\$33	2006	\$12	1997	\$21	2004	\$14
8	Condition /Street Appeal	E	\$15	F	\$30	E		G	\$15	E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	1	(\$50)	1		1		2	(\$50)	1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	700	(\$27)	800	(\$16)	856	(\$25)	1000	(\$48)	790	(\$14)
14	Balcony/ Patio	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y		N/N	\$10	Y/Y	(\$5)	N/Y		N/Y	
18	Washer/Dryer	W/D	\$25	HU	\$25	HU/L	\$25	HU	\$25	HU/L	\$25
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y	\$5	N	\$5	Y		N	\$5	Y	
23	Ceiling Fans/Ext. Storage	Y/N	\$5	N/N	\$5	Y/N		N/N	\$5	Y/Y	(\$5)
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		N	\$5	Y	
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	Y		N	\$5	Y	
28	Pool/ Recreation Areas	P	\$10	N	\$10	F	\$5	N	\$10	P/S	(\$3)
29	Computer Center	Y	\$3	N	\$3	Y		N	\$3	N	\$3
30	Picnic Area	Y	\$3	N	\$3	Y		N	\$3	Y	
31	Playground	Y	\$3	Y		Y		N	\$3	Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		Y/Y	(\$37)	Y/Y	(\$37)	Y/Y	(\$37)
39	Trash /Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos		Pos		Pos		Pos		Pos	
40	# Adjustments B to D	11	2	10	1	3	3	11	3	3	4
41	Sum Adjustments B to D	\$115	(\$77)	\$129	(\$16)	\$42	(\$35)	\$100	(\$103)	\$42	(\$27)
42	Sum Utility Adjustments						(\$37)		(\$37)		(\$37)
		Net		Gross		Net		Gross		Net	
43	Net/ Gross Adjmts B to E	\$38	\$192	\$113	\$145	(\$30)	\$114	(\$40)	\$240	(\$22)	\$106
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$538		\$588		\$590		\$485		\$627	
45	Adj Rent/Last rent		108%		124%		95%		92%		97%
46	Estimated Market Rent	\$580	\$0.83 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Peaks of Cornelia		Willow Tree Apts.		Pine Forest Village Apts. II		Heritage Gardens		Crown Point		Cameron at Clarksville Apt. Homes	
Level Grove Road		Willow Tree & Airport Rd.		Pine Forest Cir. & Airport Rd.		110 Heritage Gardens Dr.		100 Crown Point Dr.		130 Cameron Cir.	
Cornelia, GA		Baldwin, GA		Baldwin, GA		Cornelia, GA		Baldwin, GA		Clarkesville, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$500		\$500		\$725		\$545		\$749	
2	Date Surveyed	Apr-16		Apr-16		Apr-16		Apr-16		Apr-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		88%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$500	0.57	\$500	0.50	\$725	0.68	\$545	0.55	\$749	0.69
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	WU/2		TH/2		WU/4		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2018	\$36	1985	\$33	2006	\$12	1997	\$21	2004	\$14
8	Condition /Street Appeal	E	\$15	F	\$30	E		G	\$15	E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2	\$30	1.5	\$15	2		2		2	
13	Unit Interior Sq. Ft.	1050	\$27	1000	\$8	1074	(\$4)	1000	\$8	1078	(\$4)
14	Balcony/ Patio	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y		N/N	\$10	Y/Y	(\$5)	N/Y		N/Y	
18	Washer/Dryer	W/D	\$25	HU	\$25	HU/L	\$25	HU	\$25	HU/L	\$25
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y	\$5	N	\$5	Y		N	\$5	Y	
23	Ceiling Fans/Ext. Storage	Y/N	\$5	N/N	\$5	Y/N		N/N	\$5	Y/Y	(\$5)
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		N	\$5	Y	
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	Y		N	\$5	Y	
28	Pool/ Recreation Areas	P	\$10	N	\$10	F	\$5	N	\$10	P/S	(\$3)
29	Computer Center	Y	\$3	N	\$3	Y		N	\$3	N	\$3
30	Picnic Area	Y	\$3	N	\$3	Y		N	\$3	Y	
31	Playground	Y	\$3	Y		Y		N	\$3	Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		Y/Y	(\$44)	Y/Y	(\$44)	Y/Y	(\$44)
39	Trash /Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	13		12		3	3	12	1	3	4
41	Sum Adjustments B to D	\$172		\$152		\$42	(\$14)	\$108	(\$5)	\$42	(\$17)
42	Sum Utility Adjustments						(\$44)		(\$44)		(\$44)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$172	\$172	\$152	\$152	(\$16)	\$100	\$59	\$157	(\$19)	\$103
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$672		\$652		\$709		\$604		\$730	
45	Adj Rent/Last rent		134%		130%		98%		111%		97%
46	Estimated Market Rent	\$675	\$0.64	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Peaks of Cornelia		Pine Forest Village Apts. I		Pine Forest Village Apts. II		Heritage Gardens		Crown Point		Cameron at Clarksville Apt. Homes	
Level Grove Road		120 Pine Forest Cir. & Airport Rd.		Pine Forest Cir. & Airport Rd.		110 Heritage Gardens Dr.		100 Crown Point Dr.		130 Cameron Cir.	
Cornelia, GA		Baldwin, GA		Baldwin, GA		Cornelia, GA		Baldwin, GA		Clarkesville, GA	
Subject		Data		Data		Data		Data		Data	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$575		\$500		\$820		\$545		\$789	
2	Date Surveyed	Apr-16		Apr-16		Apr-16		Apr-16		Apr-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$575	0.58	\$500	0.50	\$820	0.63	\$545	0.55	\$789	0.64
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		TH/2		WU/4		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2018		1982	\$36	1985	\$33	2006	\$12	1997	\$21
8	Condition /Street Appeal	E		F	\$30	F	\$30	E		G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?		Yes		Yes		Yes		Yes		Yes
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		2	\$50	3		2	\$50
12	# Baths	2	\$15	1.5	\$15	1.5	\$15	2		2	
13	Unit Interior Sq. Ft.	1200	\$29	1000	\$29	1000	\$29	1304	(\$15)	1000	\$29
14	Balcony/ Patio	N		N		N		Y	(\$5)	Y	(\$5)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	\$10	N/N	\$10	N/N	\$10	Y/Y	(\$5)	N/Y	
18	Washer/Dryer	W/D	\$25	HU	\$25	HU	\$25	HU/L	\$25	HU	\$25
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y	\$5	N	\$5	N	\$5	Y		N	\$5
23	Ceiling Fans/Ext. Storage	Y/N	\$5	N/N	\$5	N/N	\$5	Y/N		N/N	\$5
D	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y	\$5	N	
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	Y		Y	\$5	N	
28	Pool/ Recreation Areas	P	\$10	N	\$10	N	\$10	F	\$5	N	\$10
29	Computer Center	Y	\$3	N	\$3	N	\$3	Y		N	\$3
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		N	\$3
31	Playground	Y		Y		Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		Y/Y	(\$59)	Y/Y	(\$59)
39	Trash /Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	12		13		3	3	13	1	3	4
41	Sum Adjustments B to D	\$176		\$223		\$42	(\$25)	\$179	(\$5)	\$42	(\$18)
42	Sum Utility Adjustments						(\$59)		(\$59)		(\$59)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$176	\$176	\$223	\$223	(\$42)	\$126	\$115	\$243	(\$35)	\$119
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$751		\$723		\$778		\$660		\$754	
45	Adj Rent/Last rent		131%		145%		95%		121%		96%
46	Estimated Market Rent	\$745	\$0.62	← Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that achievable market rents for units similar to the subject development are \$580 for a one-bedroom unit, \$675 for a two-bedroom unit, and \$745 for a three-bedroom unit.

