

Market Feasibility Analysis

Peaks of Oakwood
Atlanta Highway/State Route 13
Oakwood, Hall County, Georgia 30542

Prepared For

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Effective Date

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Job Reference Number

16-242 JW



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SECTION A – EXECUTIVE SUMMARY

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

1. Project Description:

The proposed project involves the new construction of the 84-unit Peaks of Oakwood rental community on a 9.25-acre site on the south side of Atlanta Highway/State Route 13, approximately 0.2 miles west of Winder Highway/State Route 53, in Oakwood, Georgia. The project will offer 12 one-, 48 two- and 24 three-bedroom garden-style units in five (5) two- and three-story, walk-up residential buildings together with a free-standing, 1,500 square-foot community building. Peaks of Oakwood 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 13 of the 84 total units will operate with no rent- or income-restrictions (market-rate). Monthly collected Tax Credit rents will range from \$394 to \$665, depending on unit size and targeted income level. Monthly collected rents for the market-rate units range from \$595 to \$775, 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 his 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 Oakwood, predominantly comprised of commercial and residential structures in good condition. These surrounding land uses are conducive to multifamily rental housing. Access to the site is considered good, as it is within 0.5 miles of State Routes 13, 53 and 332 and Interstate 985. In addition, public transportation services provided by Hall Area Transit are within 0.4 miles. Visibility of the site will be obstructed by the surrounding land uses and permanent signage is recommended along Atlanta Highway/State Route 13. Additionally, promotional signage is recommended along State Route 53 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 5.3 miles. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

3. Market Area Definition:

The Oakwood Site PMA includes Oakwood, portions of Gainesville, Flowery Branch and Braselton, as well as the surrounding unincorporated areas of Hall and Gwinnett counties. The boundaries of the Site PMA include State Route 53, Jesse Jewell Parkway, and Athens Highway to the north; Interstate 985 and State Route 60 to the east; State Route 211, Winder Highway, Friendship Road, and Spout Springs Road to the south; and Interstate 985, Wade Orr Road, Gaines Ferry Road, and McEver Road to the west. The farthest boundary from the site is 9.2 miles. A map illustrating these boundaries is included on page D-2 of this report.

4. Community Demographic Data:

Overall, population and households within the Oakdale Site PMA have been experiencing positive growth since 2000. These trends are projected to remain positive through 2018, increasing by 1,480 (2.3%) and 496 (2.5%), respectively, from 2016. Renter households are projected to increase by 179 (2.3%) during the same time period. The projected 8,004 renter households in 2018 within the market represent a deep base of potential support for the subject project. In addition, the subject project will be able to accommodate nearly all of the Site PMA's renter households, based on household size. Overall, the demographic trends contained within this report demonstrate an increasing base of potential support for the proposed subject development. Additional demographic data is included in Section E of this report.

5. Economic Data:

According to a representative with the Greater Hall Chamber of Commerce and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Hall County economy continues to experience growth. Notably, over 800 jobs are anticipated to be added within the county over the next two years. Additionally, aside from a downturn between 2007 and 2010, the employment base within the county has consistently increased over the preceding six-year period. In fact, the employment base has increased by 11,315 employees, or 14.5%, since 2010 and is currently above pre-recession levels. Further, the unemployment rate has decreased each of the past six years and is at its lowest level (4.5%) since 2007 (3.6%). Overall, these positive economic trends indicate that the Hall County economy is strong and improving. Based on these recent trends, it is anticipated that Hall County will continue to experience positive economic trends for the foreseeable future, which will continue to create a stable environment for housing. 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 such as the Oakwood Site PMA are considered acceptable. As such, the project's overall LIHTC-only capture rate of 3.6% is considered low and easily achievable within the Oakwood Site PMA and demonstrates that a deep base of potential income-eligible renter support exists for the subject project's affordable units. This is especially true given the high occupancy rates and wait lists maintained among the existing LIHTC properties surveyed in the Site PMA. Also note that the 13 market-rate units proposed at the subject site have a capture rate of just 3.9%, demonstrating that significant demographic support also exists for the proposed unrestricted market-rate units.

7. Competitive Rental Analysis

Tax Credit

We identified and surveyed four existing family (general-occupancy) non-subsidized rental communities that offer LIHTC units in the Site PMA. These four projects target households with incomes of up to 30%, 50% and/or 60% of AMHI and are considered competitive properties. These four competitive LIHTC projects and the subject development are summarized in the following table. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum A, Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Peaks of Oakwood	2018	71*	-	-	-	Families; 50% & 60% AMHI
9	Oconee Springs	1998	88	100.0%	5.8 Miles	30% AMHI: 12 H.H.	Families; 30%, 50%, & 60% AMHI
10	Paces Landing	2002	112*	100.0%	5.9 Miles	10 H.H.	Families; 50% & 60% AMHI
11	Retreat at McEver	2002	224	100.0%	7.0 Miles	7 H.H.	Families; 60% AMHI
12	McEver Vineyards	2004	220	100.0%	6.2 Miles	5 H.H.	Families; 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The four competitive LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain wait lists. This indicates that pent-up demand exists for additional affordable rental housing within the market. Given the lack of available LIHTC units within the market, the subject project will provide an affordable rental housing alternative to low-income households which are currently underserved.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.	Four-Br.	Rent Special
Site	Peaks of Oakwood	\$530/50% (3) \$636/60% (7)	\$636/50% (10) \$763/60% (30)	\$735/50% (5) \$882/60% (16)	-	-
9	Oconee Springs	-	\$402/30% (4/0) \$682/50% (3/0) \$712/60% (9/0)	\$463/30% (13/0) \$803/50% (16/0) \$823/60% (35/0)	\$527/30% (2/0) \$887/50% (2/0) \$952/60% (4/0)	None
10	Paces Landing	\$749/60% (12/0)	\$761/50% (14/0) \$905/60% (42/0)	\$878/50% (40/0)	\$989/50% (4/0)	None
11	Retreat at McEver	\$725/60% (80/0)	\$832/60% (120/0)	\$997/60% (24/0)	-	None
12	McEver Vineyards	\$773/60% (72/0)	\$917/60% (96/0)	\$1,037/60% (52/0)	-	None

The proposed subject gross rents, ranging from \$530 to \$882, will be some of the lowest LIHTC rents relative to the rents offered at the comparable affordable developments targeting similar income levels within the market. Combined with the fact that the subject project will be at least 14 years newer than these LIHTC projects will provide it with a significant competitive advantage.

Market Rate

We identified and surveyed five market-rate projects in the market that we consider the most comparable to the subject project. This selection was based on, but not limited to newness, unit type, design, size and amenities. These five 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 Oakwood	2018	13*	-	-	-
1	Treepark Apt. Homes	2006	456	91.2%	4.1 Miles	\$200 gift card w/1-yr lease
2	Park Creek Apts.	1998	200	99.5%	7.0 Miles	None
3	Walden at Oakwood	2009	300	98.3%	0.9 Miles	None
5	Legacy at Audubon Crest	1998	126	100.0%	1.3 Miles	None
8	Villas at Lanier	2004	150	100.0%	3.9 Miles	None

*Market-rate units only

The five selected market-rate projects have a combined total of 1,232 units with an overall occupancy rate of 96.3%, a strong rate for rental housing. As such, these market-rate projects will serve as accurate benchmarks with which to compare to the proposed development.

The gross rents for the competing market-rate projects and the proposed market-rate 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 Oakwood	\$758 (2)	\$902 (8)	\$1,032 (3)
1	Treepark Apt. Homes	\$1,039-\$1,139 (136/3)	\$1,277-\$1,342 (214/21)	\$1,452-\$1,902 (106/16)
2	Park Creek Apts.	\$935-\$1,025 (80/0)	\$1,179-\$1,229 (84/1)	\$1,404 (36/0)
3	Walden at Oakwood	\$1,090-\$1,380 (125/2)	\$1,334-\$1,479 (171/3)	\$1,559 (4/0)
5	Legacy at Audubon Crest	\$1,000 (20/0)	\$1,134-\$1,159 (74/0)	\$1,279 (32/0)
8	Villas at Lanier	\$963-\$979 (40/0)	\$1,032-\$1,117 (86/0)	\$1,254-\$1,264 (24/0)

The proposed subject gross market-rate rents, ranging between \$758 and \$1,032, will be significantly lower than the rents offered at the comparable market-rate developments within the market. Combined with the fact that the subject project will be at least nine years newer than these market-rate projects will provide it with a significant competitive advantage.

Competitive Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing competitive properties within the Site PMA, it is our opinion that the subject development will be very competitive. Aside from the subject's slightly smaller unit sizes and inferior amenities package, it will be at least nine years newer than the comparable properties in the market, offering some of the lowest rents targeting similar income levels. The aforementioned characteristics will provide the subject with a significant competitive advantage. This has been considered in our absorption projections.

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

8. Absorption/Stabilization Estimates

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 and waiting lists reported among existing non-subsidized LIHTC and market-rate projects in the market, the required capture rate, achievable market rents and the competitiveness of the proposed subject development within the Oakwood 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 84 proposed LIHTC and market-rate units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately six to seven months. This absorption period is based on an average monthly absorption rate of approximately 12 units per month.

These absorption projections assume a 2018 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built 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.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market exists for the 84 LIHTC and market-rate units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The Oakwood rental housing market is performing very well, as evidenced by the overall rental market occupancy rate of 97.8%. In fact, no vacancies exist within the surveyed affordable units within the Site PMA, all of which maintain wait lists. This indicates that pent-up demand for additional affordable housing exists within the market. As such, the proposed LIHTC units at the subject site will help alleviate a portion of this pent-up demand. Also note that the market-rate rental housing segment is performing very well with a combined occupancy of 96.8%. Aside from the subject's slightly smaller unit sizes and inferior amenities package, it will be at least nine years newer than the competitive product within the market, offering some of the lowest rents. The aforementioned characteristics will provide the subject with a significant competitive advantage.

The overall required capture rates of 3.6% and 3.9% for the subject's LIHTC and market-rate units, respectively, are considered very low and further demonstrate that a significant base of potential income-appropriate renter support exists for the subject project within the Oakwood Site PMA.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Oakwood Site PMA, as proposed. 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 Oakwood	Total # Units:	84
Location:	Atlanta Highway/State Route 13	# LIHTC Units:	71
PMA Boundary:	State Route 53, Jesse Jewell Parkway, and Athens Highway to the north; Interstate 985 and State Route 60 to the east; State Route 211, Winder Highway, Friendship Road, and Spout Springs Road to the south; and Interstate 985, Wade Orr Road, Gaines Ferry Road, and McEver Road to the west.		
	Farthest Boundary Distance to Subject:		9.2 miles

RENTAL HOUSING STOCK (found on page H-1, 6 & 12)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	2,102	46	97.8%
Market-Rate Housing	10	1,446	46	96.8%
Assisted/Subsidized Housing not to include LIHTC	1	12	0	100.0%
LIHTC	4	644	0	100.0%
Stabilized Comps	9	1,876	46	97.5%
Properties in Construction & Lease Up	0	-	-	-

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	\$394	\$882	\$1.26	123.9%	\$905	\$1.21
7	One-Br.	1.0	700	\$500	\$882	\$1.26	76.4%	\$905	\$1.21
2	One-Br.	1.0	700	\$595	\$882	\$1.26	48.2%	\$905	\$1.21
10	Two-Br.	2.0	1,000	\$464	\$1,039	\$1.04	123.9%	\$1,105	\$0.95
30	Two-Br.	2.0	1,000	\$591	\$1,039	\$1.04	75.8%	\$1,105	\$0.95
8	Two-Br.	2.0	1,000	\$695	\$1,039	\$1.04	19.5%	\$1,105	\$0.95
5	Three-Br.	2.0	1,100	\$518	\$1,195	\$1.09	130.7%	\$1,280	\$0.92
16	Three-Br.	2.0	1,100	\$665	\$1,195	\$1.09	79.7%	\$1,280	\$0.92
3	Three-Br.	2.0	1,100	\$775	\$1,195	\$1.09	54.2%	\$1,280	\$0.92

DEMOGRAPHIC DATA (found on page E-2 & G-5)

	2010		2016		2018	
Renter Households	6,854	37.2%	7,825	39.7%	8,004	39.6%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	2,897	14.7%	3,031	15.0%
Income-Qualified Renter HHs (MR) (if applicable)	N/A	N/A	2,993	15.2%	2,928	14.5%

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		87	111	-65		134
Existing Households (Overburd + Substand)		1,546	1,456	416		1,900
Homeowner conversion (Seniors)		-	-	-		-
Total Primary Market Demand		1,633	1,567	351		2,034
Less Comparable/Competitive Supply		0	52	19		52
Adjusted Income-Qualified Renter HHs		1,633	1,515	332		1,982

CAPTURE RATES (found on page G-5)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate		1.1%	3.5%	3.9%		3.6%

SECTION B - PROJECT DESCRIPTION

The proposed project involves the new construction of the 84-unit Peaks of Oakwood rental community on a 9.25-acre site on the south side of Atlanta Highway/State Route 13, approximately 0.2 miles west of Winder Highway/State Route 53, in Oakwood, Georgia. The project will offer 12 one-, 48 two- and 24 three-bedroom garden-style units in five (5) two- and three-story, walk-up residential buildings together with a free-standing, 1,500 square-foot community building. Peaks of Oakwood 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 13 of the 84 total units will operate with no rent- or income-restrictions (market-rate). Monthly collected Tax Credit rents will range from \$394 to \$665, depending on unit size and targeted income level. Monthly collected rents for the market-rate units range from \$595 to \$775, 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 his 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 Oakwood
2. **Property Location:** Atlanta Highway/State Route 13
Oakwood, Georgia 30542
(Hall County)
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%	\$394	\$136	\$530	\$557
7	One-Br.	1.0	Garden	700	60%	\$500	\$136	\$636	\$669
2	One-Br.	1.0	Garden	700	-	\$595	\$136	\$758	-
10	Two-Br.	2.0	Garden	1,000	50%	\$464	\$172	\$636	\$668
30	Two-Br.	2.0	Garden	1,000	60%	\$591	\$172	\$763	\$802
8	Two-Br.	2.0	Garden	1,000	-	\$695	\$172	\$902	-
5	Three-Br.	2.0	Garden	1,100	50%	\$518	\$217	\$735	\$772
16	Three-Br.	2.0	Garden	1,100	60%	\$665	\$217	\$882	\$927
3	Three-Br.	2.0	Garden	1,100	-	\$775	\$217	\$1,032	-
84	Total								

Source: Landbridge Development, LLC

AMHI - Area Median Household Income (Gainesville, GA MSA; 2015)

- 5. Target Market:** Families (general-occupancy)
- 6. Project Design:** Five (5) two- and three-story, walk-up residential buildings with 84 garden-style units and one stand-alone, 1,200 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
- Washer/Dryer Hookups
- Microwave Oven

10. Community Amenities:

- On-Site Management
- Club House/Community Room
- Laundry Facility
- 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 utilities, which include the following:

- Electric Heat
- Electric Water Heat
- Electric Cooking
- General Unit 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 168 open lot parking spaces at no additional charge.

15. Current Project Status:

Not Applicable; New Construction

16. Statistical Area:

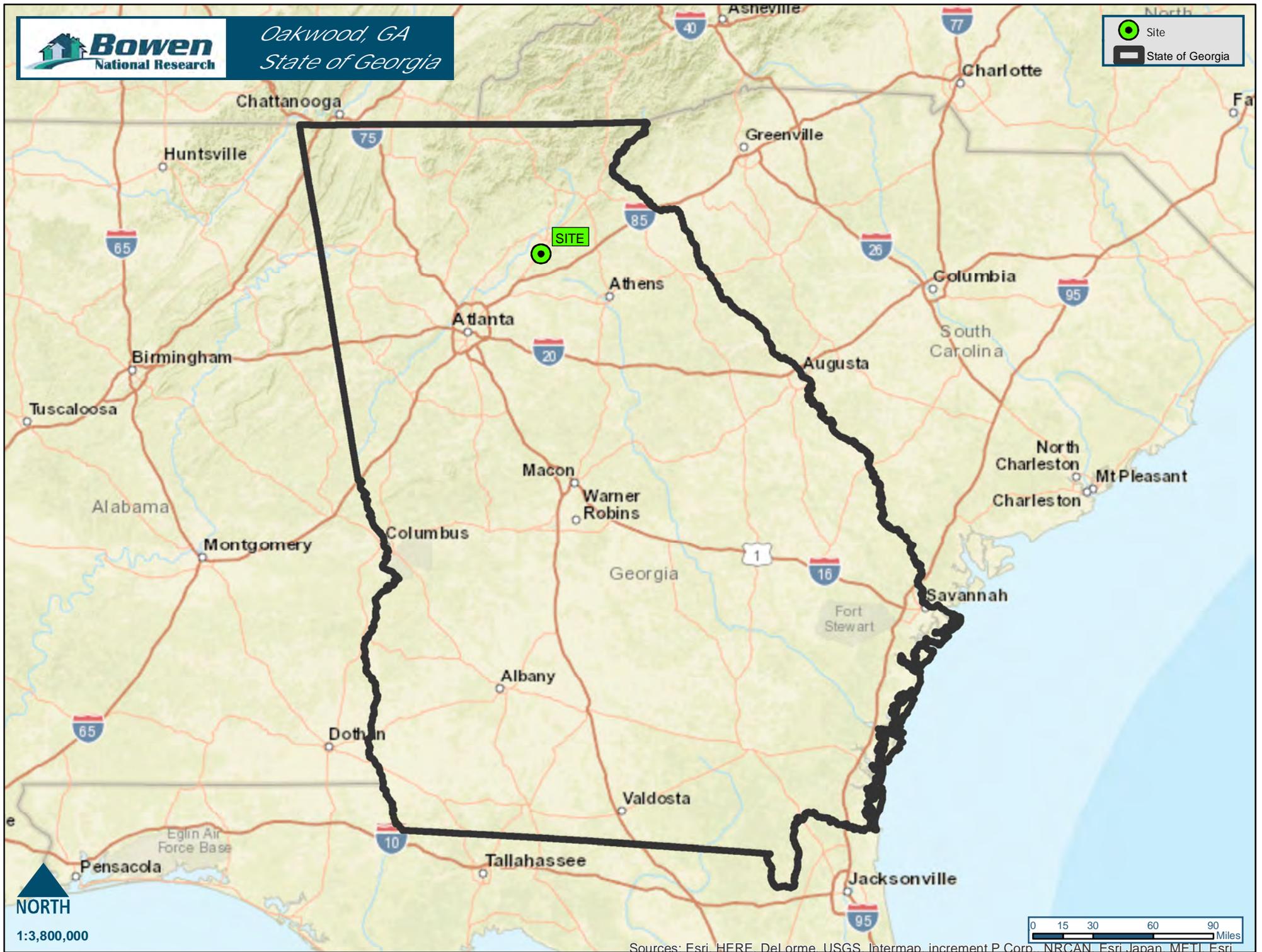
Gainesville, Georgia MSA (2015)

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



Oakwood, GA
State of Georgia

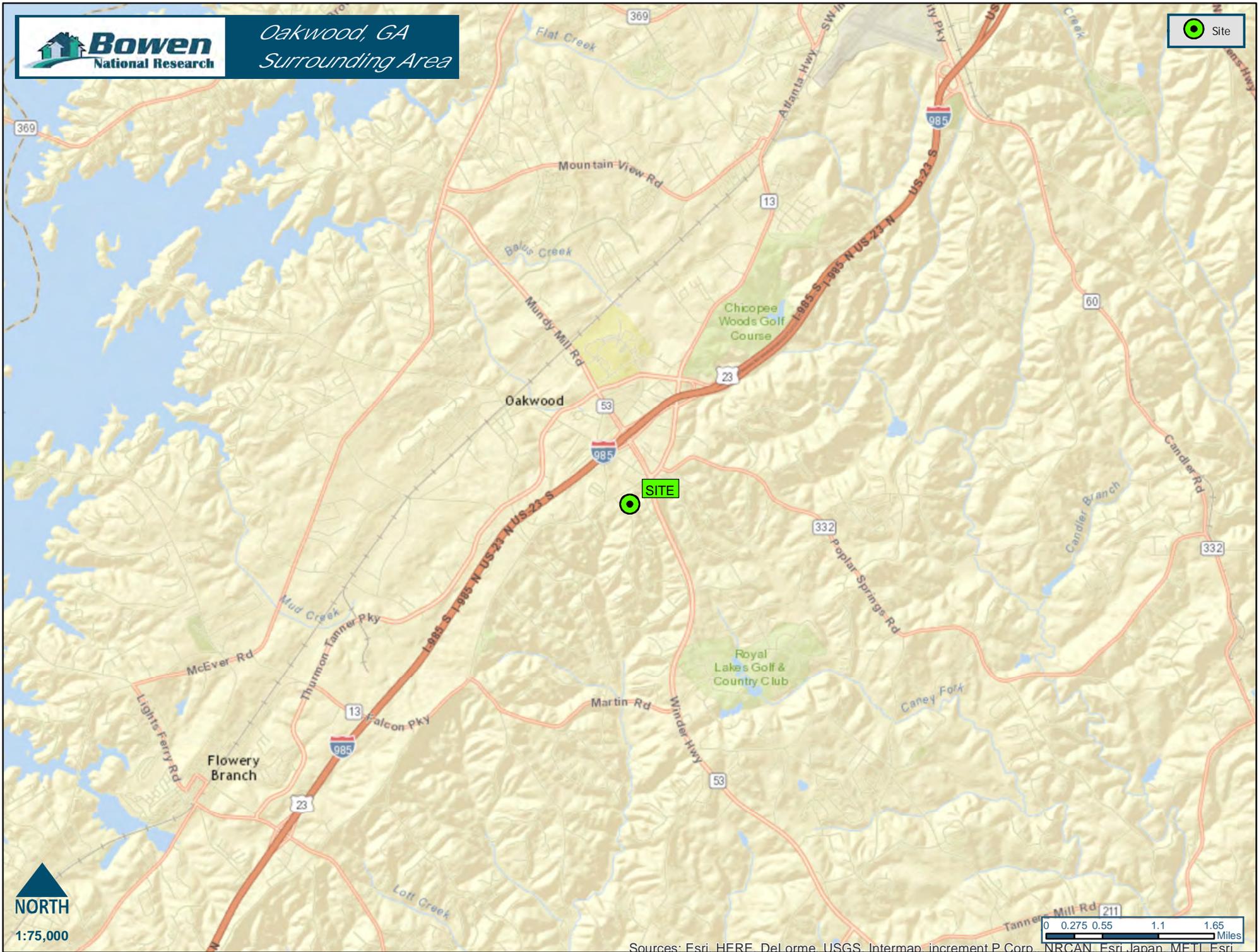
Legend:
● Site
▭ State of Georgia



NORTH
1:3,800,000



Oakwood, GA
Surrounding Area



NORTH
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



Oakwood, GA
Site Neighborhood

Legend
Site Area



1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site currently consists of wooded land and a vacant home which will be razed during the development process located along Atlanta Highway/State Route 13, 0.2 miles west of Winder Highway/State Route 53 in the southeastern portion of Oakwood, Georgia. Located within Hall County, Oakwood is approximately 44.0 miles northwest of Athens, Georgia and approximately 49.0 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 Oakwood. Surrounding land uses include single- and multifamily homes, undeveloped land, a shopping center and a church. Adjacent land uses are detailed as follows:

North -	The Annex at Blackshear Place Church, Georgia Mountain Graphics and Barefoot Care Specialists border the site to the north, immediately followed by Atlanta Highway/State Route 13, a moderately traveled two-lane roadway. Farther north are Blackshear Place Baptist Church and undeveloped land.
East -	The Robson Crossing shopping center borders the subject site to the east, followed by Winder Highway/State Route 53, a heavily traveled divided two-lane thoroughfare. Extending beyond are scattered single-family homes in fair condition, along with wooded land.
South -	Wooded land borders the subject site to the south. Continuing south is Walden at Oakwood (Map ID 3), a market-rate apartment community in excellent condition. Extending beyond, are single family homes in good to excellent condition and wooded land.
West -	Osborn Road, a lightly traveled residential roadway, and single-family homes in fair to good condition border the site to the west. Continuing west are wooded land and townhomes in good condition along Cresthill Drive. Wooded land extends beyond.

