

Market Feasibility Analysis

Acworth Commons

West of the intersection of Bells Ferry and Robin roads
Acworth (Unincorporated Cherokee County),
Cherokee County, Georgia 30102

Prepared For

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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the Acworth Commons rental community to be constructed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Acworth, 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:

Acworth Commons involves the new construction of 72 apartments on an approximate 9.0-acre site immediately west of the intersection of Bells Ferry and Robin roads in Acworth. The project will offer eight (8) one-bedroom units attached to the 14 two- and 50 three-bedroom townhome units within 10 one- and two-story, residential buildings with approximately 2,000 square-feet of integrated community space. Acworth Commons will be developed utilizing funding from the LIHTC program and target lower-income family households earning up to 50% and 60% of Area Median Household Income (AMHI). Note that 16 of the 72 units will operate with no rent or income restrictions (market-rate). Monthly collected Tax Credit rents will range from \$499 to \$700, depending on unit size and targeted income level. Monthly collected rents for the market-rate units will range from \$625 to \$775, depending on unit type. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by October 2018. Additional details regarding the proposed project are included in Section B of this report.

2. Site Description/Evaluation:

The subject project is located in an established area northeast of the city limits of Acworth. Although there are various structures within the immediate site area that are in poor condition, the subject project will be consistent with the residential dwellings to the north, northeast and east, as they were observed to be in good condition. Nonetheless, the development of the subject project will contribute to the revitalization of the area. Visibility of the site will be slightly obstructed by the surrounding green space for motorists traveling along Bells Ferry Road and permanent signage is recommended to increase its awareness. Access to the site is considered good, as it is within 3.1 miles of State Routes 5, 92 and 401, as well as Interstates 75 and 575. In addition, on-call, on-site pickup transit services are available through the Cherokee Area Transportation System (CATS) for a nominal fee. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social services and public safety services are all within 6.5 miles. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

3. Market Area Definition:

The Acworth Site PMA includes the unincorporated areas of Acworth, western portions of Woodstock, northern portions of Kennesaw, as well as the surrounding unincorporated areas of Cherokee County. Specifically, the boundaries of the Site PMA include Bells Ferry Road, Eagle Drive, Towne Lake Parkway, Woodstock city limits and Ridgewalk Parkway to the north; Main Street and Canton Road to the east; New Chastain Road and Chastain Road Northwest to the south; and Interstate 75, Woodstock Road, and Victory Drive to the west. The farthest boundary from the site is 5.1 miles. A map illustrating these boundaries is included on page D-2 of this report.

4. Community Demographic Data:

Demographic trends within the Acworth Site PMA are projected to be positive between 2016 and 2018, as the total population will increase by 1,514 (2.3%) and the total number of households will increase by 596 (2.4%) during this time period. These trends demonstrate an expanding overall demographic base within the Site PMA. Additionally, it is projected that there will be 8,944 renter households in the market in 2018, an increase of 251 households, or 2.9%, from 2016. Notably, low-income renter households (earning below \$35,000) are projected to increase by 107, or 3.0%, during the same time period. Based on the preceding analysis and additional demographic data contained within this report, there appears to be a deep base of income-appropriate renter support for affordable rental housing in the market, such as that proposed at the subject site. Additional demographic data is included in Section E of this report.

5. Economic Data:

Based on information via our online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Cherokee County economy continues to experience growth. Notably, over 680 jobs are anticipated to be added within the county over the next three years. Additionally, aside from a downturn between 2007 and 2009, the employment base within the county has consistently increased over the preceding seven-year period. In fact, the employment base has increased by 15,445 employees, or 15.4%, since 2009 and is currently above pre-recession levels. Further, the unemployment rate has decreased each of the past seven years and is currently at its lowest level (4.2%) since 2007 (3.6%). Overall, these positive economic trends indicate that the Cherokee County economy is strong and improving. Based on these recent trends, it is anticipated that Cherokee 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 Acworth Site PMA are considered acceptable. As such, the project's overall LIHTC-only capture rate of 3.7% is considered low and easily achievable within the Acworth 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 maintained among the existing LIHTC properties surveyed in the Site PMA. Also note that the 16 market-rate units proposed at the subject site have a capture rate of just 2.6%, 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 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	Acworth Commons	2018	56*	-	-	-	Families; 50% & 60% AMHI
2	Cherokee Summit	2002	272	98.9%	0.4 Miles	None	Families; 60% AMHI
3	Gregory Lane Apts. I & II	1996	111	100.0%	1.1 Miles	3 H.H.	Families; 60% AMHI
5	Ridgewalk Apts.	2004	239*	99.2%	6.3 Miles	None	Families; 60% AMHI
6	Peaks at Bells Ferry	2005	200*	95.0%	0.4 Miles	None	Families; 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for rental housing. In fact, one of these projects, Gregory Lane Apartments I and II (Map ID 3), is 100.0% occupied and maintains a waitlist. This illustrates that pent-up demand likely exists for additional affordable rental housing within the market.