The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$336 (50%)	\$580	42.1%
	\$430 (60%)		25.9%
	\$480 (MR)		17.2%
Two-Bedroom	\$394 (50%)	\$675	41.6%
	\$507 (60%)		24.9%
	\$555 (MR)		17.8%
Three-Bedroom	\$437 (50%)	\$745	41.3%
	\$568 (60%)		23.8%
	\$630 (MR)		15.4%

MR – Market-Rate

Typically, Tax Credit rents should represent at least a 10% market rent advantage to be perceived as a value in the market and ensure a sufficient flow of qualified applicants. Therefore, the proposed subject Tax Credit rents will likely be perceived as significant values within the market as they represent market rent advantages ranging from 23.8% to 42.1%, depending upon bedroom type and AMHI level. Market-rate rents do not typically need to represent a significant value to be marketable within a given area. Regardless, the proposed market-rate rents are also expected to be perceived as good values within the Cornelia market, as they represent market rent advantages ranging from 15.3% to 17.8%, as illustrated in the preceding table.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1982 and 2006. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent quality finish and attractive aesthetic street appeal once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
11. All of the selected properties offer two-bedroom units. However, some of the selected properties do not offer one- or three-bedroom units. In these instances, we have utilized the next most comparable floor plan and applied adjustments (positive or negative) to account for the difference in the number of defined bedrooms at the selected properties as compared to the subject project.
12. The number of bathrooms offered among the selected properties varies. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared this selected properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package that is generally considered superior to those offered among most of the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.

24.-32. The proposed project also offers a generally superior project amenities package as compared to those offered among most of the selected market-rate properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

33.-39. We made adjustments to reflect the differences in utility responsibility at the selected properties as needed. The utility adjustments were based on the local housing authority's utility cost estimates.