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 conducive to multifamily rental housing and will have a positive impact on the subject's marketability.

3. ACCESS AND VISIBILITY

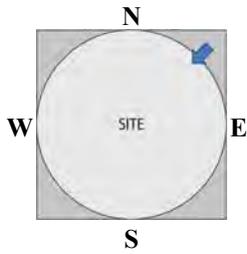
The subject property is located on the south side of Atlanta Highway/State Route 13, 0.2 miles west of Winder Highway/State Route 53. Vehicular traffic along Atlanta Highway/State Route 13 is considered moderate, particularly during peak commuting hours due to the presence of multiple community services 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 0.5 miles of State Route 332 and Interstate 985. Further, Hall Area Transit provides public transportation services throughout Oakwood, with the closest bus stop located near the intersection of Atlanta Highway/State Route 13 and Poplar Springs Road, 0.4 miles east of the site. Overall, access is considered good. Visibility of the site will be obstructed by the surrounding wooded land and shopping center and permanent signage is recommended along Atlanta Highway. In addition, promotional signage is recommended along State Route 53 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.

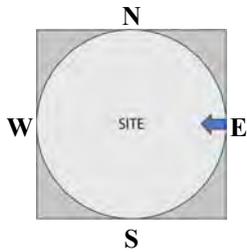
4. SITE PHOTOGRAPHS

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

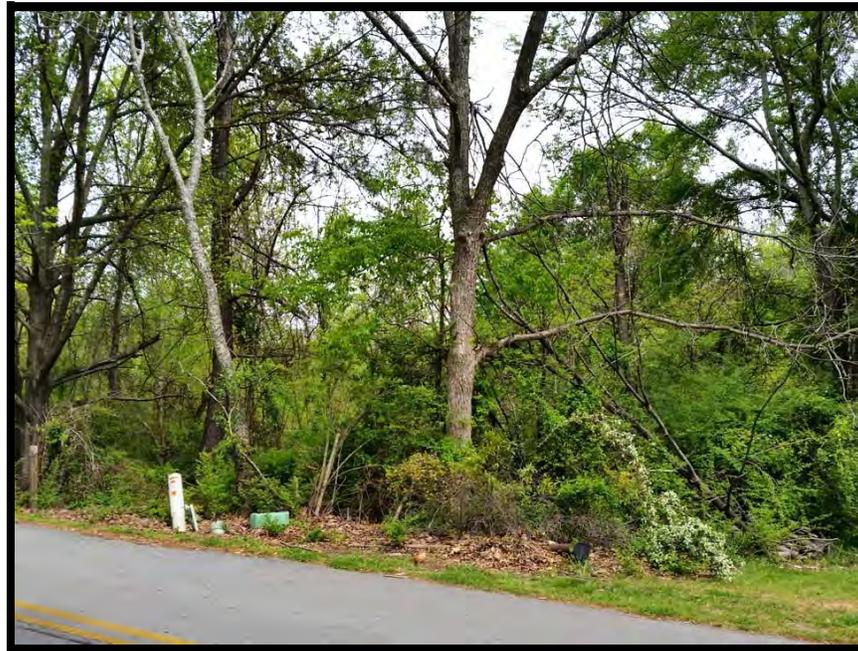
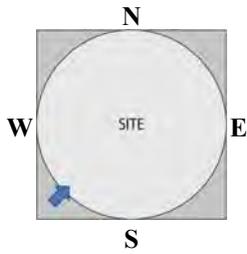
SITE PHOTOGRAPHS



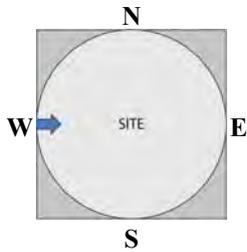
View of site from the northeast



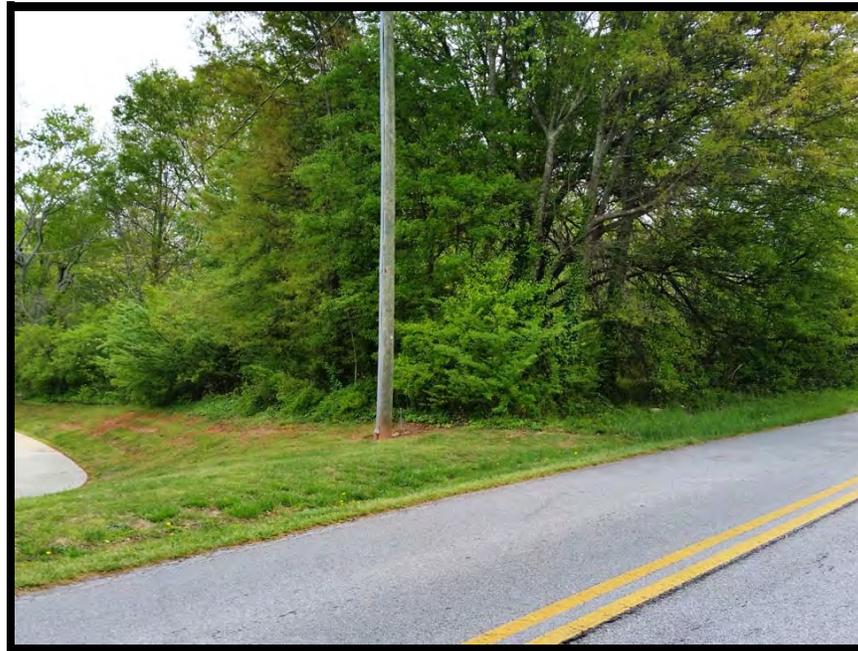
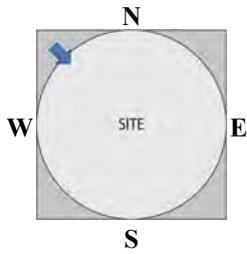
View of site from the east



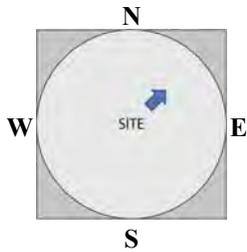
View of site from the southwest



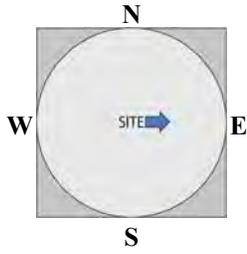
View of site from the west



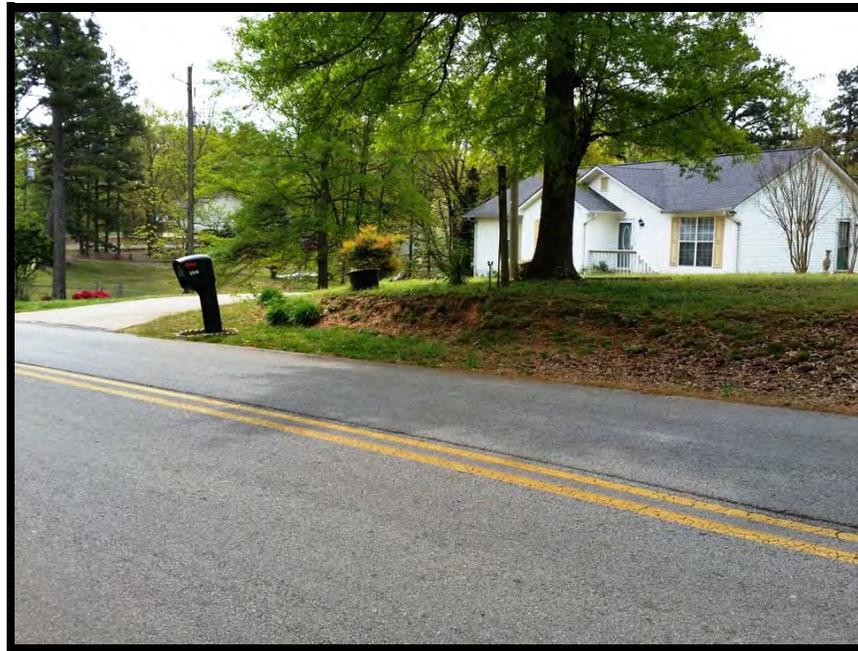
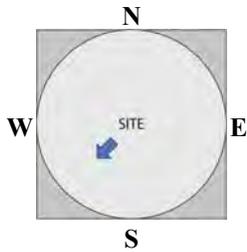
View of site from the northwest



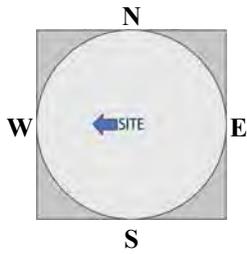
Northeast view from site



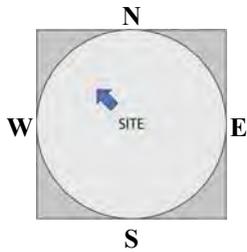
East view from site



Southwest view from site



West view from site



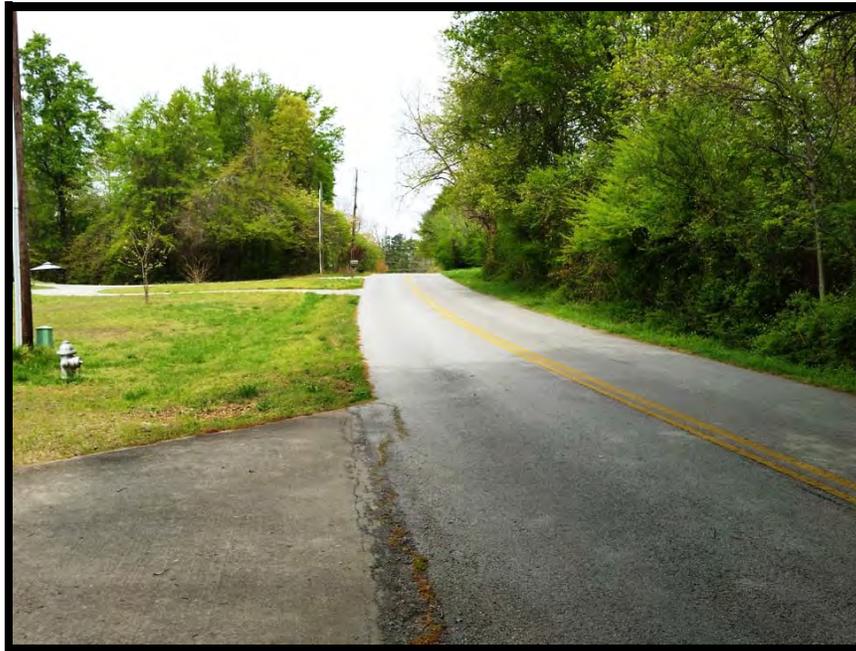
Northwest view from site



Streetscape: Southwest view of Atlanta Highway



Streetscape: Northeast view of Atlanta Highway



Streetscape: Northwest view of Osborn Road



Streetscape: Southeast view of Osborn Road

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

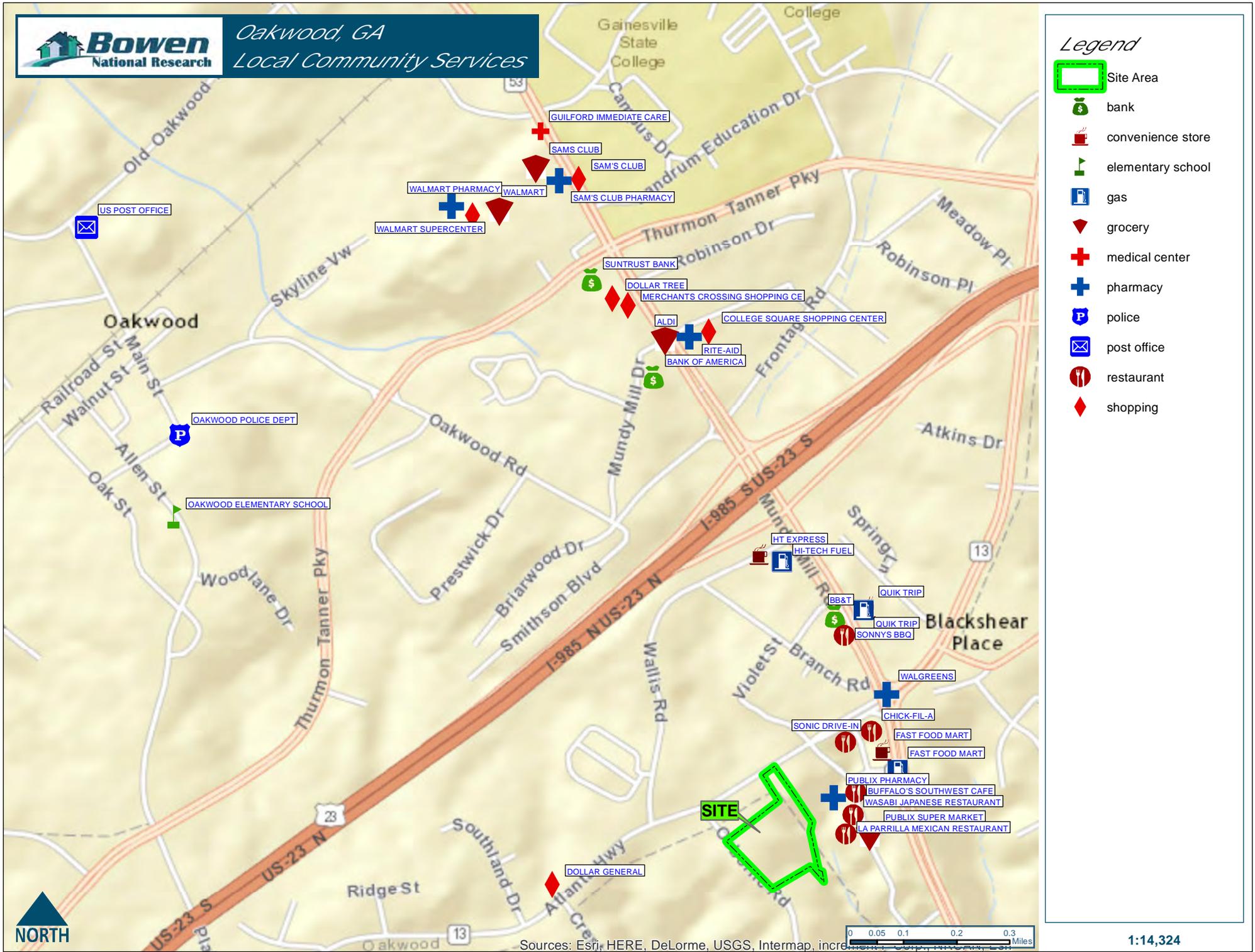
The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 13 State Route 53 Interstate 985	Adjacent North 0.2 East 0.5 North
Public Bus Stop	Hall Area Transit	0.4 East
Major Employers/ Employment Centers	Robson Crossing Walmart Supercenter Hall County School System Fieldale Farms Corporation	0.2 East 1.5 Northwest 1.6 North 4.9 Northeast
Convenience Store	Fast Food Mart Quik Trip HT Express	0.2 East 0.3 North 0.4 North
Grocery	Publix Super Market Aldi Sam's Club Walmart Supercenter	0.2 East 0.9 Northwest 1.4 Northwest 1.5 Northwest
Discount Department Store	Dollar General Dollar Tree Walmart Supercenter	0.8 Southwest 0.9 Northwest 1.5 Northwest
Shopping Center/Mall	Robson Crossing College Square Shopping Center Merchant's Crossing Shopping Center	0.2 East 0.9 Northwest 0.9 Northwest
Schools: Elementary Middle/Junior High High	Oakwood Elementary School West Hall Middle School West Hall High School	1.9 West 3.2 West 3.1 West
Hospital	Guilford Immediate Care Northeast Georgia Health System and Medical Center	1.3 Northwest 6.9 Northeast
Police	Oakwood Police Department	1.9 Northwest
Fire	Flowery Branch Fire Department	5.3 Southwest
Post Office	U.S. Post Office	2.1 Northwest
Bank	BB&T Regions Bank	0.3 North 0.4 North
Gas Station	Pure Gas QuikTrip Hi-Tech Fuel	0.2 East 0.3 North 0.4 North
Pharmacy	Publix Pharmacy Walgreens Rite Aid Pharmacy	0.2 Southeast 0.2 Northeast 0.9 Northwest
Restaurant	Sonic Drive-In Chick-Fil-A Wasabi Japanese Restaurant La Parrilla Mexican Restaurant Buffalo's Southwest Café	0.1 East 0.1 East 0.2 East 0.2 East 0.2 East
Day Care	Discovery Point Child Care Center	1.8 South
Community Center	Mulberry Creek Park & Community Center	3.4 Southwest

There are several community services including restaurants, pharmacies, banks, and discount department stores located less than 1.0 mile from the site. Notably, the site is bordered by the Robson Crossing shopping center to the east, which includes Publix, Ace Hardware, La Parrilla Mexican Restaurant, Buffalo's Cafe and Hallmark. Also note that there is a Walmart Supercenter located within 1.5 miles northwest of the site.

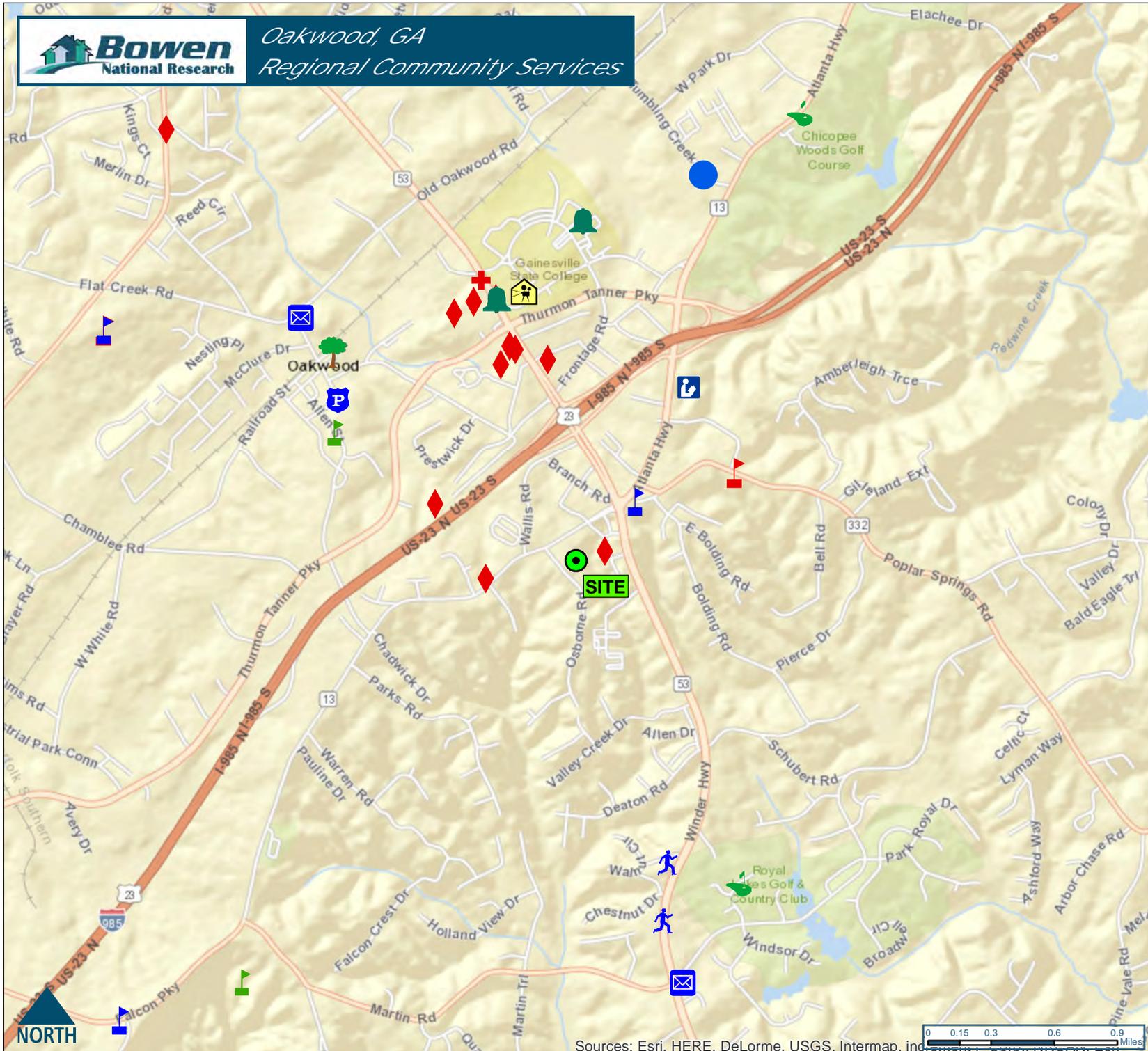
Public safety services are provided by the Oakwood Police Department and Flowery Branch Fire Department which are both located within 5.3 miles of the site. In addition, Guilford Immediate Care is located 1.3 miles from the site and is a premier urgent care facility available to Oakwood residents. The elementary, middle and high schools are all within 3.2 miles from the site.