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.	
Site	Acworth Commons	\$618/50% (2) \$669/60% (4)	\$745/50% (3) \$802/60% (5)	\$862/50% (10) \$906/60% (32)	-
2	Cherokee Summit	\$875/60% (48/0)	\$1,078/60% (184/3)	\$1,120-\$1,253/60% (40/0)	None
3	Gregory Lane Apts. I & II	-	\$918/60% (86/0)	\$1,057/60% (25/0)	None
5	Ridgewalk Apts.	\$912-\$930/60% (81/2)	\$1,094/60% (118/0)	\$1,272/60% (40/0)	None
6	Peaks at Bells Ferry	\$893/60% (48/2)	\$1,067/60% (101/6)	\$1,202/60% (51/2)	None

The proposed subject gross LIHTC rents, ranging from \$618 to \$906, will be the lowest LIHTC rents relative to the rents offered at the competitive affordable developments. Combined with the fact that the subject project will be at least 13 years newer than these LIHTC projects will provide it with a significant competitive advantage. It should also be noted that the subject project will be the only LIHTC project to offer units set aside at 50% of AMHI within the market. The subject project will be able to provide an affordable housing alternative to lower-income households that are currently underserved within the Site PMA.

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 inferior amenities package, it will be the newest LIHTC project within the market, offering the lowest general-occupancy LIHTC rents. The aforementioned characteristics will provide the subject with a significant competitive advantage. This has been considered in our absorption projections.

Market Rate

We identified and surveyed five market-rate projects in the Site PMA 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	Acworth Commons	2018	16*	-	-	-
6	Peaks at Bells Ferry	2005	48*	100.0%	0.4 Miles	None
10	Heights at Towne Lake	2001	194	96.9%	3.9 Miles	None
12	Camden Shiloh	2001	232	98.3%	3.9 Miles	None
13	Hawthorne at Kennesaw	2005	322	97.5%	3.5 Miles	None
15	Woodstock West by Walton	2013	308 + 99**	96.8%	4.6 Miles	None

*Market-rate units only

**Units under construction

The five selected market-rate projects have a combined total of 1,104 units with an overall occupancy rate of 97.5%, 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	Acworth Commons	\$744 (2)	\$877 (6)	\$981 (8)
6	Peaks at Bells Ferry	\$943 (10/0)	\$1,092 (25/0)	\$1,242 (13/0)
10	Heights at Towne Lake	\$1,135-\$1,205 (90/3)	\$1,349-\$1,529 (90/3)	\$1,771 (14/0)
12	Camden Shiloh	\$1,103-\$1,284 (92/3)	\$1,282-\$1,562 (108/1)	\$1,868-\$1,874 (32/0)
13	Hawthorne at Kennesaw	\$1,041-\$1,357 (76/0)	\$1,339-\$1,701 (192/2)	\$1,971-\$2,078 (54/6)
15	Woodstock West by Walton	\$1,280-\$1,342 (126/4)	\$1,674-\$1,807 (167/6)	\$1,979 (15/0)

The proposed subject gross market-rate rents, ranging between \$744 and \$981, will be the lowest rents relative to those offered at the comparable market-rate developments within the market. Combined with the fact that the subject project will be at least five years newer than these market-rate projects will provide it with a significant competitive advantage.

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the comparable market-rate properties within the market, it is our opinion that the subject development will be very competitive. Aside from the subject's smaller unit sizes and slightly inferior amenities package, it will be the newest market-rate rental community within the market, 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.

An in-depth analysis of the Acworth 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 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 Acworth 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 72 proposed LIHTC and market-rate units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately seven months. This absorption period is based on an average monthly absorption rate of approximately 10 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 72 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 Acworth rental housing market is performing well, as evidenced by the overall rental market occupancy rate of 96.7%. When compared to the competitive rental properties within the market, the subject project will be very competitive. In fact, the proposed subject rents will be some of the lowest rents within the Acworth Site PMA. This will provide the subject a market advantage.

The overall required capture rates of 3.7% and 2.6% for the subject's LIHTC and market-rate units, respectively, are considered very low and demonstrate that a significant base of potential income-appropriate renter support exists for the subject project within the Acworth Site PMA.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Acworth 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:	Acworth Commons	Total # Units:	72
Location:	Bells Ferry and Robin roads, Acworth, GA 30102	# LIHTC Units:	56
PMA Boundary:	Bells Ferry Road, Eagle Drive, Towne Lake Parkway, Woodstock city limits and Ridgewalk Parkway to the north; Main Street and Canton Road to the east; New Chastain Road and Chastain Road Northwest to the south; and Interstate 75, Woodstock Road, and Victory Drive to the west.		
	Farthest Boundary Distance to Subject:		5.1 miles

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

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	15	3,684	120	96.7%
Market-Rate Housing	11	2,743	105	96.2%
Assisted/Subsidized Housing not to include LIHTC	2	119	0	100.0%
LIHTC	4	822	15	98.2%
Stabilized Comps	8	1,926	43	97.8%
Properties in Construction & Lease Up	1	99	-	-