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



- Legend*
- Site Area
 - bank
 - convenience store
 - elementary school
 - gas
 - grocery
 - medical center
 - pharmacy
 - police
 - post office
 - restaurant
 - shopping





- Legend*
- Site
 - cinema
 - elementary school
 - fitness center
 - golf
 - high school
 - library
 - medical center
 - middle school
 - park
 - police
 - post office
 - shopping
 - university
 - employers_1000_5000

NORTH

Sources: Esri, HERE, DeLorme, USGS, Intermap, inc



1:40,000

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 (79) for the Site PMA is below the national average with an overall personal crime index of 58 and a property crime index of 89. Total crime risk (81) for Hall County is below the national average with indexes for personal and property crime of 56 and 96, respectively.

	Crime Risk Index	
	Site PMA	Hall County
Total Crime	79	81
Personal Crime	58	56
Murder	60	62
Rape	79	69
Robbery	30	31
Assault	66	66
Property Crime	89	96
Burglary	93	107
Larceny	88	97
Motor Vehicle Theft	88	85

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk index for the Site PMA (79) is below both those of Hall County (81) and the country (100). The relatively low crime rate within the market will have a positive impact on the subject's marketability.

A map illustrating crime risk is on the following page.



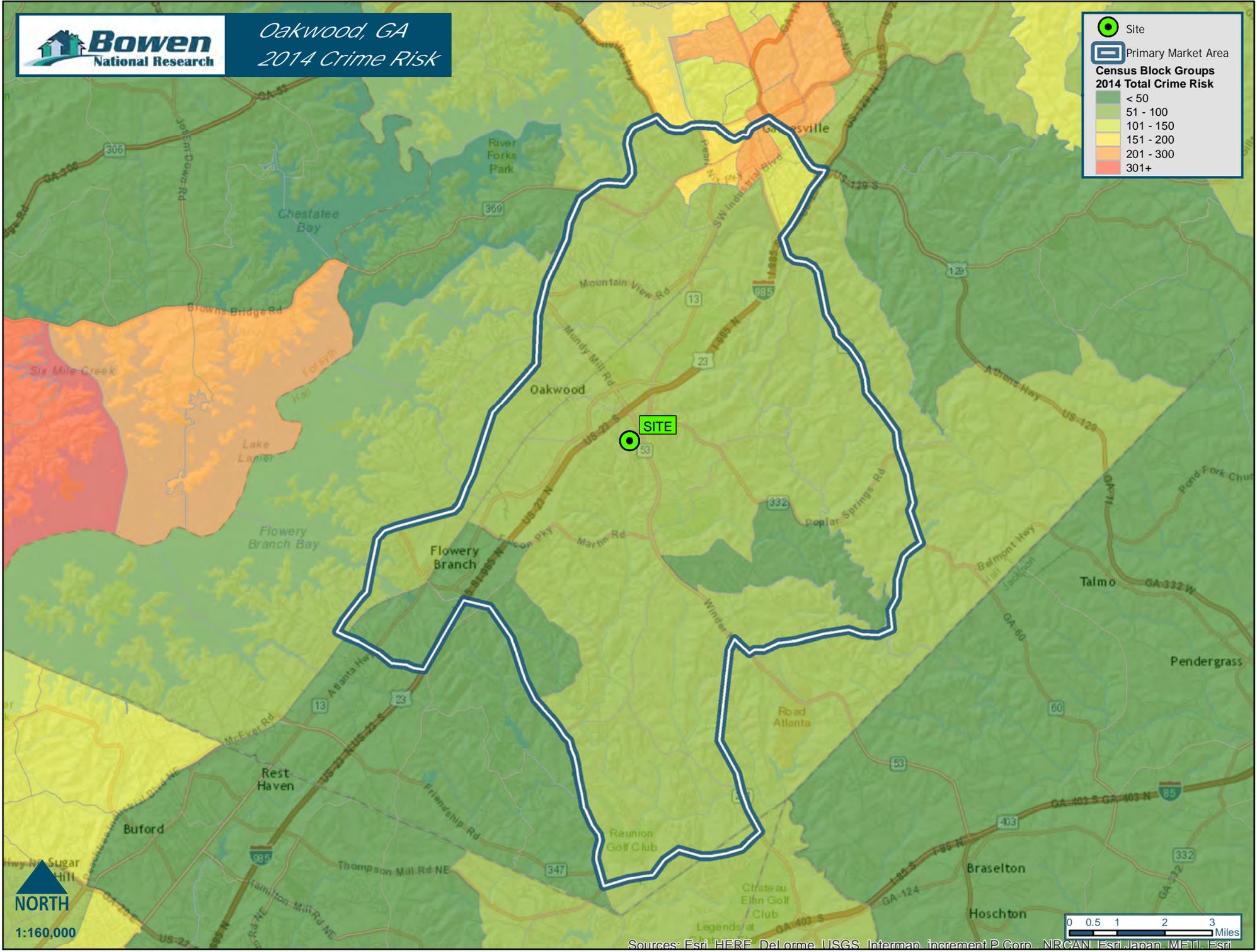
Oakwood, GA
2014 Crime Risk

● Site

▭ Primary Market Area

**Census Block Groups
2014 Total Crime Risk**

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



NORTH
1:160,000



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

7. OVERALL SITE EVALUATION

The proposed subject site is located within a partially developed area of Oakwood, predominantly comprised of commercial and residential structures in good condition. These surrounding land uses are conducive to multifamily rental housing. Access to the site is considered good, as it is within 0.5 miles of State Routes 13, 53 and 332 and Interstate 985. In addition, public transportation services provided by Hall Area Transit are within 0.4 miles. Visibility of the site will be obstructed by the surrounding land uses and permanent signage is recommended along Atlanta Highway/State Route 13. Additionally, promotional signage is recommended along State Route 53 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 5.3 miles. Overall, we consider 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.

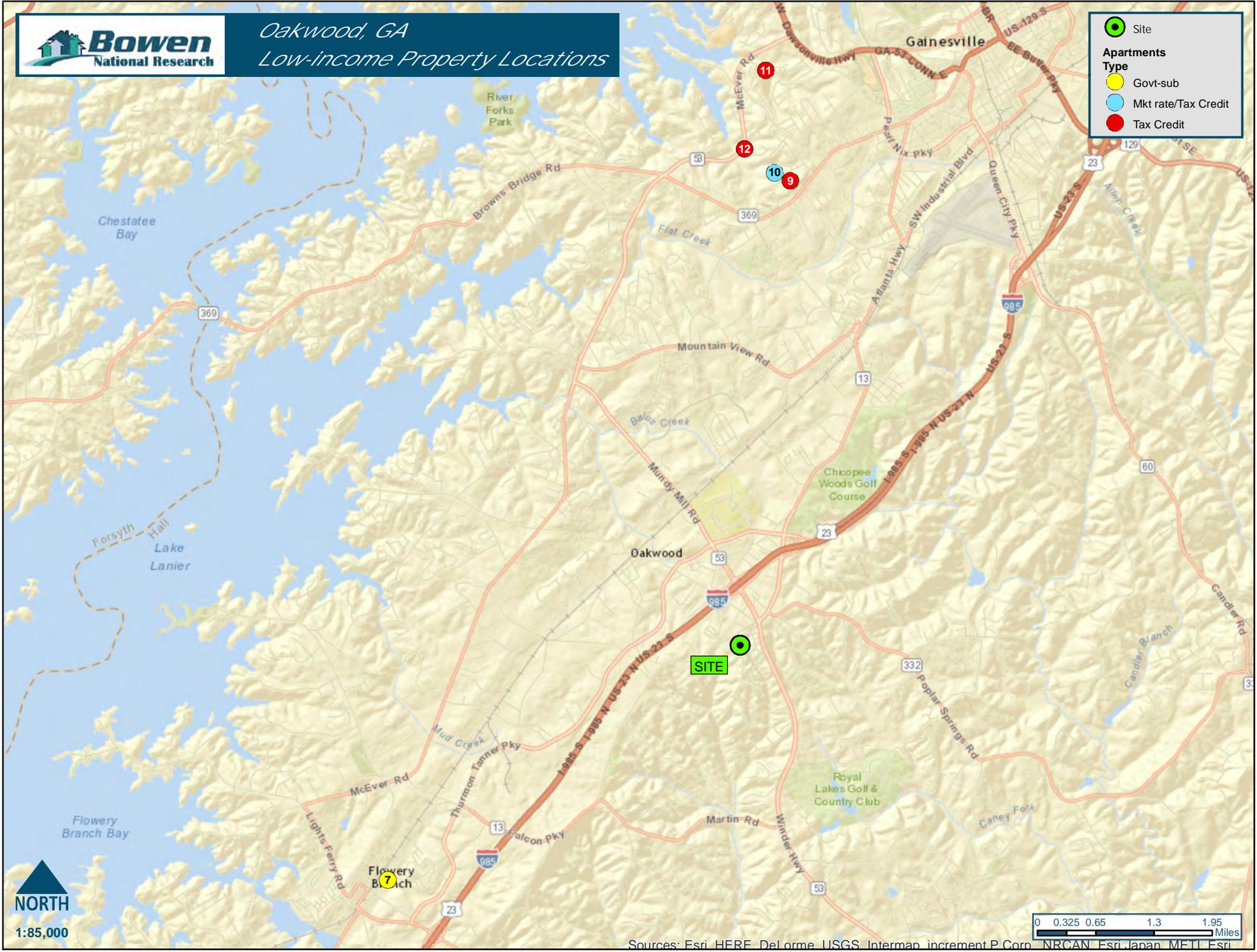


Oakwood, GA
Low-income Property Locations

● Site

Apartments Type

- Govt-sub
- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:85,000



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

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 Oakwood 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 Oakwood Site PMA includes Oakwood, portions of Gainesville, Flowery Branch and Braselton, as well as the surrounding unincorporated areas of Hall and Gwinnett counties. The boundaries of the Site PMA include State Route 53, Jesse Jewell Parkway, and Athens Highway to the north; Interstate 985 and State Route 60 to the east; State Route 211, Winder Highway, Friendship Road, and Spout Springs Road to the south; and Interstate 985, Wade Orr Road, Gaines Ferry Road, and McEver Road to the west.

Kate Best, Assistant Manager at Lennox Park Apartments, a 292-unit Tax Credit community in Gainesville, stated that approximately 90% of her property's residents have originated from the Oakwood and Gainesville areas and anticipates that the subject project will do the same, thus confirming the Site PMA. Ms. Best went on to explain that there is a large amount of factory workers in Gainesville and believes people from Gainesville would have no problem relocating to Oakwood for quality affordable housing.

Lakisha Byron, Property Manager at Orchard Brook Apartments, a 115-unit market rate and Tax Credit community in Gainesville, confirmed the Site PMA, explaining that at least 80% of her property's residents come from the southern portions of Gainesville and Oakwood areas. Ms. Byron also went on to state that she has a small number of residents that have relocated from Flowery Branch as well.

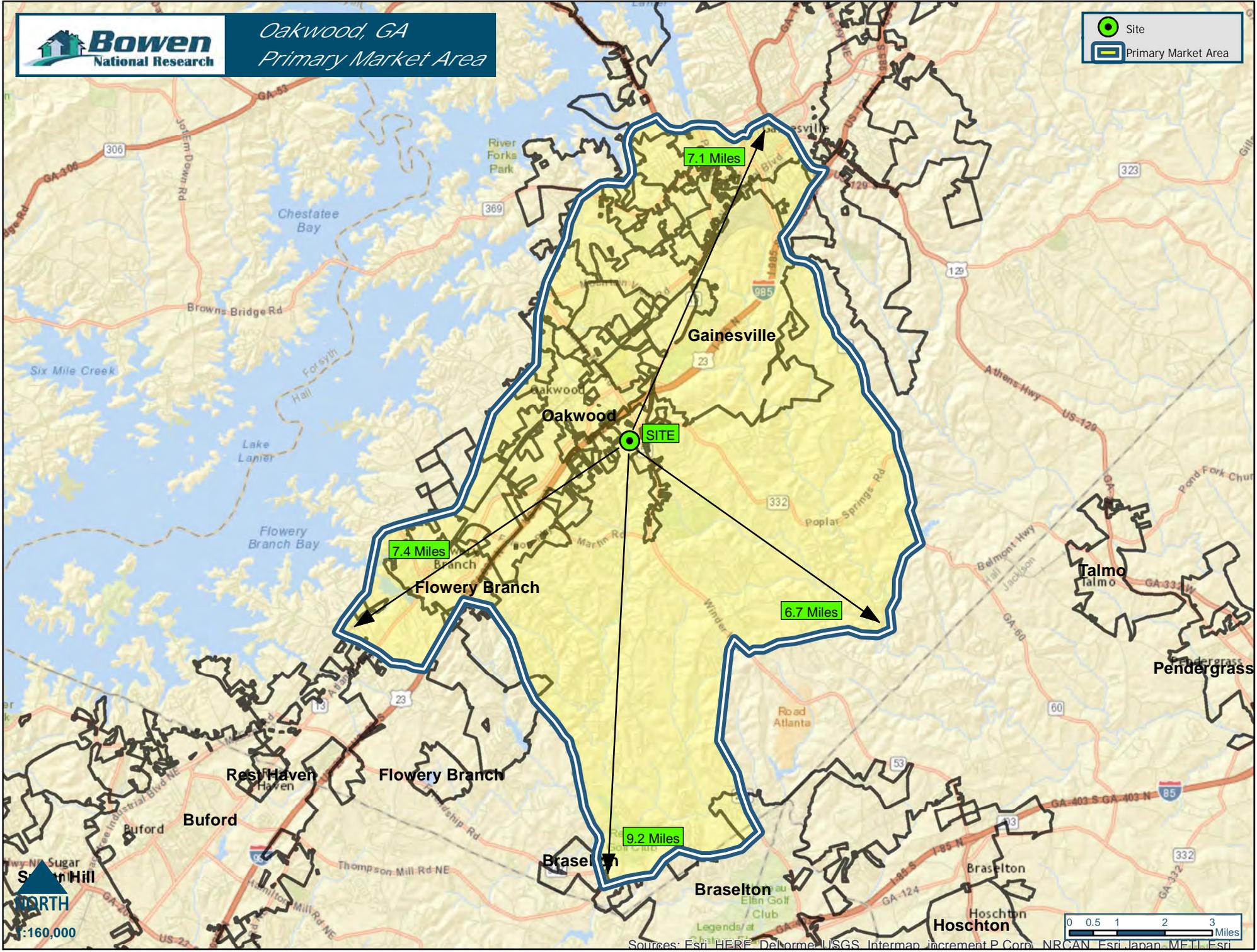
Though some support for the proposed project will undoubtedly originate from areas outside the Site PMA, the majority of support is expected to derive from within the boundaries of the Site PMA. Based on the preceding analysis, we have not considered a secondary market area in this report.

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



*Oakwood, GA
Primary Market Area*

● Site
▭ Primary Market Area



Scale: 1:160,000
NORTH



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	44,295	59,472	63,581	65,062
Population Change	-	15,177	4,109	1,480
Percent Change	-	34.3%	6.9%	2.3%

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

The Oakwood Site PMA population base increased by 15,177 between 2000 and 2010. This represents a 34.3% increase over the 2000 population, or an annual rate of 3.0%. Between 2010 and 2016, the population increased by 4,109, or 6.9%. It is projected that the population will increase by 1,480, or 2.3%, 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	19,753	33.2%	20,410	32.1%	20,801	32.0%	390	1.9%
20 to 24	4,405	7.4%	4,669	7.3%	4,596	7.1%	-73	-1.6%
25 to 34	9,293	15.6%	9,690	15.2%	9,875	15.2%	184	1.9%
35 to 44	8,953	15.1%	8,868	13.9%	9,001	13.8%	133	1.5%
45 to 54	7,158	12.0%	7,875	12.4%	7,994	12.3%	119	1.5%
55 to 64	5,061	8.5%	5,780	9.1%	6,077	9.3%	296	5.1%
65 to 74	3,029	5.1%	3,970	6.2%	4,160	6.4%	190	4.8%
75 & Over	1,818	3.1%	2,318	3.6%	2,559	3.9%	240	10.4%
Total	59,470	100.0%	63,581	100.0%	65,062	100.0%	1,480	2.3%

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

As the preceding table illustrates, nearly 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 Oakwood Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2016 (Estimated)	2018 (Projected)
Households	13,574	18,409	19,700	20,196
Household Change	-	4,835	1,291	496
Percent Change	-	35.6%	7.0%	2.5%
Household Size	3.26	3.23	3.16	3.15

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

Within the Oakwood Site PMA, households increased by 4,835 (35.6%) between 2000 and 2010. Between 2010 and 2016, households increased by 1,291 or 7.0%. By 2018, there will be 20,196 households, an increase of 496 households, or 2.5% from 2016. This is an increase of approximately 248 households annually over the next two years and indicates that there will likely be an increasing need for additional housing 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	1,049	5.7%	1,045	5.3%	1,042	5.2%	-3	-0.3%
25 to 34	3,479	18.9%	3,615	18.4%	3,684	18.2%	68	1.9%
35 to 44	4,327	23.5%	4,205	21.3%	4,244	21.0%	38	0.9%
45 to 54	3,747	20.4%	4,038	20.5%	4,068	20.1%	30	0.7%
55 to 64	2,789	15.1%	3,068	15.6%	3,201	15.8%	133	4.3%
65 to 74	1,835	10.0%	2,266	11.5%	2,355	11.7%	89	3.9%
75 to 84	928	5.0%	1,201	6.1%	1,279	6.3%	78	6.5%
85 & Over	257	1.4%	263	1.3%	325	1.6%	62	23.7%
Total	18,411	100.0%	19,701	100.0%	20,197	100.0%	496	2.5%

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

Between 2016 and 2018, household growth is projected to occur among nearly all age cohorts within the Site PMA. This illustrates that there will be an increasing need for housing for both families and seniors within the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2016 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	11,555	62.8%	11,875	60.3%	12,192	60.4%
Renter-Occupied	6,854	37.2%	7,825	39.7%	8,004	39.6%
Total	18,409	100.0%	19,700	100.0%	20,196	100.0%

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

As the preceding table illustrates, renter households within the market are projected to increase by 179, or 2.3%, between 2016 and 2018. This further demonstrates that there will be a need for additional rental housing 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	1,762	22.5%	1,804	22.5%	42	2.4%
2 Persons	1,662	21.2%	1,701	21.3%	39	2.4%
3 Persons	1,325	16.9%	1,358	17.0%	33	2.5%
4 Persons	1,201	15.4%	1,225	15.3%	24	2.0%
5 Persons+	1,875	24.0%	1,916	23.9%	41	2.2%
Total	7,825	100.0%	8,004	100.0%	180	2.3%

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	2,032	17.1%	2,081	17.1%	50	2.4%
2 Persons	3,806	32.1%	3,892	31.9%	86	2.3%
3 Persons	1,955	16.5%	2,015	16.5%	61	3.1%
4 Persons	1,915	16.1%	1,960	16.1%	44	2.3%
5 Persons+	2,168	18.3%	2,243	18.4%	76	3.5%
Total	11,875	100.0%	12,192	100.0%	316	2.7%

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

The subject's one-, two- and three-bedroom units will target up to five-person households, which comprise the majority of renter households within the Oakwood Site PMA. As such, the subject property will be able to accommodate nearly all renter households in the market, based on household size.

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

Household Income	2010 (Census)		2016 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	901	4.9%	1,337	6.8%	1,442	7.1%
\$10,000 to \$19,999	1,761	9.6%	2,327	11.8%	2,484	12.3%
\$20,000 to \$29,999	2,472	13.4%	3,109	15.8%	3,259	16.1%
\$30,000 to \$39,999	2,160	11.7%	2,371	12.0%	2,529	12.5%
\$40,000 to \$49,999	1,717	9.3%	2,248	11.4%	2,241	11.1%
\$50,000 to \$59,999	1,829	9.9%	1,746	8.9%	1,754	8.7%
\$60,000 to \$74,999	2,168	11.8%	2,045	10.4%	2,062	10.2%
\$75,000 to \$99,999	2,445	13.3%	2,088	10.6%	2,067	10.2%
\$100,000 to \$124,999	1,176	6.4%	951	4.8%	933	4.6%
\$125,000 to \$149,999	690	3.7%	603	3.1%	598	3.0%
\$150,000 to \$199,999	710	3.9%	701	3.6%	662	3.3%
\$200,000 & Over	380	2.1%	173	0.9%	166	0.8%
Total	18,409	100.0%	19,700	100.0%	20,196	100.0%
Median Income	\$51,057		\$43,140		\$41,715	

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

In 2010, the median household income was \$51,057. This declined by 15.5% to \$43,140 in 2016. By 2018, it is projected that the median household income will be \$41,715, a decline of 3.3% from 2016.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	209	150	133	50	13	556
\$10,000 to \$19,999	264	196	157	116	283	1,016
\$20,000 to \$29,999	302	188	162	266	415	1,333
\$30,000 to \$39,999	190	194	178	73	295	930
\$40,000 to \$49,999	180	107	114	115	195	710
\$50,000 to \$59,999	76	134	81	159	148	598
\$60,000 to \$74,999	67	237	150	100	89	643
\$75,000 to \$99,999	133	83	41	155	96	508
\$100,000 to \$124,999	19	52	50	21	81	223
\$125,000 to \$149,999	16	44	58	12	44	175
\$150,000 to \$199,999	18	17	6	7	21	70
\$200,000 & Over	17	19	13	9	33	92
Total	1,494	1,421	1,144	1,083	1,713	6,854

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	295	222	216	86	22	840
\$10,000 to \$19,999	368	253	228	173	318	1,340
\$20,000 to \$29,999	375	269	242	334	500	1,721
\$30,000 to \$39,999	264	224	184	72	349	1,093
\$40,000 to \$49,999	207	157	129	132	266	891
\$50,000 to \$59,999	74	142	75	126	134	551
\$60,000 to \$74,999	45	215	154	64	79	557
\$75,000 to \$99,999	89	75	36	169	86	454
\$100,000 to \$124,999	14	47	15	23	60	159
\$125,000 to \$149,999	9	31	34	10	26	110
\$150,000 to \$199,999	13	14	8	8	10	52
\$200,000 & Over	8	13	5	5	26	57
Total	1,762	1,662	1,325	1,201	1,875	7,825

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	316	232	224	97	24	891
\$10,000 to \$19,999	392	266	247	176	330	1,411
\$20,000 to \$29,999	376	284	250	348	522	1,780
\$30,000 to \$39,999	285	242	193	75	371	1,166
\$40,000 to \$49,999	200	154	127	128	263	871
\$50,000 to \$59,999	72	137	71	125	128	533
\$60,000 to \$74,999	44	210	154	64	75	548
\$75,000 to \$99,999	81	74	35	174	79	442
\$100,000 to \$124,999	13	48	12	22	57	153
\$125,000 to \$149,999	9	30	35	8	29	111
\$150,000 to \$199,999	10	13	5	6	13	48
\$200,000 & Over	6	12	5	3	25	51
Total	1,804	1,701	1,358	1,225	1,916	8,004

Source: Ribbon Demographics; ESRI; Urban Decision Group

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

Demographic Summary

Overall, population and households within the Oakdale Site PMA have been experiencing positive growth since 2000. These trends are projected to remain positive through 2018, increasing by 1,480 (2.3%) and 496 (2.5%), respectively, from 2016. Renter households are projected to increase by 179 (2.3%) during the same time period. The projected 8,004 renter households in 2018 within the market represent a deep base of potential support for the subject project. In addition, the subject project will be able to accommodate nearly all of the Site PMA's renter households, based on household size. Overall, the demographic trends contained within this report demonstrate an increasing base of potential support for the proposed subject development.

SECTION F – ECONOMIC TRENDS

1. LABOR FORCE PROFILE

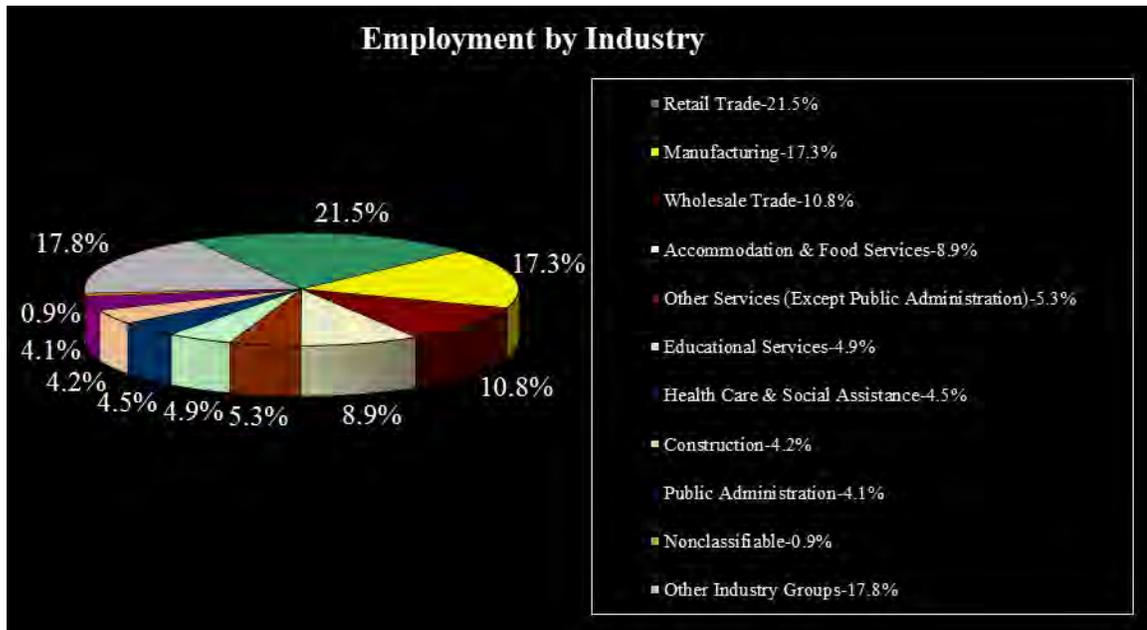
The labor force within the Oakwood Site PMA is based primarily in three sectors. Retail Trade (which comprises 21.5%), Manufacturing and Wholesale Trade comprise nearly 50% of the Site PMA labor force. Employment in the Oakwood Site PMA, as of 2016, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	13	0.4%	436	1.2%	33.5
Mining	1	0.0%	10	0.0%	10.0
Utilities	2	0.1%	58	0.2%	29.0
Construction	273	9.0%	1,533	4.2%	5.6
Manufacturing	144	4.7%	6,312	17.3%	43.8
Wholesale Trade	159	5.2%	3,932	10.8%	24.7
Retail Trade	568	18.7%	7,851	21.5%	13.8
Transportation & Warehousing	83	2.7%	1,034	2.8%	12.5
Information	53	1.7%	403	1.1%	7.6
Finance & Insurance	225	7.4%	1,214	3.3%	5.4
Real Estate & Rental & Leasing	151	5.0%	1,068	2.9%	7.1
Professional, Scientific & Technical Services	183	6.0%	854	2.3%	4.7
Management of Companies & Enterprises	2	0.1%	34	0.1%	17.0
Administrative, Support, Waste Management & Remediation Services	148	4.9%	1,071	2.9%	7.2
Educational Services	49	1.6%	1,790	4.9%	36.5
Health Care & Social Assistance	150	4.9%	1,634	4.5%	10.9
Arts, Entertainment & Recreation	33	1.1%	332	0.9%	10.1
Accommodation & Food Services	200	6.6%	3,238	8.9%	16.2
Other Services (Except Public Administration)	391	12.9%	1,921	5.3%	4.9
Public Administration	114	3.8%	1,499	4.1%	13.1
Nonclassifiable	98	3.2%	317	0.9%	3.2
Total	3,040	100.0%	36,541	100.0%	12.0

*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 Gainesville Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Gainesville MSA	Georgia
Management Occupations	\$99,320	\$111,250
Business and Financial Occupations	\$65,160	\$70,750
Computer and Mathematical Occupations	\$68,770	\$81,100
Architecture and Engineering Occupations	\$69,170	\$76,920
Community and Social Service Occupations	\$42,590	\$44,150
Art, Design, Entertainment and Sports Medicine Occupations	\$46,600	\$51,440
Healthcare Practitioners and Technical Occupations	\$67,190	\$74,690
Healthcare Support Occupations	\$28,170	\$27,640
Protective Service Occupations	\$31,840	\$34,870
Food Preparation and Serving Related Occupations	\$20,550	\$20,150
Building and Grounds Cleaning and Maintenance Occupations	\$25,920	\$24,510
Personal Care and Service Occupations	\$23,640	\$24,220
Sales and Related Occupations	\$34,820	\$37,170
Office and Administrative Support Occupations	\$32,080	\$34,610
Construction and Extraction Occupations	\$36,510	\$38,540
Installation, Maintenance and Repair Occupations	\$38,510	\$43,540
Production Occupations	\$29,810	\$32,590
Transportation and Moving Occupations	\$29,500	\$33,620

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

Most annual blue-collar salaries range from \$20,550 to \$46,600 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$73,922. It is important to note that most occupational types within the MSA have lower typical wages than the State of Georgia's typical wages. Regardless, the area employment base has a significant number of income-appropriate occupations from which the subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The ten largest employers within Hall County comprise a total of 21,870 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Northeast Georgia Medical Center	Health Care	7,100
Hall County School System	Education	3,500
Fieldale Farms Corporation	Poultry Producer	2,500
Kubota Manufacturing of America	Manufacturer Trackers, Products	1,600
Hall County Government	Government	1,480
Pilgrims Pride	Poultry Producer	1,450
Mar-Jac Poultry, Inc	Poultry Processor	1,250
Victory Processing	Poultry Processor	1,250
Gainesville City School System	Education	890
Cottrell, Inc.	Manufacturer Transportation Trailers	850
	Total	21,870

Source: Greater Hall Chamber of Commerce (December 2015)

According to a representative with the Greater Hall Chamber of Commerce, the Hall County economy is growing. The efforts of the Greater Hall Chamber of Commerce led to new and existing employers adding approximately 1,100 new jobs in 2015, with investments over \$320 million. Note that these number exclude the jobs that were created in the health care and retail sectors in 2015. Over 900 new health care jobs were created in 2015 through the new North East Georgia Medical Center in Braselton, a 100-bed hospital that opened in April 2015. There were also over 1,000 permits issued for the construction of new single-family homes in Hall County in 2015. Site Selection magazine ranked Gainesville-Hall County third in United States for economic growth in 2015, and the area was named number one for economic growth for metro areas in the state of Georgia. Additional factors impacting the local employment base are summarized as follows:

- Kubota Manufacturing of America is investing \$220 million and constructing a new manufacturing campus on 180 acres at the Gateway Industrial Centre in Gainesville. The new plant will manufacture the company's RTV series utility vehicles. The company will add 580 jobs to their existing base of 1,600. Plans are for the plant to be in full production by mid 2017.

- Wrigley is expanding their Flowery Branch plant to produce Orbit gum, which was previously being produced in Canada. Wrigley will be adding 170 new jobs in 2016.
- ZF Manufacturing is expanding and adding equipment for a new production line and will add 46 new jobs in 2016. ZF manufactures transmissions and other automobile parts.
- Performance Food Group, a distributor of fresh produce, meat, dry/frozen/refrigerated groceries and restaurant supplies, is expanding in Oakwood into a 174,000 square-foot building in 2016. They now have more than 550 employees and plans are to hire a sizable amount of new employees by 2018.

WARN (layoff notices):

According to the Georgia Department of Labor website, there have been two WARN notices (large-scale layoffs/closures) reported for Hall County since January 2015. Below is a table summarizing these notices:

Company	Location	Jobs	Notice Date
DS Services of America	Flowery Branch	139	9-5-2015
Gold Creek Foods	Gainesville	250	4-1-2015

These WARN notices combine to total approximately 389 jobs lost within Hall County. However, the rate of job growth is anticipated to outpace the rate of job loss.

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.

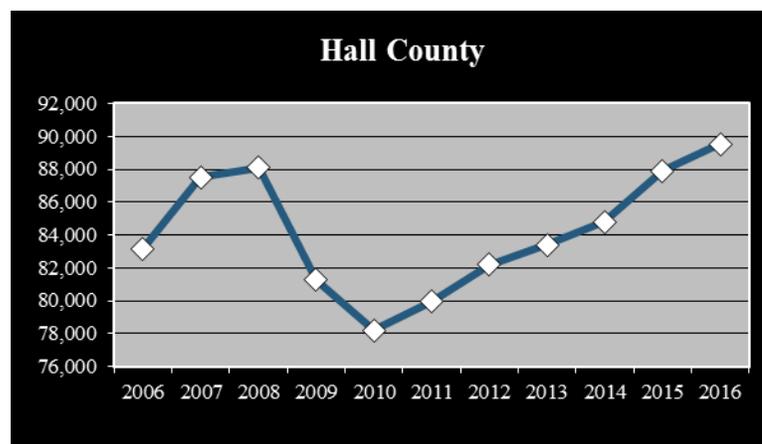
Excluding 2016, the employment base has increased by 9.9% over the past five years in Hall County, more than the Georgia state increase of 5.3%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Hall County, Georgia and the United States.

Year	Total Employment					
	Hall County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2006	83,160	-	4,489,128	-	145,000,042	-
2007	87,514	5.2%	4,597,640	2.4%	146,388,400	1.0%
2008	88,082	0.6%	4,575,010	-0.5%	146,047,748	-0.2%
2009	81,284	-7.7%	4,311,854	-5.8%	140,696,560	-3.7%
2010	78,205	-3.8%	4,202,052	-2.5%	140,469,139	-0.2%
2011	79,953	2.2%	4,263,305	1.5%	141,791,255	0.9%
2012	82,212	2.8%	4,349,796	2.0%	143,688,931	1.3%
2013	83,423	1.5%	4,369,349	0.4%	145,126,067	1.0%
2014	84,790	1.6%	4,416,715	1.1%	147,604,328	1.7%
2015	87,894	3.7%	4,490,931	1.7%	149,950,804	1.6%
2016*	89,520	1.9%	4,553,540	1.4%	150,558,884	0.4%

Source: Department of Labor; Bureau of Labor Statistics

*Through February

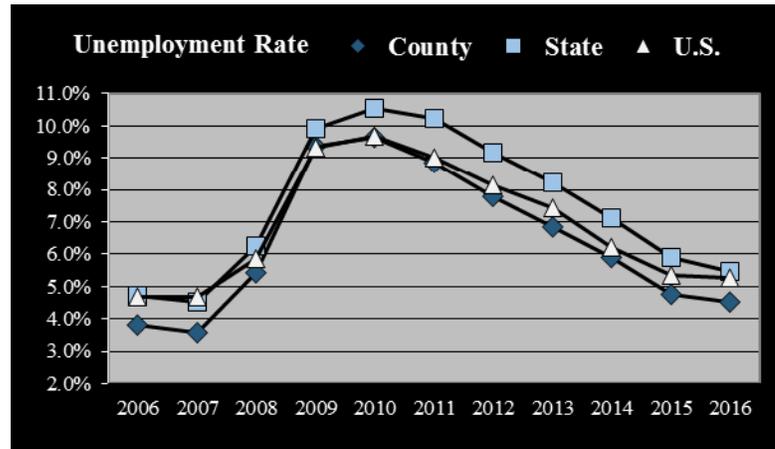


The employment base within Hall County declined significantly between 2008 and 2010 as a result of the national recession. However, employment growth has rebounded sharply since and has generally outpaced both state and national averages. Total employment in 2016 (to date) is above prerecession levels.

Unemployment rates for Hall County, Georgia and the United States are illustrated as follows:

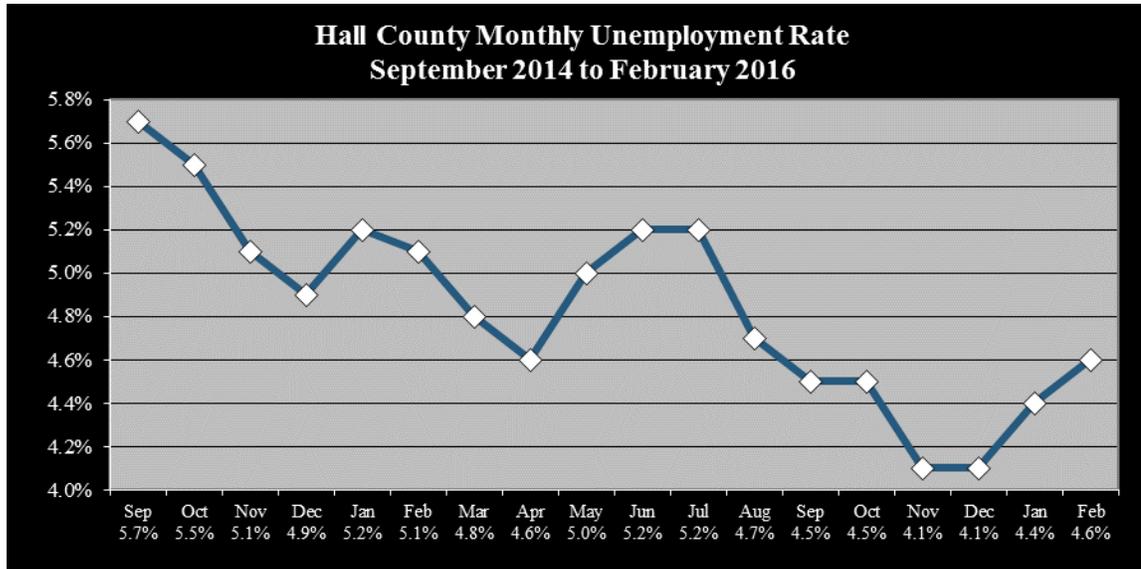
Year	Unemployment Rate		
	Hall County	Georgia	United States
2006	3.8%	4.7%	4.7%
2007	3.6%	4.5%	4.7%
2008	5.4%	6.2%	5.8%
2009	9.4%	9.9%	9.3%
2010	9.6%	10.6%	9.7%
2011	8.9%	10.2%	9.0%
2012	7.8%	9.2%	8.1%
2013	6.9%	8.2%	7.4%
2014	5.9%	7.1%	6.2%
2015	4.8%	5.9%	5.3%
2016*	4.5%	5.5%	5.3%

Source: Department of Labor, Bureau of Labor Statistics
 *Through February



The unemployment rate in Hall County has ranged between 3.6% and 9.6%, generally below both state and national averages since 2006. As the preceding table illustrates, the county's unemployment rate increased by six percentage points between 2007 and 2010, similar to trends experienced by most of the country during the national recession. On a positive note, the county's unemployment rate has consistently decreased over the preceding six-year period and is at its lowest level (4.5%) since 2007 (3.6%).

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



The unemployment rate for the county has generally trended downward during the previous 18-month period. Notably, the unemployment rates reported during the last six months are lower than the corresponding unemployment rates reported one year ago.

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 Hall County.

In-Place Employment Hall County			
Year	Employment	Change	Percent Change
2005	67,291	-	-
2006	70,695	3,404	5.1%
2007	73,940	3,245	4.6%
2008	74,256	316	0.4%
2009	68,564	-5,692	-7.7%
2010	68,532	-32	0.0%
2011	70,722	2,190	3.2%
2012	71,283	561	0.8%
2013	73,862	2,579	3.6%
2014	75,928	2,066	2.8%
2015*	79,006	3,078	4.1%

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 Hall County to be 89.5% of the total Hall County employment. This means that Hall County has more employed persons staying in the county for daytime employment than those who work outside of the county. This will contribute to the proposed development's marketability, as it is likely that many of its residents will have minimal commute times to their place of employment.

4. ECONOMIC FORECAST

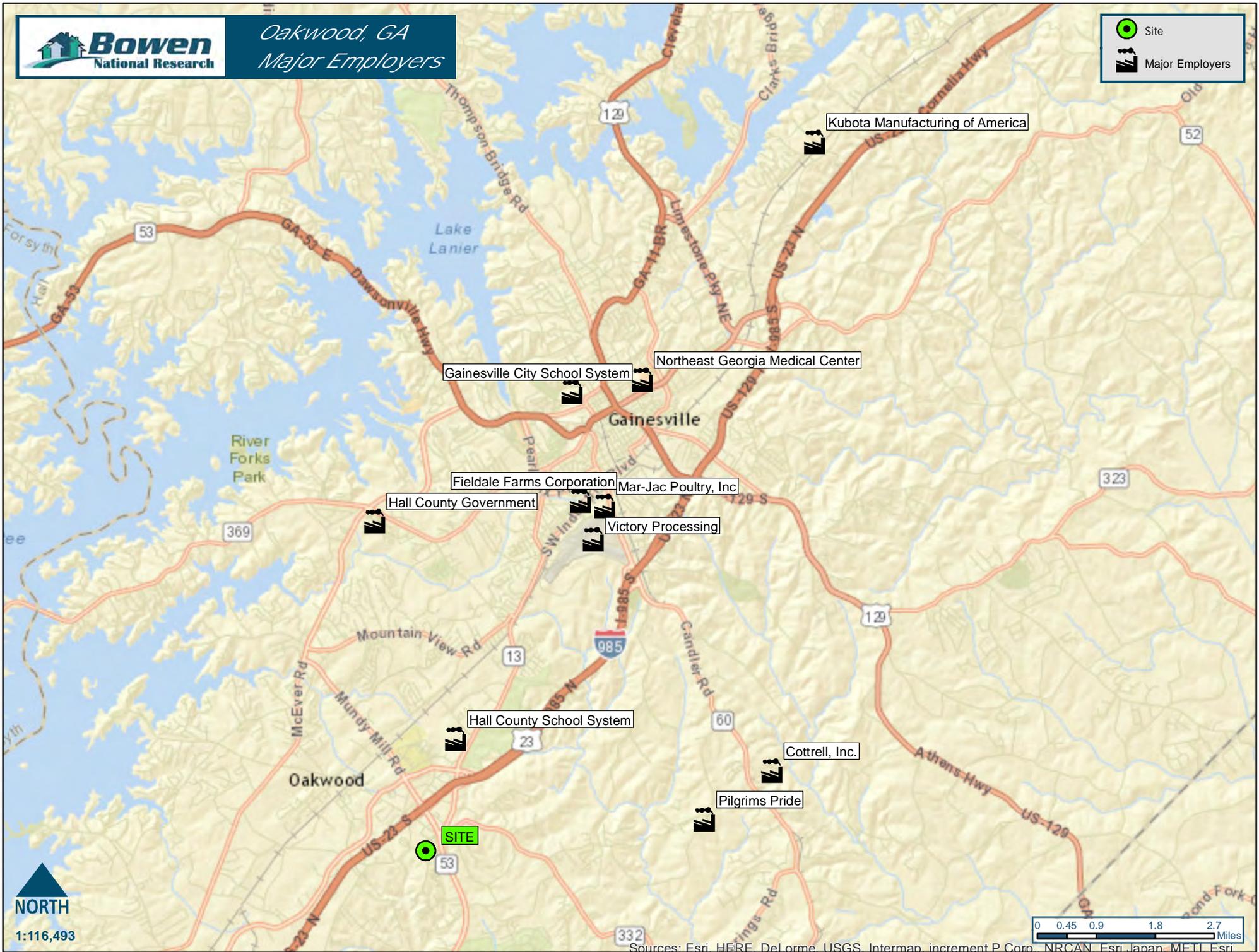
According to a representative with the Greater Hall Chamber of Commerce and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Hall County economy continues to experience growth. Notably, over 800 jobs are anticipated to be added within the county over the next two years. Additionally, aside from a downturn between 2007 and 2010, the employment base within the county has consistently increased over the preceding six-year period. In fact, the employment base has increased by 11,315 employees, or 14.5%, since 2010 and is currently above pre-recession levels. Further, the unemployment rate has decreased each of the past six years and is at its lowest level (4.5%) since 2007 (3.6%). Overall, these positive economic trends indicate that the Hall County economy is strong and improving. Based on these recent trends, it is anticipated that Hall County will continue to experience positive economic trends for the foreseeable future, which will continue to create a stable environment for housing.

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



Oakwood, GA Major Employers

- Site
- Major Employers



NORTH
1:116,493



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 the Gainesville, Georgia MSA, which has a four-person median household income of \$60,700 for 2015. The LIHTC units offered at 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 income level:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$20,800	\$24,960
Two-Person	\$23,800	\$28,560
Three-Person	\$26,750	\$32,100
Four-Person	\$29,700	\$35,640
Five-Person	\$32,100	\$38,520

a. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income for the LIHTC units at the subject site is **\$38,520**.

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 \$530 (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 \$6,360. 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 **\$18,171**.

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. Also note that 13 (15.5%) of the subject units will be market-rate and operate with no income restrictions. Therefore, we have factored in all renters in the market with incomes above the maximum allowable LIHTC limit of \$38,520 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)	\$18,171	\$32,100
Tax Credit (Limited To 60% Of AMHI)	\$21,806	\$38,520
Tax Credit Overall	\$18,171	\$38,520
Market-Rate	\$38,521	-

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 subject 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 3.1% to 59.6% (depending upon the 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, 10.8% 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.*

- 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.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

Within the Site PMA, we identified one LIHTC and market-rate property that was funded and/or built during the projection period (2014 to current). This one project is summarized as follows:

- 240 Atlanta Street Phase I is a planned general-occupancy replacement housing project that was allocated Tax Credit financing in 2015 and will offer 84 one-, two- and three-bedroom units. There will be a total of 52 non-subsidized Tax Credit units, 13 Section 8 and Tax Credit units and 19 market-rate units. Construction is estimated to begin in early 2017 and is anticipated to be complete in 2018.

Considering that the 52 non-subsidized Tax Credit units and the 19 market-rate units that will be offered at 240 Atlanta Street Phase I will target a similar demographic as the proposed subject development, they were considered in deriving net demand and are summarized in the following table:

Project Name	Year Built	Number Of Bedrooms	Planned Competitive Non-Subsidized Units	
			60% AMHI	Market Rate
240 Atlanta Street Phase I	2018	One	5	-
		Two	25	11
		Three	22	8

These comparable Tax Credit and market-rate units are included in our following demand analysis. Also note that we did not identify any competitive projects placed in service prior to 2014 that have not reached a stabilized occupancy of 90%.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income			
	50% AMHI (\$18,171-\$32,100)	60% AMHI (\$21,806-\$38,520)	Tax Credit Overall (\$18,171-\$38,520)	Market Rate (\$38,521+)
Demand From New Households (Age- And Income-Appropriate)	2,282 - 2,195 = 87	2,452 - 2,341 = 111	3,031 - 2,897 = 134	2,928 - 2,993 = -65
+				
Demand From Existing Households (Rent Overburdened)	2,195 X 59.6% = 1,309	2,341 X 51.4% = 1,203	2,897 X 54.8% = 1,587	2,993 X 3.1% = 93
+				
Demand From Existing Households (Renters In Substandard Housing)	2,195 X 10.8% = 237	2,341 X 10.8% = 253	2,897 X 10.8% = 313	2,993 X 10.8% = 323
=				
Demand Subtotal	1,633	1,567	2,034	351
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A
=				
Total Demand	1,633	1,567	2,034	351
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	52	52	19
=				
Net Demand	1,633	1,515	1,982	332
Proposed Units / Net Demand	18 / 1,633	53 / 1,515	71 / 1,982	13 / 332
Capture Rate	= 1.1%	= 3.5%	= 3.6%	= 3.9%

N/A – Not applicable

Per GDCA guidelines, capture rates below 30% for projects in urban markets such as the Oakwood Site PMA are considered acceptable. As such, the project's overall LIHTC-only capture rate of 3.6% is considered low and easily achievable within the Oakwood Site PMA and demonstrates that a deep base of potential income-eligible renter support exists for the subject project's affordable units. This is especially true given the high occupancy rates and wait lists maintained among the existing LIHTC properties surveyed in the Site PMA. Also note that the 13 market-rate units proposed at the subject site have a capture rate of just 3.9%, demonstrating that significant demographic support also exists for the proposed unrestricted market-rate units.

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	45%
Three-Bedroom	30%
Total	100.0%

Applying these shares to the income-qualified renter households yields demand and capture rates for the proposed units by bedroom type and targeted income 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	408	0	408	0.7%	< 1 Month	\$882	\$394
	60%	7	392	5	387	1.8%	1 Month	\$882	\$500
	MR	2	88	0	88	2.3%	< 1 Month	\$882	\$595
One-Bedroom	Total	12	888	5	883	1.4%	1 Month	\$882	\$489***
Two-Bedroom (45%)	50%	10	735	0	735	1.4%	1 Month	\$1,039	\$464
	60%	30	705	25	680	4.4%	3 Months	\$1,039	\$591
	MR	8	158	11	147	5.4%	1 Month	\$1,039	\$695
Two-Bedroom	Total	48	1,598	36	1,562	3.1%	4 Months	\$1,039	\$582***
Three-Bedroom (30%)	50%	5	490	0	490	1.0%	< 1 Month	\$1,195	\$518
	60%	16	470	22	448	3.6%	2 Months	\$1,195	\$665
	MR	3	105	8	97	3.1%	< 1 Month	\$1,195	\$755
Three-Bedroom	Total	24	1,065	30	1,035	2.3%	2 to 3 Months	\$1,195	\$648***

*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.

***Weighted average

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in Section H.

MR - Market-rate

The capture rates by bedroom type and targeted income level range from 0.7% to 5.4%. Utilizing this methodology, these capture rates are considered easily achievable and demonstrate that a deep base of income-eligible renter household support exists in the Oakwood Site PMA for each of the unit types proposed at the subject development. This is especially true when considering the high occupancy rates maintained among most existing rental properties surveyed in the market, as evidenced by our Field Survey of Conventional Rentals (Addendum A).

SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Oakwood 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	18,409	89.2%	19,700	89.3%
Owner-Occupied	11,555	62.8%	11,875	60.3%
Renter-Occupied	6,854	37.2%	7,825	39.7%
Vacant	2,238	10.8%	2,370	10.7%
Total	20,647	100.0%	22,070	100.0%

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

Based on a 2016 update of the 2010 Census, of the 22,070 total housing units in the market, 10.7% is vacant. In 2016, it is estimated that homeowners occupy 60.3% of all occupied housing units, while the remaining 39.7% is occupied by renters. The share of renters is considered typical for a market of this size and the current 7,825 renter households represent a deep base of potential support in the Site PMA for the subject development.

We identified and personally surveyed 14 conventional housing projects containing a total of 2,102 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 97.8%, a strong rate for rental housing. Among these projects, 13 are non-subsidized (market-rate and Tax Credit) projects containing 2,090 units. These non-subsidized units are 97.8% occupied. The remaining government-subsidized project contains 12 units, and is 100.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	9	1,418	46	96.8%
Market-rate/Tax Credit	1	140	0	100.0%
Tax Credit	3	532	0	100.0%
Government-Subsidized	1	12	0	100.0%
Total	14	2,102	46	97.8%

As the preceding table illustrates, all surveyed projects broken out by project type are maintaining strong occupancy levels, as none are lower than 96.8%. In fact, all affordable rental units surveyed are occupied, all of which maintain wait lists. Therefore, pent-up demand exists for additional affordable rental housing within the Oakwood Site PMA.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	465	32.2%	5	1.1%	\$1,039
Two-Bedroom	1.0	51	3.5%	0	0.0%	\$1,032
Two-Bedroom	1.5	98	6.8%	0	0.0%	\$1,026
Two-Bedroom	2.0	489	33.8%	15	3.1%	\$1,277
Two-Bedroom	2.5	127	8.8%	10	7.9%	\$1,342
Three-Bedroom	2.0	106	7.3%	0	0.0%	\$1,279
Three-Bedroom	2.5	106	7.3%	16	15.1%	\$1,462
Four-Bedroom	2.0	4	0.3%	0	0.0%	\$1,254
Total Market-rate		1,446	100.0%	46	3.2%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	164	25.5%	0	0.0%	\$749
Two-Bedroom	2.0	288	44.7%	0	0.0%	\$832
Three-Bedroom	2.0	180	28.0%	0	0.0%	\$878
Four-Bedroom	2.0	12	1.9%	0	0.0%	\$952
Total Tax Credit		644	100.0%	0	0.0%	-

As the preceding table illustrates, the median gross Tax Credit rents are significantly lower than their corresponding median gross market-rate rents. As such, Tax Credit properties likely represent excellent values to low-income renters within the market. This is further evidenced by the 100.0% occupancy rate and wait lists maintained at all Tax Credit projects in the market. The subject project will be able to accommodate a portion of the unmet demand for such housing within the Oakwood Site PMA.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized 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	2	756	6.0%
A-	1	200	0.5%
B+	2	154	0.0%
B	3	237	0.0%
B-	2	99	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	2	444	0.0%
B+	1	112	0.0%
B	1	88	0.0%

Regardless of quality, all non-subsidized rental projects surveyed within the market are maintaining low vacancy rates, none higher than 6.0%. As such, it can be concluded that quality has not had an impact on the Oakwood rental housing market.

2. SUMMARY OF ASSISTED PROJECTS

We identified and surveyed a total of five federally subsidized or Tax Credit apartment developments in the Oakwood Site PMA. These projects were surveyed in April 2016. They are summarized as follows:

Map I.D.	Project Name	Type	Year Built	Total Units	Occup.	Gross Rent (Unit Mix)			
						One-Br.	Two-Br.	Three-Br.	Four-Br.
7	Charter Oak Estates	RD 515	1984	12	100.0%	-	\$619 - \$790 (12)	-	-
9	Oconee Springs	TAX	1998	88	100.0%	-	\$402 - \$712 (16)	\$463 - \$823 (64)	\$527 - \$952 (8)
10	Paces Landing	TAX	2002	112*	100.0%	\$749 (12)	\$761 - \$905 (56)	\$878 (40)	\$989 (4)
11	Retreat at McEver	TAX	2002	224	100.0%	\$725 (80)	\$832 (120)	\$997 (24)	-
12	McEver Vineyards	TAX	2004	220	100.0%	\$773 (72)	\$917 (96)	\$1037 (52)	-
Total				656	100.0%				

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

OCCUP. - Occupancy

TAX - Tax Credit

RD - Rural Development

*Market-rate units not included

The overall occupancy rate is 100.0% for these affordable projects, all of which maintain wait lists. As such, pent-up demand exists for affordable housing within the Site PMA.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs' Rental Assistance Division-North Athens Office-Hall County, there are approximately 185 Housing Choice Voucher holders within Hall County and 244 households currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when it will reopen. Annual turnover in the Voucher program is estimated at two households. This reflects the need for affordable housing and/or Housing Choice Voucher assistance within the Hall County area.

The following table identifies the competitive LIHTC properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers.

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
9	Oconee Springs	88	2	2.3%
10	Paces Landing	112*	3	2.7%
11	Retreat at McEver	224	11	4.9%
12	McEver Vineyards	220	27	12.3%
Total		644	43	6.7%

*Tax Credit units only

As the preceding table illustrates, there are a total of approximately 43 units that are occupied by Voucher holders among the four competitive LIHTC projects in the market. The 43 units occupied by Voucher holders comprise only 6.7% of these comparable units. This illustrates that over 93% of the comparable Tax Credit units in the market are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the aforementioned LIHTC projects are achievable.

If the rents do not exceed Fair Market Rents, some 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 the Gainesville, Georgia MSA and the proposed subject gross *Tax Credit* rents at the subject project:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$651	\$530 (50%) \$636 (60%)
Two-Bedroom	\$824	\$636 (50%) \$763 (60%)
Three-Bedroom	\$1,069	\$735 (50%) \$882 (60%)

As the preceding table illustrates, all of the subject's proposed gross *Tax Credit* rents are set below current Fair Market Rents. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the base of income-appropriate renter households within the Oakwood 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 two rental communities within the development pipeline in the Site PMA. These two projects are summarized on the following page.

- The Gainesville Housing Authority and Walton Companies will be demolishing the 131-unit Green Hunter Homes rental community, an existing Public Housing project located at 240 Atlanta Street in Gainesville, and will be replacing it with 84 newly constructed apartments. The project, 240 Atlanta Street Phase I, was allocated Tax Credit financing in 2015 and will offer one-, two- and three-bedroom units. There will be a total of 52 non-subsidized Tax Credit units, 13 Section 8 and Tax Credit units, and 19 market-rate units. Construction is estimated to begin in early 2017 and is anticipated to be complete in 2018.
- Radial Property Group has plans to build a market-rate project for those ages 55 and older to be located near 5977 Stouts Spring Road and Hog Mountain Road in Flowery Branch. A conditional use permit has been submitted; however, additional information on this project was unavailable at the time this report was issued.

Of the two rental communities within the development pipeline in the market, only the 240 Atlanta Street Phase I housing project will be directly competitive with the subject development, as it will offer 52 non-subsidized Tax Credit and 19 market-rate units targeting family (general-occupancy) households. These units within the pipeline have been included in our demand analysis illustrated earlier in Section G of this report.

Building Permit Data

The following tables illustrate single-family and multifamily building permits issued within the city of Oakwood and Hall County for the past ten years:

Housing Unit Building Permits for Oakwood, GA:										
Permits	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Multifamily Permits	0	31	26	319	0	0	0	0	0	0
Single-Family Permits	60	1	0	1	0	0	0	0	0	0
Total Units	60	32	26	320	0	0	0	0	0	0

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

Housing Unit Building Permits for Hall County:										
Permits	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Multifamily Permits	110	152	44	322	2	0	0	0	0	8
Single-Family Permits	2,094	1,702	1,283	416	237	184	228	303	552	714
Total Units	2,204	1,854	1,327	738	239	184	228	303	552	722

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

As the preceding tables indicate, the number of multifamily building permits issued within both Oakwood and Hall County declined significantly from 2008 to 2009, likely as a result of the national recession. Since 2009, the number of multifamily building permits issued have been virtually nonexistent. Given that the combined occupancy rate of all rental projects identified and surveyed in the market is 97.8% and based on the limited number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit

We identified and surveyed four existing family (general-occupancy) non-subsidized rental communities that offer Low-Income Housing Tax Credit (LIHTC) units in the Site PMA. These four projects target households with incomes of up to 30%, 50% and/or 60% of Area Median Household Income (AMHI) and are considered competitive properties. These four competitive LIHTC projects and the subject development are summarized in the following table. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum A, Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Peaks of Oakwood	2018	71*	-	-	-	Families; 50% & 60% AMHI
9	Oconee Springs	1998	88	100.0%	5.8 Miles	30% AMHI: 12 H.H.	Families; 30%, 50%, & 60% AMHI
10	Paces Landing	2002	112*	100.0%	5.9 Miles	10 H.H.	Families; 50% & 60% AMHI
11	Retreat at McEver	2002	224	100.0%	7.0 Miles	7 H.H.	Families; 60% AMHI
12	McEver Vineyards	2004	220	100.0%	6.2 Miles	5 H.H.	Families; 60% AMHI

OCC. – Occupancy
H.H. - Households
*Tax Credit units only

The four competitive LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain wait lists. This indicates that pent-up demand exists for additional affordable rental housing within the market. Given the lack of available LIHTC units within the market, the subject project will provide an affordable rental housing alternative to low-income households which are currently underserved.

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



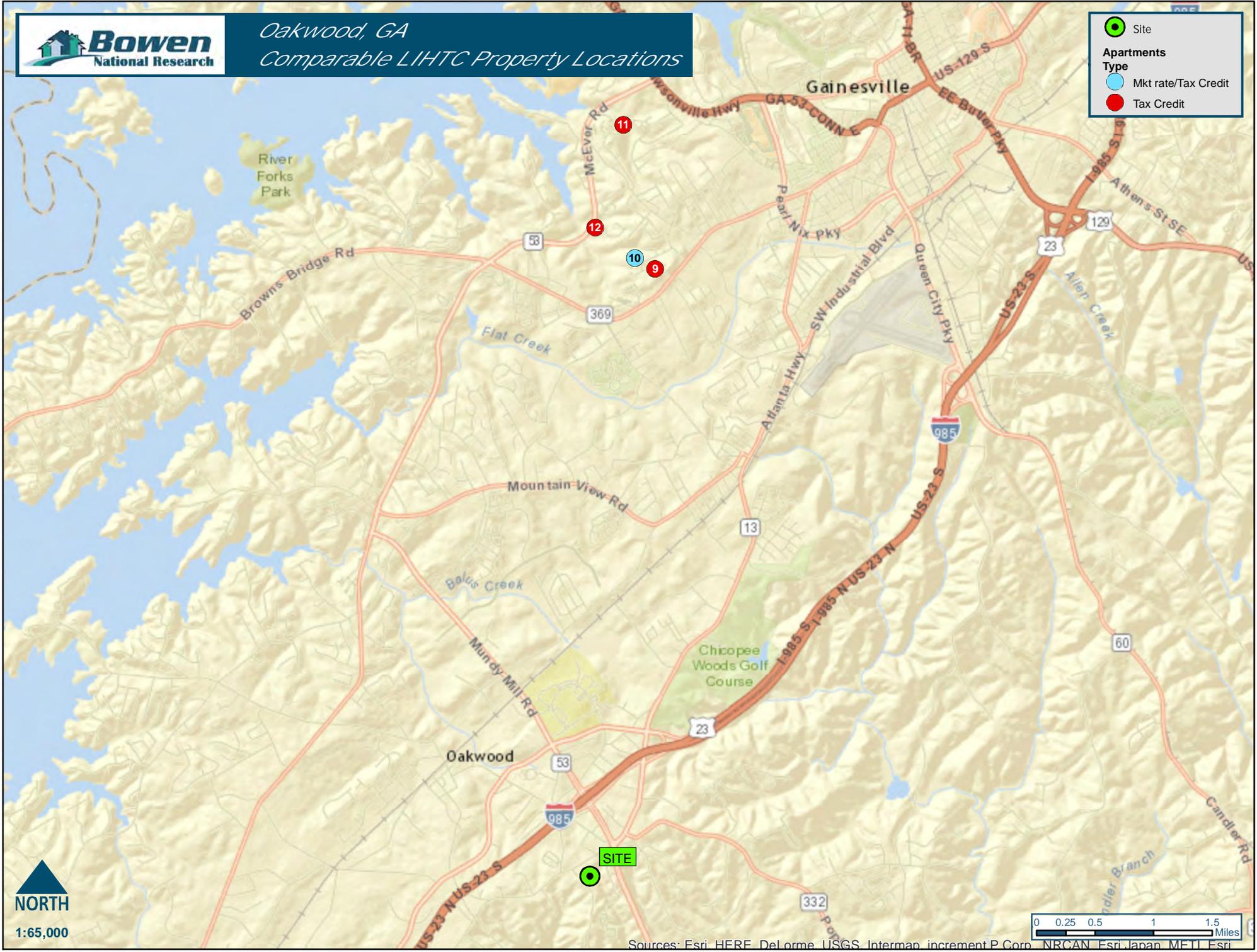


Oakwood, GA
Comparable LIHTC Property Locations

● Site

Apartment Type

- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:65,000



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

The gross rents for the competing LIHTC projects and the proposed LIHTC 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 Oakwood	\$530/50% (3) \$636/60% (7)	\$636/50% (10) \$763/60% (30)	\$735/50% (5) \$882/60% (16)	-	-
9	Oconee Springs	-	\$402/30% (4/0) \$682/50% (3/0) \$712/60% (9/0)	\$463/30% (13/0) \$803/50% (16/0) \$823/60% (35/0)	\$527/30% (2/0) \$887/50% (2/0) \$952/60% (4/0)	None
10	Paces Landing	\$749/60% (12/0)	\$761/50% (14/0) \$905/60% (42/0)	\$878/50% (40/0)	\$989/50% (4/0)	None
11	Retreat at McEver	\$725/60% (80/0)	\$832/60% (120/0)	\$997/60% (24/0)	-	None
12	McEver Vineyards	\$773/60% (72/0)	\$917/60% (96/0)	\$1,037/60% (52/0)	-	None

The proposed subject gross rents, ranging from \$530 to \$882, will be some of the lowest LIHTC rents relative to the rents offered at the comparable affordable developments targeting similar income levels within the market. Combined with the fact that the subject project will be at least 14 years newer than these LIHTC projects will provide it with a significant competitive advantage.

Weighted Average Collected Rent Of Comparable LIHTC Units*		
One-Br.	Two-Br.	Three-Br.
\$604	\$691	\$690

*Only units targeting similar AMHI levels as the subject project

The rent advantage for the proposed Tax Credit units is calculated as follows (average weighted collected LIHTC rent – weighted proposed LIHTC rent) / weighted proposed LIHTC rent.

Bedrooms	Weighted Avg. LIHTC Rent	Weighted Avg. Proposed LIHTC Rent	Difference	Weighted Avg. Proposed LIHTC Rent	Rent Advantage
One-Br.	\$604	- \$468	\$136	/ \$468	29.1%
Two-Br.	\$691	- \$559	\$132	/ \$559	23.6%
Three-Br.	\$690	- \$630	\$60	/ \$630	9.5%

As the preceding table illustrates, the proposed collected LIHTC rents at the subject project represent significant rent advantages. Therefore, the proposed collected LIHTC rents at the subject project will likely represent excellent values to low-income renters within the market. However, please note 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 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 LIHTC unit types offered in the market 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 Oakwood	700	1,000	1,100	-
9	Oconee Springs	-	1,013	1,210	1,372
10	Paces Landing	799	1,062	1,267	1,428
11	Retreat at McEver	892	1,120 - 1,170	1,350	-
12	McEver Vineyards	860	1,119	1,335	-

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Peaks of Oakwood	1.0	2.0	2.0	-
9	Oconee Springs	-	2.0	2.0	2.0
10	Paces Landing	1.0	2.0	2.0	2.0
11	Retreat at McEver	1.0	2.0	2.0	-
12	McEver Vineyards	1.0	2.0	2.0	-

The subject development will offer slightly smaller unit sizes, based on square feet, relative to the unit sizes offered at the competitive LIHTC developments within the market. This will provide the subject with a slight competitive disadvantage. The inclusion of two full bathrooms in the subject's two- and three-bedroom units is considered appealing to the targeted population.

The following table compares the amenities of the subject development with the competitive LIHTC projects in the market.

COMPARABLE PROPERTIES AMENITIES - OAKWOOD, 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	X		C			X					B		S	
10	X	X	X	X	X		X		C		X						B		S	Sunrooms
9	X	X		X	X		X		C		X	X					B		S	Storage
11	X	X	X	X	X	X	X		C		X	X	X				B		S	Storage
12	X	X	X	X	X		X		C		X	X	X				B		S	

MAP ID	PROJECT AMENITIES																		
	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	OTHER
SITE		X	X	X	X		X							X		X			
10	X	X	X	X	L	X		X		B						X			
9		X	X	X	L		X									X			
11	X	X	X	X		X		X					X			X			
12	X	X	X	X		X		X	X	T		X	X			X			

◆ 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 amenity packages included at the proposed subject development will be slightly inferior when compared to those offered at the competitive LIHTC projects within the market. In terms of unit amenities, the subject project will be one of two LIHTC projects to not include a patio/balcony. Regarding project amenities, the subject project will be one of two affordable developments to not include a swimming pool and a fitness center. However, the lack of the aforementioned amenities are not anticipated to have an adverse impact on the subject's marketability.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the subject development will be very competitive. Aside from the subject's slightly smaller unit sizes and inferior amenities package, it will be at least 14 years newer than the competitive affordable product within the market, offering some of the lowest general-occupancy LIHTC rents targeting similar income levels. The aforementioned characteristics will provide the subject with a significant competitive advantage. This has been considered in our absorption projections.

The anticipated occupancy rates of the existing competitive general-occupancy Tax Credit developments in the market during the first year of occupancy at the subject project are illustrated below:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2018
9	Oconee Springs	100.0%	95.0%+
10	Paces Landing	100.0%	95.0%+
11	Retreat at McEver	100.0%	95.0%+
12	McEver Vineyards	100.0%	95.0%+

The subject project is not expected to have a negative impact on the four existing general-occupancy Tax Credit projects within the Site PMA, which are currently 100.0% occupied and maintain wait lists. Given the lack of availability for affordable units in the market, we expect the four Tax Credit projects to operate at or above 95.0% once the proposed subject units are built. Overall, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on the Tax Credit projects within the market if the proposed subject project is developed.

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

Market-Rate

We identified and surveyed five market-rate projects in the market that we consider the most comparable to the subject project. This selection was based on, but not limited to newness, unit type, design, size and amenities. These five 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 Oakwood	2018	13*	-	-	-
1	Treepark Apt. Homes	2006	456	91.2%	4.1 Miles	\$200 gift card w/1-yr lease
2	Park Creek Apts.	1998	200	99.5%	7.0 Miles	None
3	Walden at Oakwood	2009	300	98.3%	0.9 Miles	None
5	Legacy at Audubon Crest	1998	126	100.0%	1.3 Miles	None
8	Villas at Lanier	2004	150	100.0%	3.9 Miles	None

*Market-rate units only

The five selected market-rate projects have a combined total of 1,232 units with an overall occupancy rate of 96.3%, a strong rate for rental housing. As such, these market-rate projects will serve as accurate benchmarks with which to compare to the proposed development.

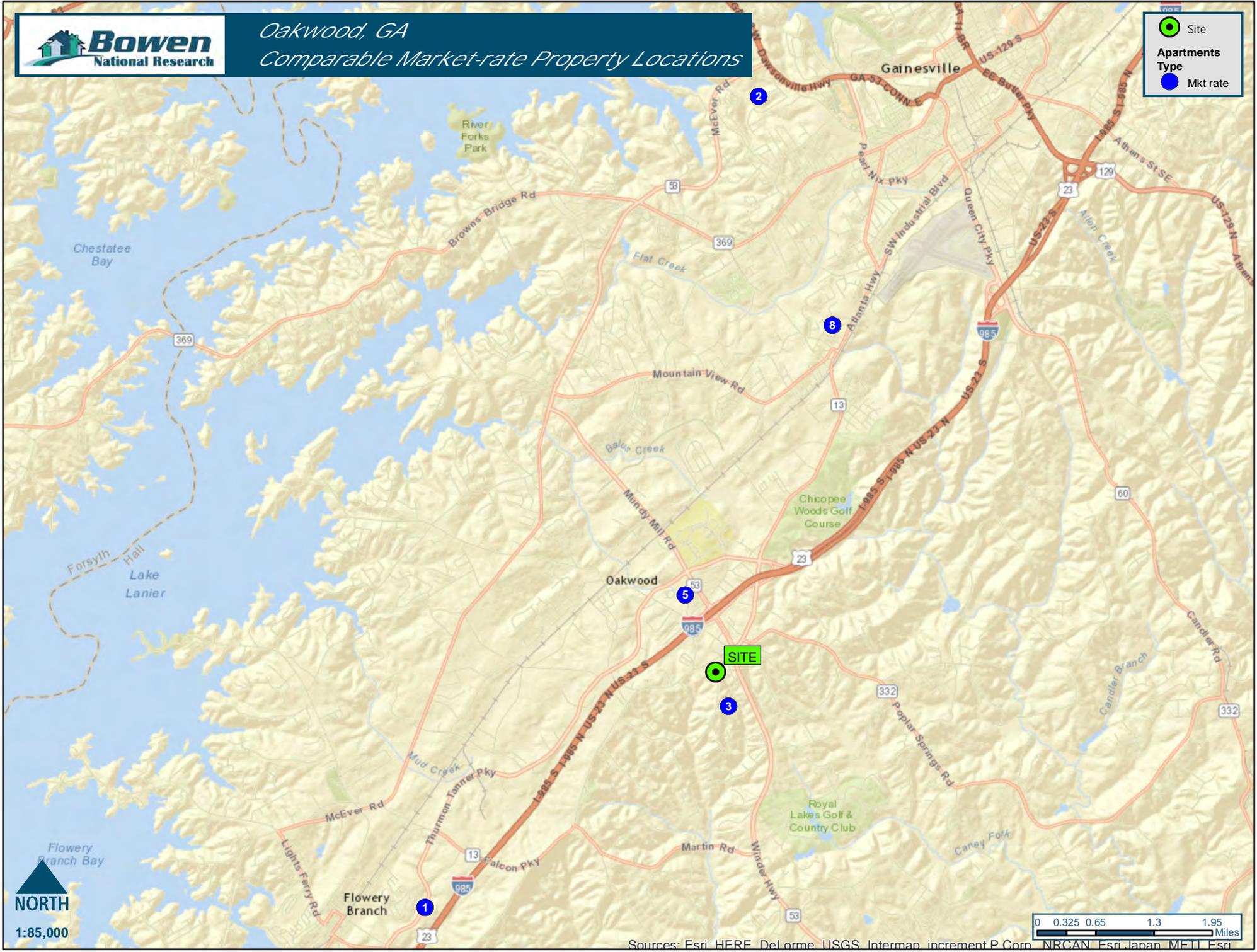
The map on the following page illustrates the location of the comparable market-rate properties relative to the proposed subject site location.



Oakwood, GA
Comparable Market-rate Property Locations

Legend

- Site (Green circle with 'S')
- Apartment Type (Blue circle with 'A')
- Mkt rate (Blue circle with 'M')



NORTH
1:85,000

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

The gross rents for the competing market-rate projects and the proposed market-rate 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 Oakwood	\$758 (2)	\$902 (8)	\$1,032 (3)
1	Treepark Apt. Homes	\$1,039-\$1,139 (136/3)	\$1,277-\$1,342 (214/21)	\$1,452-\$1,902 (106/16)
2	Park Creek Apts.	\$935-\$1,025 (80/0)	\$1,179-\$1,229 (84/1)	\$1,404 (36/0)
3	Walden at Oakwood	\$1,090-\$1,380 (125/2)	\$1,334-\$1,479 (171/3)	\$1,559 (4/0)
5	Legacy at Audubon Crest	\$1,000 (20/0)	\$1,134-\$1,159 (74/0)	\$1,279 (32/0)
8	Villas at Lanier	\$963-\$979 (40/0)	\$1,032-\$1,117 (86/0)	\$1,254-\$1,264 (24/0)

The proposed subject gross market-rate rents, ranging between \$758 and \$1,032, will be significantly lower than the rents offered at the comparable market-rate developments within the market. Combined with the fact that the subject project will be at least nine years newer than these market-rate projects will provide it with a significant competitive advantage.

Weighted Average Collected Rent Of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$882	\$1,039	\$1,195

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

Bedrooms	Weighted Avg. Market Rent	Proposed Market Rent	Difference	Proposed Market Rent	Rent Advantage
One-Br.	\$882	- \$595	\$287	/ \$595	48.2%
Two-Br.	\$1,039	- \$695	\$344	/ \$695	49.5%
Three-Br.	\$1,195	- \$775	\$420	/ \$775	54.2%

As the preceding table illustrates, the proposed collected market-rate rents at the subject project represent substantial rent advantages. Therefore, the proposed collected market-rate rents at the subject project will likely represent excellent values to renters within the market. However, please note 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 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 Oakwood	700	1,000	1,100
1	Treepark Apt. Homes	780 - 840	1,260 - 1,393	1,419 - 2,078
2	Park Creek Apts.	635 - 804	1,050 - 1,131	1,308
3	Walden at Oakwood	751 - 943	1,160 - 1,287	1,396
5	Legacy at Audubon Crest	830	1,080 - 1,180	1,390
8	Villas at Lanier	803 - 892	1,134 - 1,227	1,409

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Peaks of Oakwood	1.0	2.0	2.0
1	Treepark Apt. Homes	1.0	2.0 - 2.5	2.5
2	Park Creek Apts.	1.0	2.0	2.0
3	Walden at Oakwood	1.0	2.0	2.0
5	Legacy at Audubon Crest	1.0	2.0	2.0
8	Villas at Lanier	1.0	1.0 - 2.0	2.0

The subject development will offer some of the smallest market-rate unit sizes, based on square feet, relative to the unit sizes offered at the comparable market-rate developments within the market and region. This will provide the subject with a slight competitive disadvantage. The inclusion of two full bathrooms in the subject's two- and three-bedroom units is considered appealing to the targeted population.

The following tables compare the appliances and the unit and project amenities of the subject site with the comparable market-rate properties in the market.

COMPARABLE PROPERTIES AMENITIES - OAKWOOD, GEORGIA

MAP ID	APPLIANCES						UNIT AMENITIES											OTHER		
	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
SITE	X	X		X	X	X	X		C		X		X				B		S	
1	X	X		X	X		X		C		X	X	S	S		X	B		A(s),D(o),S	Exterior Storage
2	X	X	X	X	X		X		C	O	X	S	X				B		D(o),S	
3	X	X		X	X	X	X		C		X	S	X				B		A(s),D(o),S	Sunroom
5	X	X		X	X		X		C		X	X	S				B		S	
904	X	X	X	X	X		X		C		X	X	S				B		A(s),D(o),S	Exterior Storage

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	X	X	X			X	X	X	X	X			X			X				Walking Trail
2	X	X	X	X		X		X	X	T			X			X		X		
3	X	X		X		X							X			X		X		Dog Park
5	X	X	X		X	X	X	X	T							X				
904	X	X	X		X	X	X	X	T	O		X	X			X				Tanning Beds/Walking Dog Park/Boat Docks

◆ 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 amenity packages included at the proposed subject development will be slightly inferior when compared to those offered at the comparable market-rate projects within the market. In terms of unit amenities, the subject project will be the only market-rate property to not offer a patio/balcony. Regarding project amenities, the subject project will be the only market-rate development to not offer a swimming pool, and one of few to not offer a fitness center or sports court. However, the lack of the aforementioned amenities are not anticipated to have an adverse impact on the subject's marketability.

Comparable/Competitive Market-Rate Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing market-rate properties within the Site PMA, it is our opinion that the subject development will be very competitive. Aside from the subject's slightly smaller unit sizes and inferior amenities package, it will be at least nine years newer than the comparable market-rate properties, offering the lowest market-rate rents. The aforementioned characteristics will provide the subject with a significant competitive advantage. This has been considered in our absorption projections.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA is \$165,719. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$165,719 home is \$997, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$165,719
Mortgaged Value = 95% of Median Home Price	\$157,433
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$798
Estimated Taxes and Insurance*	\$199
Estimated Monthly Mortgage Payment	\$997

*Estimated at 25% of principal and interest

In comparison, the proposed collected LIHTC rents for the subject property range from \$394 to \$665 per month, depending on unit size and targeted income level. Therefore, the cost of a monthly mortgage for a typical home in the area is \$332 to \$603 more than renting at the subject site's affordable units. As such, it is unlikely that tenants that would qualify to reside at the subject project's affordable units would be able to afford the monthly payments required to own a home or would be able to afford the down payment on such a home. Therefore, 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 and waiting lists reported among existing non-subsidized LIHTC and market-rate projects in the market, the required capture rate, achievable market rents and the competitiveness of the proposed subject development within the Oakwood 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 84 proposed LIHTC and market-rate units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately six to seven months. This absorption period is based on an average monthly absorption rate of approximately 12 units per month.

These absorption projections assume a 2018 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built 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 Oakwood Site PMA.

Tania Morrison is the Community Manager of Legacy at Audubon Crest, a 126-unit market rate community in Oakwood. Ms. Morrison believes there is a need for both affordable and market-rate rental housing within Oakwood, stating that the demand for rental housing far exceeds the supply that exists in the area. This is further evidenced by her property's 100.0% occupancy rate and wait list.

Kate Best is the Assistant Manager at Lennox Park Apartments, a 292-unit Tax Credit community in Gainesville. Ms. Best stated that there is absolutely a need for more affordable housing in both Gainesville and Oakwood and believes that new affordable housing in the area would fill up within a matter of minutes. Ms. Best went on to say that there is a large amount of factory workers in Gainesville that likely have the incomes to qualify for income-restricted rental housing. Specifically, Ms. Best feels there is a need for one-, two-, and three-bedroom units for families.

Nancy Dove is the Office Director at the Georgia Department of Community Affairs Rental Assistance Division-North Athens Office-Hall County. Ms. Dove stated that there is a huge need for affordable housing in Hall County. Combined with the lack of funding available for rental assistance, it is difficult for low-income residents to secure affordable housing within the area.

Tim Evans is the Vice President of Economic Development for the Greater Hall Chamber of Commerce. Mr. Evans stated that there is a need for quality rental housing, both affordable and market-rate, in Oakwood and Hall County as a whole. The health care sector in Hall County is growing and 800 new health care professionals were hired last year due to the new hospital in Braselton. Most of the health care workers are recruited from other areas because the county has no local health care training facilities or colleges that offer health care degrees. These workers generally want to rent for a while to see if they like the area well enough to buy a home. Mr. Evans also believes that many faculty members at the University of North Georgia-Gainesville Campus are income-qualified to reside at income-restricted affordable rental housing.

SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 84 LIHTC and market-rate units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The Oakwood rental housing market is performing very well, as evidenced by the overall rental market occupancy rate of 97.8%. In fact, no vacancies exist within the surveyed affordable units within the Site PMA, all of which maintain wait lists. This indicates that pent-up demand for additional affordable housing exists within the market. As such, the proposed LIHTC units at the subject site will help alleviate a portion of this pent-up demand. Also note that the market-rate rental housing segment is performing very well with a combined occupancy of 96.8%. Aside from the subject's slightly smaller unit sizes and inferior amenities package, it will be at least nine years newer than the competitive product within the market, offering some of the lowest rents. The aforementioned characteristics will provide the subject with a significant competitive advantage.

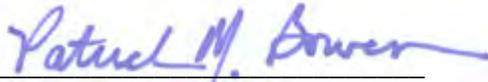
The overall required capture rates of 3.6% and 3.9% for the subject's LIHTC and market-rate units, respectively, are considered very low and further demonstrate that a significant base of potential income-appropriate renter support exists for the subject project within the Oakwood Site PMA.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Oakwood Site PMA, as proposed. 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.

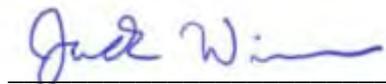
Certified:



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Date: April 25, 2016



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Jack Wiseman
Market Analyst
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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

OAKWOOD, 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.

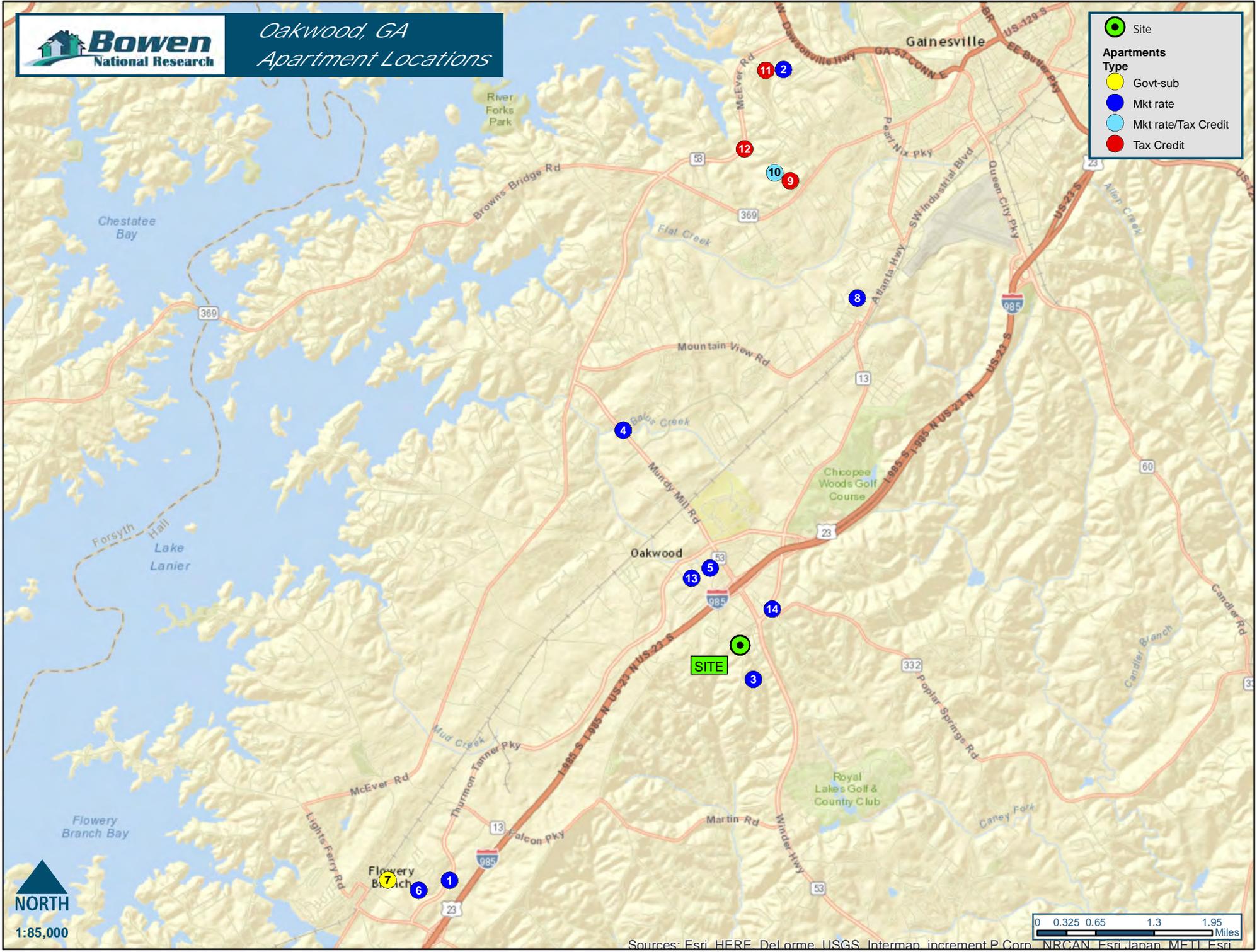


Oakwood, GA Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit



NORTH
1:85,000

0 0.325 0.65 1.3 1.95 Miles

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

MAP IDENTIFICATION LIST - OAKWOOD, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Treepark Apt. Homes	MRR	A	2006	456	40	91.2%	4.1
2	Park Creek Apts.	MRR	A-	1998	200	1	99.5%	7.0
3	Walden at Oakwood	MRR	A	2009	300	5	98.3%	0.9
4	Creekside on Mundy Hill	MRR	B-	1988	75	0	100.0%	2.6
5	Legacy at Audubon Crest	MRR	B+	1998	126	0	100.0%	1.3
6	Carriage Crossing	MRR	B-	1985	24	0	100.0%	4.4
7	Charter Oak Estates	GSS	C+	1984	12	0	100.0%	4.8
8	Villas at Lanier	MRR	B	2004	150	0	100.0%	3.9
9	Oconee Springs	TAX	B	1998	88	0	100.0%	5.8
10	Paces Landing	MRT	B+	2002	140	0	100.0%	5.9
11	Retreat at McEver	TAX	A-	2002	224	0	100.0%	7.0
12	McEver Vineyards	TAX	A-	2004	220	0	100.0%	6.2
13	Kings Wood Apts.	MRR	B	1983	27	0	100.0%	1.6
14	Cedar Springs	MRR	B	1983	60	0	100.0%	0.7

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	9	1,418	46	96.8%	0
MRT	1	140	0	100.0%	0
TAX	3	532	0	100.0%	0
GSS	1	12	0	100.0%	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)

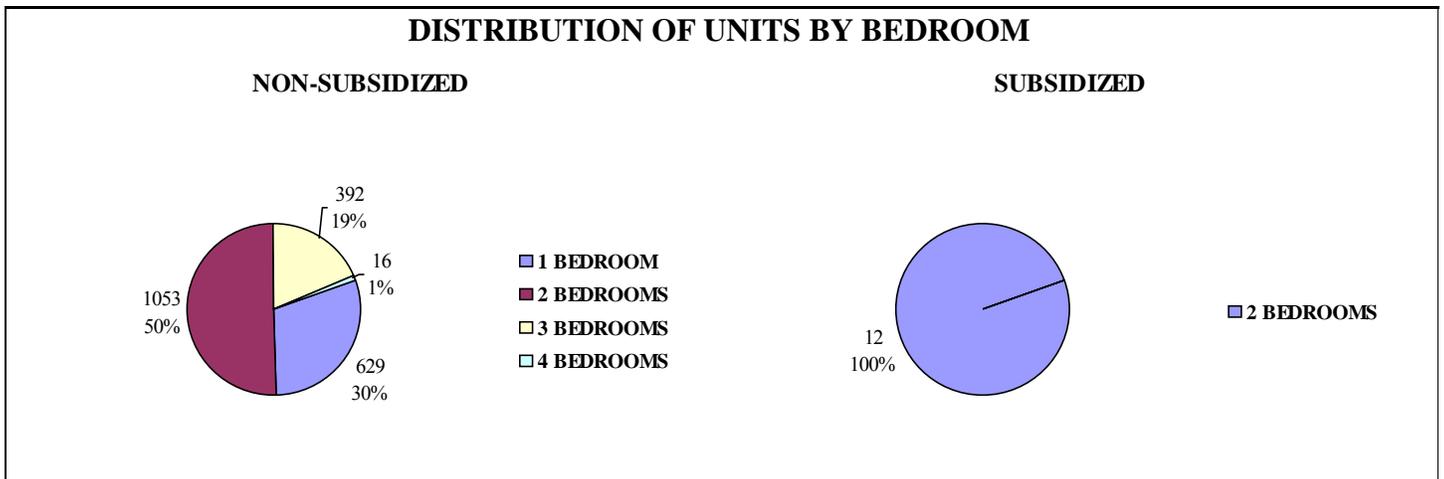
Survey Date: April 2016

DISTRIBUTION OF UNITS - OAKWOOD, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	465	32.2%	5	1.1%	\$1,039
2	1	51	3.5%	0	0.0%	\$1,032
2	1.5	98	6.8%	0	0.0%	\$1,026
2	2	489	33.8%	15	3.1%	\$1,277
2	2.5	127	8.8%	10	7.9%	\$1,342
3	2	106	7.3%	0	0.0%	\$1,279
3	2.5	106	7.3%	16	15.1%	\$1,462
4	2	4	0.3%	0	0.0%	\$1,254
TOTAL		1,446	100.0%	46	3.2%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	164	25.5%	0	0.0%	\$749
2	2	288	44.7%	0	0.0%	\$832
3	2	180	28.0%	0	0.0%	\$878
4	2	12	1.9%	0	0.0%	\$952
TOTAL		644	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1.5	12	100.0%	0	0.0%	N.A.
TOTAL		12	100.0%	0	0.0%	
GRAND TOTAL		2,102	-	46	2.2%	



SURVEY OF PROPERTIES - OAKWOOD, GEORGIA

1 Treepark Apt. Homes			
	Address 130 Treepark Cir. Flowery Branch, GA 30542	Phone (770) 967-7133 (Contact in person)	Total Units 456
	Year Built 2006	Contact Beverly	Vacancies 40
	Comments Does not accept HCV; Final phase completed in 2007; Select 1-br & townhomes have attached garage; Townhomes have ceiling fans, fireplace & basement		Occupied 91.2%
			Floors 3,4
			Quality Rating A
			Waiting List None
2 Park Creek Apts.			
	Address 1100 Park Creek Ct. Gainesville, GA 30504	Phone (770) 287-1414 (Contact in person)	Total Units 200
	Year Built 1998	Contact Suzanne	Vacancies 1
	Comments Does not accept HCV; Large 2-br do not have patios		Occupied 99.5%
			Floors 2,3
			Quality Rating A-
			Waiting List None
3 Walden at Oakwood			
	Address 4000 Walden Way Oakwood, GA 30542	Phone (678) 450-5725 (Contact in person)	Total Units 300
	Year Built 2009	Contact Lisa	Vacancies 5
	Comments Does not accept HCV; Rent range based on unit location; Four 1-br are cottage style with attached garage; Units have either patio or sunroom		Occupied 98.3%
			Floors 3
			Quality Rating A
			Waiting List None
4 Creekside on Mundy Hill			
	Address 4225 Mundy Hill Oakwood, GA 30566	Phone (770) 532-3680 (Contact in person)	Total Units 75
	Year Built 1988	Contact Keith	Vacancies 0
	Comments Does not accept HCV		Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List 3 households
5 Legacy at Audubon Crest			
	Address 1200 Lanier Mill Cir. Oakwood, GA 30566	Phone (770) 535-5586 (Contact in person)	Total Units 126
	Year Built 1998	Contact Tanya	Vacancies 0
	Comments Does not accept HCV		Occupied 100.0%
			Floors 2,3
			Quality Rating B+
			Waiting List 3 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 - OAKWOOD, GEORGIA

6 Carriage Crossing			
	Address 4820 Victoria Ct. Flowery Branch, GA 30542	Phone (770) 318-3344 (Contact in person)	Total Units 24
	Year Built 1985 Comments Accepts HCV (0 currently); Square footage estimated	Contact Brandon	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 3 households
7 Charter Oak Estates			
	Address 5115 Spring St. Flowery Branch, GA 30542	Phone (706) 547-0028 (Contact in person)	Total Units 12
	Year Built 1984 Comments RD 515, has RA (5 units); Accepts HCV (0 currently); Square footage estimated	Contact Leslie	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 3 households
8 Villas at Lanier			
	Address 1750 Columns Dr. Gainesville, GA 30504	Phone (470) 252-7763 (Contact in person)	Total Units 150
	Year Built 2004 Comments Does not accept HCV; Rent range based on unit location	Contact Moses	Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B Waiting List None
9 Oconee Springs			
	Address 2351 Spring Haven Dr. Gainesville, GA 30504	Phone (770) 535-1565 (Contact in person)	Total Units 88
	Year Built 1998 Comments 30%, 50% & 60% AMHI; HCV (2 units)	Contact Christina	Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B Waiting List Tax 30%: 12 HH
10 Paces Landing			
	Address 100 Paces Ct. Gainesville, GA 30504	Phone (770) 535-1565 (Contact in person)	Total Units 140
	Year Built 2002 Comments Market-rate (28 units); 50% & 60% AMHI (112 units); HCV (3 units)	Contact Christina	Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B+ Waiting List 10 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 - OAKWOOD, GEORGIA

11 Retreat at McEver			
	Address 1050 Eagle Eye Rd. Gainesville, GA 30504	Phone (770) 531-0065 (Contact in person)	Total Units 224
	Year Built 2002 Comments 60% AMHI; HCV (11 units)	Contact Deandrea	Vacancies 0 Occupied 100.0% Floors 4 Quality Rating A-
			Waiting List 7 households
12 McEver Vineyards			
	Address 1240 McEver Rd. Gainesville, GA 30504	Phone (770) 287-8292 (Contact in person)	Total Units 220
	Year Built 2004 Comments 60% AMHI; HCV (27 units)	Contact Caroline	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A-
			Waiting List 5 households
13 Kings Wood Apts.			
	Address 4427 Oakwood Rd. Oakwood, GA 30566	Phone (770) 287-1770 (Contact in person)	Total Units 27
	Year Built 1983 Comments Rent range based on units with stackable washer/dryer; Year built & square footage estimated	Contact Glena	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List None
14 Cedar Springs			
	Address 3609 Cedar Way Gainesville, GA 30507	Phone (770) 287-1770 (Contact in person)	Total Units 60
	Year Built 1983 Comments Does not accept HCV; 1-br rent range based on units with washer/dryer hookups; Year built, unit mix & square footage estimated	Contact Glena	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B
			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 - OAKWOOD, 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		\$870 to \$970	\$1070 to \$1135	\$1200 to \$1210				\$1500 to \$1650	
2		\$750 to \$840	\$950 to \$1000	\$1125					
3		\$905 to \$1195	\$1105 to \$1250	\$1280					
4		\$660	\$755				\$785		
5		\$815	\$905 to \$930	\$1000					
6		\$550					\$650		
8		\$778 to \$794	\$803 to \$888	\$975 to \$985					
9			\$220 to \$530	\$235 to \$595	\$240 to \$665				
10		\$595 to \$650	\$568 to \$750	\$637 to \$850	\$685 to \$950				
11		\$599	\$669	\$799					
12		\$610	\$710	\$780					
13		\$725					\$819 to \$839		
14						\$649 to \$679	\$829		

◆	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 - OAKWOOD, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Treepark Apt. Homes	1	780 to 840	\$1039 to \$1139	\$1.33 to \$1.36
2	Park Creek Apts.	1	635 to 804	\$935 to \$1025	\$1.27 to \$1.47
3	Walden at Oakwood	1	751 to 943	\$1090 to \$1380	\$1.45 to \$1.46
4	Creekside on Mundy Hill	1	900	\$766	\$0.85
5	Legacy at Audubon Crest	1	830	\$1000	\$1.20
6	Carriage Crossing	1	540	\$676	\$1.25
8	Villas at Lanier	1	803 to 892	\$963 to \$979	\$1.10 to \$1.20
13	Kings Wood Apts.	1	675	\$894	\$1.32
14	Cedar Springs	1	850	\$834 to \$864	\$0.98 to \$1.02
10	Paces Landing	1	799	\$749 to \$804	\$0.94 to \$1.01
11	Retreat at McEver	1	892	\$725	\$0.81
12	McEver Vineyards	1	860	\$773	\$0.90
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Treepark Apt. Homes	2 to 2.5	1260 to 1393	\$1277 to \$1342	\$0.96 to \$1.01
2	Park Creek Apts.	2	1050 to 1131	\$1179 to \$1229	\$1.09 to \$1.12
3	Walden at Oakwood	2	1160 to 1287	\$1334 to \$1479	\$1.15 to \$1.15
4	Creekside on Mundy Hill	1.5	950	\$898	\$0.95
		2.5	1050	\$928	\$0.88
5	Legacy at Audubon Crest	2	1080 to 1180	\$1134 to \$1159	\$0.98 to \$1.05
6	Carriage Crossing	1	765	\$813	\$1.06
8	Villas at Lanier	1 to 2	1134 to 1227	\$1032 to \$1117	\$0.91 to \$0.91
13	Kings Wood Apts.	1.5	1110	\$1026 to \$1046	\$0.92 to \$0.94
14	Cedar Springs	1.5	1000	\$1058	\$1.06
10	Paces Landing	2	1062	\$761 to \$943	\$0.72 to \$0.89
9	Oconee Springs	2	1013	\$402 to \$712	\$0.40 to \$0.70
11	Retreat at McEver	2	1120 to 1170	\$832	\$0.71 to \$0.74
12	McEver Vineyards	2	1119	\$917	\$0.82
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Treepark Apt. Homes	2.5	1419 to 2078	\$1452 to \$1902	\$0.92 to \$1.02
2	Park Creek Apts.	2	1308	\$1404	\$1.07
3	Walden at Oakwood	2	1396	\$1559	\$1.12
5	Legacy at Audubon Crest	2	1390	\$1279	\$0.92
8	Villas at Lanier	2	1409	\$1254 to \$1264	\$0.89 to \$0.90

◆	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 - OAKWOOD, GEORGIA

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
10	Paces Landing	2	1267	\$878 to \$1091	\$0.69 to \$0.86
9	Oconee Springs	2	1210	\$463 to \$823	\$0.38 to \$0.68
11	Retreat at McEver	2	1350	\$997	\$0.74
12	McEver Vineyards	2	1335	\$1037	\$0.78
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
10	Paces Landing	2	1428	\$989 to \$1254	\$0.69 to \$0.88
9	Oconee Springs	2	1372	\$527 to \$952	\$0.38 to \$0.69

◆	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 - OAKWOOD, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.34	\$1.03	\$0.99
TOWNHOUSE	\$1.00	\$0.98	\$0.99

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.86	\$0.77	\$0.70
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.21	\$0.95	\$0.84
TOWNHOUSE	\$1.00	\$0.98	\$0.99

TAX CREDIT UNITS - OAKWOOD, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
10	Paces Landing	12	799	1	60%	\$595
11	Retreat at McEver	80	892	1	60%	\$599
12	McEver Vineyards	72	860	1	60%	\$610
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
9	Oconee Springs	4	1013	2	30%	\$220
9	Oconee Springs	3	1013	2	50%	\$500
9	Oconee Springs	9	1013	2	60%	\$530
10	Paces Landing	14	1062	2	50%	\$568
11	Retreat at McEver	120	1120 - 1170	2	60%	\$669
12	McEver Vineyards	96	1119	2	60%	\$710
10	Paces Landing	42	1062	2	60%	\$712
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
9	Oconee Springs	13	1210	2	30%	\$235
9	Oconee Springs	16	1210	2	50%	\$575
9	Oconee Springs	35	1210	2	60%	\$595
10	Paces Landing	40	1267	2	50%	\$637
12	McEver Vineyards	52	1335	2	60%	\$780
11	Retreat at McEver	24	1350	2	60%	\$799
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
9	Oconee Springs	2	1372	2	30%	\$240
9	Oconee Springs	2	1372	2	50%	\$600
9	Oconee Springs	4	1372	2	60%	\$665
10	Paces Landing	4	1428	2	50%	\$685

QUALITY RATING - OAKWOOD, GEORGIA

MARKET-RATE PROJECTS AND UNITS

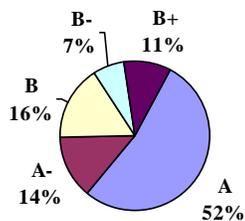
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	2	756	6.0%		\$1,120	\$1,342	\$1,462	
A-	1	200	0.5%		\$935	\$1,179	\$1,404	
B+	2	154	0.0%		\$1,000	\$1,134	\$1,279	\$1,254
B	3	237	0.0%		\$963	\$1,058	\$1,254	
B-	2	99	0.0%		\$676	\$898		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

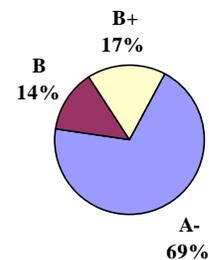
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A-	2	444	0.0%		\$725	\$832	\$1,037	
B+	1	112	0.0%		\$749	\$905	\$878	\$989
B	1	88	0.0%			\$712	\$823	\$887

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - OAKWOOD, 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	4	186	0	0.0%	186	8.9%
1990 to 1999	3	414	1	0.2%	600	19.8%
2000 to 2005	4	734	0	0.0%	1334	35.1%
2006	1	456	40	8.8%	1790	21.8%
2007	0	0	0	0.0%	1790	0.0%
2008	0	0	0	0.0%	1790	0.0%
2009	1	300	5	1.7%	2090	14.4%
2010	0	0	0	0.0%	2090	0.0%
2011	0	0	0	0.0%	2090	0.0%
2012	0	0	0	0.0%	2090	0.0%
2013	0	0	0	0.0%	2090	0.0%
2014	0	0	0	0.0%	2090	0.0%
2015	0	0	0	0.0%	2090	0.0%
2016**	0	0	0	0.0%	2090	0.0%
TOTAL	13	2090	46	2.2%	2090	100.0 %

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

** As of April 2016

Survey Date: April 2016

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APPLIANCES AND UNIT AMENITIES - OAKWOOD, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	13	100.0%	2,090
REFRIGERATOR	13	100.0%	2,090
ICEMAKER	4	30.8%	784
DISHWASHER	13	100.0%	2,090
DISPOSAL	10	76.9%	1,979
MICROWAVE	2	15.4%	524
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	13	100.0%	2,090
AC - WINDOW	0	0.0%	
FLOOR COVERING	13	100.0%	2,090
WASHER/DRYER	1	7.7%	27
WASHER/DRYER HOOK-UP	13	100.0%	2,090
PATIO/DECK/BALCONY	12	92.3%	1,950
CEILING FAN	6	46.2%	1,526
FIREPLACE	2	15.4%	656
BASEMENT	1	7.7%	456
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	1	7.7%	456
WINDOW TREATMENTS	13	100.0%	2,090
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - OAKWOOD, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	10	76.9%	1,951
ON-SITE MANAGEMENT	10	76.9%	1,964
LAUNDRY	7	53.8%	1,454
CLUB HOUSE	7	53.8%	1,322
MEETING ROOM	3	23.1%	354
FITNESS CENTER	7	53.8%	1,666
JACUZZI/SAUNA	1	7.7%	456
PLAYGROUND	9	69.2%	1,679
COMPUTER LAB	2	15.4%	444
SPORTS COURT	2	15.4%	1,142
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	5	38.5%	1,236
BUSINESS CENTER	3	23.1%	650
CAR WASH AREA	5	38.5%	1,302
PICNIC AREA	8	61.5%	1,754
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - OAKWOOD, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	11	1,531	72.8%
GAS	3	571	27.2%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	12	1,874	89.2%
GAS	2	228	10.8%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	10	1,391	66.2%
GAS	4	711	33.8%
			100.0%
ELECTRIC			
TENANT	14	2,102	100.0%
			100.0%
WATER			
LANDLORD	3	323	15.4%
TENANT	11	1,779	84.6%
			100.0%
SEWER			
LANDLORD	3	323	15.4%
TENANT	11	1,779	84.6%
TRASH PICK-UP			
LANDLORD	6	771	36.7%
TENANT	8	1,331	63.3%
			100.0%

UTILITY ALLOWANCE - OAKWOOD, 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

GA-Northern Region (7/2015)

Survey Date: April 2016

ADDENDUM B

COMPARABLE PROPERTY PROFILES

1 Treepark Apt. Homes

4.1 miles to site



Address	130 Treepark Cir. Flowery Branch, GA 30542		
Phone	(770) 967-7133	Contact	Beverly
Total Units	456	Vacancies	40
		Percent Occupied	91.2%
Project Type	Market-Rate		
Year Open	2006	Floors	3,4
Concessions	No Rent Specials		
Parking	Attached & Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	A
Remarks	Offers Tennis; Does not accept HCV; Final phase completed in 2007; Select 1-br & townhomes have attached garage; Townhomes have ceiling fans, fireplace & basement		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Fireplace, Security System, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Jacuzzi, Playground, Tennis Court(s), Sports Court, Security Gate, Car Wash Area, Picnic Area, Walking Trail

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	136	3	780 to 840	\$1.12 - \$1.15	\$870 to \$970
2	2 to 2.5	G	214	21	1260 to 1393	\$0.81 - \$0.85	\$1070 to \$1135
3	2.5	T	34	4	1638 to 2078	\$0.79 - \$0.92	\$1500 to \$1650
3	2.5	G	72	12	1419	\$0.85 - \$0.85	\$1200 to \$1210

2 Park Creek Apts.

7.0 miles to site



Address	1100 Park Creek Ct. Gainesville, GA 30504		
Phone	(770) 287-1414	Contact	Suzanne
Total Units	200	Vacancies	1
		Percent Occupied	99.5%
Project Type	Market-Rate		
Year Open	1998	Floors	2,3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Does not accept HCV; Large 2-br do not have patios		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Fireplace, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Tennis Court(s), Sports Court, Security Gate, Car Wash Area, Picnic Area, Business Center

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	80	0	635 to 804	\$1.04 - \$1.18	\$750 to \$840
2	2	G	84	1	1050 to 1131	\$0.88 - \$0.90	\$950 to \$1000
3	2	G	36	0	1308	\$0.86	\$1125

3 Walden at Oakwood

0.9 miles to site



Address	4000 Walden Way Oakwood, GA 30542		
Phone	(678) 450-5725	Contact	Lisa
Total Units	300	Vacancies	5
		Percent Occupied	98.3%
Project Type	Market-Rate		
Year Open	2009	Floors	3
Concessions	No Rent Specials		
Parking	Attached & Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Does not accept HCV; Rent range based on unit location; Four 1-br are cottage style with attached garage; Units have either patio or sunroom		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Sunroom
Project Amenities	Swimming Pool, On-site Management, Club House, Fitness Center, Security Gate, Car Wash Area, Picnic Area, Business Center, Dog Park

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	4	0	943	\$1.27	\$1195
1	1	G	16	0	871	\$1.09 - \$1.13	\$950 to \$985
1	1	G	18	0	792	\$1.17 - \$1.21	\$925 to \$955
1	1	G	87	2	751	\$1.21 - \$1.25	\$905 to \$935
2	2	G	20	0	1287	\$0.94 - \$0.97	\$1215 to \$1250
2	2	G	24	0	1268	\$0.91 - \$0.93	\$1150 to \$1185
2	2	G	127	3	1160	\$0.95 - \$0.98	\$1105 to \$1140
3	2	G	4	0	1396	\$0.92	\$1280

5 Legacy at Audubon Crest

1.3 miles to site



Address	1200 Lanier Mill Cir. Oakwood, GA 30566		
Phone	(770) 535-5586	Contact	Tanya
Total Units	126	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1998	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	3 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Tennis Court(s), Sports Court, Car Wash Area, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	20	0	830	\$0.98	\$815
2	2	G	36	0	1180	\$0.79	\$930
2	2	G	38	0	1080	\$0.84	\$905
3	2	G	32	0	1390	\$0.72	\$1000

8 Villas at Lanier

3.9 miles to site



Address	1750 Columns Dr. Gainesville, GA 30504		
Phone	(470) 252-7763	Contact	Moses
Total Units	150	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	2004	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Rent range based on unit location		



Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Playground, Business Center

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	40	0	803 to 892	\$0.89 - \$0.97	\$778 to \$794
2	1 to 2	G	86	0	1134 to 1227	\$0.71 - \$0.72	\$803 to \$888
3	2	G	24	0	1409	\$0.69 - \$0.70	\$975 to \$985

10 **Paces Landing**

5.9 miles to site



Address	100 Paces Ct. Gainesville, GA 30504		
Phone	(770) 535-1565	Contact	Christina
Total Units	140	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2002	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Market-rate (28 units); 50% & 60% AMHI (112 units); HCV (3 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Blinds, Sunrooms
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Meeting Room, Fitness Center, Playground, Sports Court, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	799	\$0.81	\$650	
1	1	G	12	0	799	\$0.74	\$595	60%
2	2	G	10	0	1062	\$0.71	\$750	
2	2	G	42	0	1062	\$0.67	\$712	60%
2	2	G	14	0	1062	\$0.53	\$568	50%
3	2	G	10	0	1267	\$0.67	\$850	
3	2	G	40	0	1267	\$0.50	\$637	50%
4	2	G	4	0	1428	\$0.67	\$950	
4	2	G	4	0	1428	\$0.48	\$685	50%



Address 2351 Spring Haven Dr.
Gainesville, GA 30504

Phone (770) 535-1565 **Contact** Christina

Total Units 88 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 1998 **Floors** 2,3

Concessions No Rent Specials

Parking Surface Parking

Waiting List Tax 30%: 12 HH

Quality Rating B **Neighborhood Rating** B

Remarks 30%, 50% & 60% AMHI; HCV (2 units)

Features and Utilities

Utilities Landlord pays Trash

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Storage

Project Amenities On-site Management, Laundry Facility, Club House, Meeting Room, Playground, Picnic Area

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	9	0	1013	\$0.52	\$530	60%
2	2	G	3	0	1013	\$0.49	\$500	50%
2	2	G	4	0	1013	\$0.22	\$220	30%
3	2	G	35	0	1210	\$0.49	\$595	60%
3	2	G	16	0	1210	\$0.48	\$575	50%
3	2	G	13	0	1210	\$0.19	\$235	30%
4	2	G	4	0	1372	\$0.48	\$665	60%
4	2	G	2	0	1372	\$0.44	\$600	50%
4	2	G	2	0	1372	\$0.17	\$240	30%

11 Retreat at McEver

7.0 miles to site



Address	1050 Eagle Eye Rd. Gainesville, GA 30504		
Phone	(770) 531-0065	Contact	Deandrea
Total Units	224	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2002	Floors	4
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	7 households		
Quality Rating	A-	Neighborhood Rating	B
Remarks	60% AMHI; HCV (11 units)		

Features and Utilities

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

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	80	0	892	\$0.67	\$599	60%
2	2	G	120	0	1120 to 1170	\$0.57 - \$0.60	\$669	60%
3	2	G	24	0	1350	\$0.59	\$799	60%

12 McEver Vineyards

6.2 miles to site



Address	1240 McEver Rd. Gainesville, GA 30504		
Phone	(770) 287-8292	Contact	Caroline
Total Units	220	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2004	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	5 households		
Quality Rating	A-	Neighborhood Rating	B
Remarks	60% AMHI; HCV (27 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Tennis Court(s), Sports Court, Security Gate, Computer Lab, Car Wash Area, Picnic Area

Unit Configuration

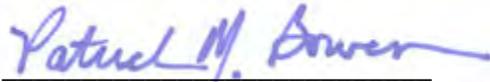
BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	72	0	860	\$0.71	\$610	60%
2	2	G	96	0	1119	\$0.63	\$710	60%
3	2	G	52	0	1335	\$0.58	\$780	60%

ADDENDUM C – MEMBER CERTIFICATION & CHECKLIST

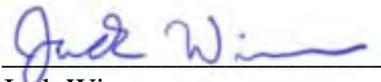
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard 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.

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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 Oakwood, Georgia by Peaks of Oakwood 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.

Any reproduction or duplication of this report without the expressed approval of Bowen National Research is strictly prohibited.

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 five market-rate properties within the Oakwood 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 five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Peaks of Oakwood	2018	84	-	12 (-)	48 (-)	24 (-)
1	Treepark Apt. Homes	2006	456	91.2%	136 (97.8%)	214 (90.2%)	106 (84.9%)
2	Park Creek Apts.	1998	200	99.5%	80 (100.0%)	84 (98.8%)	36 (100.0%)
3	Walden at Oakwood	2009	300	98.3%	125 (98.4%)	171 (98.2%)	4 (100.0%)
5	Legacy at Audubon Crest	1998	126	100.0%	20 (100.0%)	74 (100.0%)	32 (100.0%)
8	Villas at Lanier	2004	150	100.0%	40 (100.0%)	86 (100.0%)	24 (100.0%)

Occ. – Occupancy

The five selected market-rate projects have a combined total of 1,232 units with an overall occupancy rate of 96.3%, a strong rate for rental housing. This indicates that these projects have been well received within the market and will 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 subject development.

Rent Comparability Grid

Unit Type → **ONE BEDROOM**

Subject		Comp #1	Comp #2	Comp #3	Comp #4	Comp #5	
Peaks of Oakwood		Treepark Apt. Homes	Park Creek Apts.	Walden at Oakwood	Legacy at Audubon Crest	Villas at Lanier	
Atlanta Highway/ State Route 13 Oakwood, GA		130 Treepark Cir. Flowery Branch, GA	1100 Park Creek Ct. Gainesville, GA	4000 Walden Way Oakwood, GA	1200 Lanier Mill Cir. Oakwood, GA	1750 Columns Dr. Gainesville, GA	
Data		Data	Data	Data	Data	Data	
Subject		Subject	Subject	Subject	Subject	Subject	
on		on	on	on	on	on	
Rents Charged		Data	Data	Data	Data	Data	
\$ Last Rent / Restricted?		\$870	\$840	\$905	\$815	\$778	
Date Surveyed		Apr-16	Apr-16	Apr-16	Mar-16	Apr-16	
Rent Concessions		None	None	None	None	None	
Occupancy for Unit Type		98%	100%	98%	100%	100%	
Effective Rent & Rent/ sq. ft		\$870 1.12	\$840 1.04	\$905 1.21	\$815 0.98	\$778 0.97	
Design, Location, Condition		Data	Data	Data	Data	Data	
Structure / Stories		WU/2,3	WU/2,3	WU/3	WU/2,3	WU/2,3	
Yr. Built/Yr. Renovated		2018	2006	1998	2009	1998	
Condition /Street Appeal		E	E	E	E	E	
Neighborhood		G	G	G	G	G	
Same Market?		Yes	Yes	Yes	Yes	Yes	
Unit Equipment/ Amenities		Data	Data	Data	Data	Data	
# Bedrooms		1	1	1	1	1	
# Baths		1	1	1	1	1	
Unit Interior Sq. Ft.		760	780 (\$5)	804 (\$12)	751 \$2	830 (\$19)	
Balcony/ Patio		N	Y (\$5)	Y (\$5)	N	Y (\$5)	
AC: Central/ Wall		C	C	C	C	C	
Range/ Refrigerator		R/F	R/F	R/F	R/F	R/F	
Microwave/ Dishwasher		Y/Y	N/Y \$5	N/Y \$5	Y/Y	N/Y \$5	
Washer/Dryer		HU/L	HU/L	HU/L	HU	HU/L	
Floor Coverings		C	C	C	C	C	
Window Coverings		B	B	B	B	B	
Intercom/Security System		N/N	N/Y (\$3)	N/N	N/N	N/N	
Garbage Disposal		Y	Y	Y	Y	Y	
Ceiling Fans		Y	N \$5	Y	Y	N \$5	
Site Equipment/ Amenities		Data	Data	Data	Data	Data	
Parking (\$ Fee)		LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	LOT/\$0	
On-Site Management		Y	Y	Y	Y	Y	
Security Gate		N	Y (\$5)	Y (\$5)	Y (\$5)	N	
Clubhouse/ Meeting Rooms		Y	N \$5	Y	Y	Y	
Pool/ Recreation Areas		N	P/F/S/J/WT (\$24)	P/F/T (\$18)	P/F (\$15)	P/F/T (\$18)	
Computer Center		Y	N \$3	N \$3	N \$3	N \$3	
Picnic Area		Y	Y	Y	Y	N \$3	
Playground		Y	Y	Y	N \$3	Y	
Social Services		N	N	N	N	N	
Utilities		Data	Data	Data	Data	Data	
Heat (in rent?/ type)		N/E	N/G	N/E	N/E	N/E	
Cooling (in rent?/ type)		N/E	N/E	N/E	N/E	N/E	
Cooking (in rent?/ type)		N/E	N/E	N/E	N/E	N/E	
Hot Water (in rent?/ type)		N/E	N/G	N/E	N/E	N/E	
Other Electric		N	N	N	N	N	
Cold Water/ Sewer		N/N	N/N	N/N	N/N	N/N	
Trash/Recycling		Y/N	N/N \$22	N/N \$22	N/N \$22	N/N \$22	
Adjustments Recap		Pos	Neg	Pos	Neg	Pos	
# Adjustments B to D		5	6	3	4	5	
Sum Adjustments B to D		\$30	(\$52)	\$28	(\$40)	\$22	
Sum Utility Adjustments		\$22		\$22		\$22	
		Net	Gross	Net	Gross	Net	
Net/ Gross Adjmts B to E		(\$0)	\$104	\$10	\$90	\$24	
Adjusted & Market Rents		Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	
Adjusted Rent (5+ 43)		\$870	\$850	\$929	\$838	\$821	
Adj Rent/Last rent			100%		103%		
Estimated Market Rent		\$840	\$1.11 ←	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 Oakwood		Treepark Apt. Homes	Park Creek Apts.	Walden at Oakwood	Legacy at Audubon Crest	Villas at Lanier
Atlanta Highway/ State Route 13 Oakwood, GA		130 Treepark Cir. Flowery Branch, GA	1100 Park Creek Ct. Gainesville, GA	4000 Walden Way Oakwood, GA	1200 Lanier Mill Cir. Oakwood, GA	1750 Columns Dr. Gainesville, GA
Data		Data	Data	Data	Data	Data
Subject		Subject	Subject	Subject	Subject	Subject
A. Rents Charged		Data \$ Adj	Data \$ Adj	Data \$ Adj	Data \$ Adj	Data \$ Adj
1	\$ Last Rent / Restricted?	\$1,070	\$950	\$1,105	\$905	\$888
2	Date Surveyed	Apr-16	Apr-16	Apr-16	Mar-16	Apr-16
3	Rent Concessions	None	None	None	None	None
4	Occupancy for Unit Type	90%	99%	98%	100%	100%
5	Effective Rent & Rent/ sq. ft	\$1,070 0.85	\$950 0.90	\$1,105 0.95	\$905 0.84	\$888 0.72
B. Design, Location, Condition		Data \$ Adj	Data \$ Adj	Data \$ Adj	Data \$ Adj	Data \$ Adj
6	Structure / Stories	WU/2,3	WU/2,3	WU/3	WU/2,3	WU/2,3
7	Yr. Built/Yr. Renovated	2006 \$12	1998 \$20	2009 \$9	1998 \$20	2004 \$14
8	Condition /Street Appeal	E	E	E	G \$15	G \$15
9	Neighborhood	E (\$10)	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	2	2	2	2	2
12	# Baths	2	2	2	2	2
13	Unit Interior Sq. Ft.	1000 (\$55)	1260 (\$55)	1050 (\$11)	1160 (\$34)	1080 (\$17)
14	Balcony/ Patio	N (\$5)	Y (\$5)	Y (\$5)	N (\$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	Y/Y \$5	N/Y \$5	N/Y \$5	Y/Y \$5	N/Y \$5
18	Washer/Dryer	HU/L	HU/L	HU \$5	HU/L	HU \$5
19	Floor Coverings	C	C	C	C	C
20	Window Coverings	B	B	B	B	B
21	Intercom/Security System	N/N (\$3)	N/Y	N/N	N/N	N/N
22	Garbage Disposal	Y	Y	Y	Y	Y
23	Ceiling Fans	Y \$5	N \$5	Y	Y	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	Y
26	Security Gate	N (\$5)	Y (\$5)	Y (\$5)	N (\$5)	N (\$5)
27	Clubhouse/ Meeting Rooms	Y \$5	N \$5	Y	Y	Y
28	Pool/ Recreation Areas	N (\$24)	P/F/S/J/WT (\$24)	P/F/T (\$18)	P/F (\$15)	P/F/T (\$18)
29	Computer Center	Y \$3	N \$3	N \$3	N \$3	Y \$3
30	Picnic Area	Y	Y	Y	Y	N \$3
31	Playground	Y	Y	Y	N \$3	Y
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/G	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/G	N/E	N/E	N/E
37	Other Electric	N	N	N	N	N
38	Cold Water/ Sewer	N/N	N/N	N/N	N/N	N/N
39	Trash/Recycling	Y/N \$22	N/N \$22	N/N \$22	N/N \$22	N/N \$22
F. Adjustments Recap		Pos Neg	Pos Neg	Pos Neg	Pos Neg	Pos Neg
40	# Adjustments B to D	5 6	3 4	4 3	4 3	6 3
41	Sum Adjustments B to D	\$30 (\$102)	\$28 (\$39)	\$20 (\$54)	\$43 (\$40)	\$47 (\$63)
42	Sum Utility Adjustments	\$22	\$22	\$22	\$22	\$22
		Net Gross	Net Gross	Net Gross	Net Gross	Net Gross
43	Net/ Gross Adjmts B to E	(\$50) \$154	\$11 \$89	(\$12) \$96	\$25 \$105	\$6 \$132
G. Adjusted & Market Rents		Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent
44	Adjusted Rent (5+ 43)	\$1,020	\$961	\$1,093	\$930	\$894
45	Adj Rent/Last rent	95%	101%	99%	103%	101%
46	Estimated Market Rent	\$965	\$0.97 ← 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 Oakwood		Treepark Apt. Homes		Park Creek Apts.		Walden at Oakwood		Legacy at Audubon Crest		Villas at Lanier	
Atlanta Highway/ State Route 13		130 Treepark Cir.		1100 Park Creek Ct.		4000 Walden Way		1200 Lanier Mill Cir.		1750 Columns Dr.	
Oakwood, GA		Flowery Branch, GA		Gainesville, GA		Oakwood, GA		Oakwood, GA		Gainesville, GA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,200		\$1,125		\$1,280		\$1,000		\$975	
2	Date Surveyed	Apr-16		Apr-16		Apr-16		Mar-16		Apr-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	83%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,200	0.85	\$1,125	0.86	\$1,280	0.92	\$1,000	0.72	\$975	0.69
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/2,3		WU/3		WU/2,3		WU/2,3	
7	Yr. Built/Yr. Renovated	2018	\$12	1998	\$20	2009	\$9	1998	\$20	2004	\$14
8	Condition /Street Appeal	E		E		E		G	\$15	G	\$15
9	Neighborhood	G	(\$10)	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		3		3		3	
12	# Baths	2	(\$15)	2		2		2		2	
13	Unit Interior Sq. Ft.	1100	(\$64)	1308	(\$42)	1396	(\$60)	1390	(\$58)	1409	(\$62)
14	Balcony/ Patio	N	(\$5)	Y	(\$5)	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	Y/Y	\$5	N/Y	\$5	Y/Y		N/Y	\$5	N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU/L		HU	\$5
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N	(\$3)	N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y	\$5	Y		Y		Y		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		Y	
26	Security Gate	N	(\$5)	Y	(\$5)	Y	(\$5)	N		N	
27	Clubhouse/ Meeting Rooms	Y	\$5	Y		Y		Y		Y	
28	Pool/ Recreation Areas	N	P/F/S/J/WT (\$24)	P/F/T (\$18)		P/F (\$15)		P/F/T (\$18)		P	(\$10)
29	Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y		Y		Y		Y		N	\$3
31	Playground	Y		Y		N	\$3	Y		Y	
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		N/N		N/N	
39	Trash/Recycling	Y/N	\$22	N/N	\$22	N/N	\$22	N/N	\$22	N/N	\$22
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	7	3	4	4	3	4	3	6	3
41	Sum Adjustments B to D	\$30	(\$126)	\$28	(\$70)	\$20	(\$80)	\$43	(\$81)	\$47	(\$77)
42	Sum Utility Adjustments	\$22		\$22		\$22		\$22		\$22	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$74)	\$178	(\$20)	\$120	(\$38)	\$122	(\$16)	\$146	(\$8)	\$146
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,126		\$1,105		\$1,242		\$984		\$967	
45	Adj Rent/Last rent		94%		98%		97%		98%		99%
46	Estimated Market Rent	\$1,080	\$0.98 ←	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 \$840 for a one-bedroom unit, \$965 for a two-bedroom unit and \$1,080 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$394 (50%)	\$840	53.1%
	\$500 (60%)		40.5%
	\$595 (MR)		29.2%
Two-Bedroom	\$464 (50%)	\$965	51.9%
	\$591 (60%)		38.8%
	\$695 (MR)		28.0%
Three-Bedroom	\$518 (50%)	\$1,080	52.0%
	\$665 (60%)		38.4%
	\$775 (MR)		28.2%

MR - Market-rate

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. Considering that the proposed subject Tax Credit rents represent market rent advantages ranging between 38.4% and 53.1%, they will likely be viewed as substantial values within the Site PMA. The proposed market-rate rents will likely also be viewed as excellent values, as they represent market rent advantages between 28.0% and 29.2%, depending upon unit type. These factors are considered in our absorption rate estimates.

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. The proposed subject project is anticipated to be completed in 2018. As such, 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 a quality appearance and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have an inferior quality to the subject development.
9. One of the selected properties, Treepark Apartment Homes (Comp #1), is located in a more desirable neighborhood than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site compared with the competitive 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 25.0% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenities package slightly inferior than those offered at the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The proposed project offers a relatively limited project amenities package. We have made monetary adjustments to reflect the difference between the proposed subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.