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	One-Br.	1.0	700	\$499	\$1,048	\$1.50	110.0%	\$1,095	\$1.50
4	One-Br.	1.0	700	\$550	\$1,048	\$1.50	90.5%	\$1,095	\$1.50
2	One-Br.	1.0	700	\$625	\$1,048	\$1.50	67.7%	\$1,095	\$1.50
3	Two-Br.	2.0	1,040	\$593	\$1,318	\$1.27	122.3%	\$1,445	\$1.31
5	Two-Br.	2.0	1,040	\$650	\$1,318	\$1.27	102.8%	\$1,445	\$1.31
6	Two-Br.	2.0	1,040	\$725	\$1,318	\$1.27	81.8%	\$1,445	\$1.31
10	Three-Br.	2.0	1,190	\$656	\$1,617	\$1.36	146.5%	\$1,700	\$1.42
32	Three-Br.	2.0	1,190	\$700	\$1,617	\$1.36	131.0%	\$1,700	\$1.42
8	Three-Br.	2.0	1,190	\$775	\$1,617	\$1.36	108.6%	\$1,700	\$1.42

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

	2010		2016		2018	
Renter Households	7,217	31.5%	8,693	35.5%	8,944	35.7%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	2,368	9.7%	2,414	9.6%
Income-Qualified Renter HHs (MR)	N/A	N/A	4,327	17.7%	4,462	17.8%

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		39	41	135		46
Existing Households (Overburd + Substand)		1,239	1,341	584		1,487
Homeowner conversion (Seniors)		0	0	0		0
Total Primary Market Demand		1,278	1,382	719		1,533
Less Comparable/Competitive Supply		0	0	99		0
Adjusted Income-Qualified Renter HHs		1,278	1,382	620		1,533

CAPTURE RATES (found on page G-5)

Targeted Population	30%	50%	60%	Market-rate	Other:___	Overall
Capture Rate		1.2%	3.0%	2.6%		3.7%

SECTION B - PROJECT DESCRIPTION

The subject project involves the new construction of the 72-unit Acworth Commons rental community on an approximate 9.0-acre site immediately west of the intersection of Bells Ferry and Robin roads in Acworth, Georgia. The project will offer eight (8) one-bedroom units attached to the 14 two- and 50 three-bedroom townhome units within 10 one- and two-story, residential buildings with approximately 2,000 square-feet of integrated community space. Acworth Commons will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family households earning up to 50% and 60% of Area Median Household Income (AMHI). Note that 16 of the 72 units will operate with no rent or income restrictions (market-rate). Monthly collected Tax Credit rents will range from \$499 to \$700, depending on unit size and targeted income level. Monthly collected rents for the market-rate units will range from \$625 to \$775, depending on unit type. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by October 2018. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

- 1. Project Name:** Acworth Commons

- 2. Property Location:** West of the intersection of Bells Ferry and Robin roads
Acworth, Georgia 30102
(Unincorporated Cherokee County)

- 3. Project Type:** Tax Credit & Market-Rate

- 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	
2	One-Br.	1.0	Garden	700	50%	\$499	\$119	\$618	\$640
4	One-Br.	1.0	Garden	700	60%	\$550	\$119	\$669	\$768
2	One-Br.	1.0	Garden	700	MR	\$625	\$119	\$744	-
3	Two-Br.	2.0	Townhome	1,040	50%	\$593	\$152	\$745	\$767
5	Two-Br.	2.0	Townhome	1,040	60%	\$650	\$152	\$802	\$921
6	Two-Br.	2.0	Townhome	1,040	MR	\$725	\$152	\$877	-
10	Three-Br.	2.0	Townhome	1,190	50%	\$656	\$206	\$862	\$886
32	Three-Br.	2.0	Townhome	1,190	60%	\$700	\$206	\$906	\$1,064
8	Three-Br.	2.0	Townhome	1,190	MR	\$775	\$206	\$981	-
72	Total								

Source: MV Affordable Housing, LLC

AMHI – Area Median Household Income (Atlanta-Sandy Springs-Marietta, GA HUD Metro FMR Area; 2015)

MR - Market-Rate

- 5. Target Market:** Family Households
- 6. Project Design:** 10 one- and two-story residential buildings with approximately 2,000 square-feet of integrated community space.
- 7. Original Year Built:** Not Applicable; New Construction
- 8. Projected Opening Date:** October 2018
- 9. Unit Amenities:**
- Electric Range
 - Refrigerator
 - Dishwasher
 - Garbage Disposal
 - Microwave
 - Central Air Conditioning
 - Carpet
 - Window Blinds
 - In-Unit Washer/Dryer Hookups
 - Ceiling Fan
 - Patio

- 10. Community Amenities:**
- On-Site Management
 - Community Room
 - Laundry Facility
 - Fitness Center
 - Outdoor Walking and Seating Areas
 - Computer Center
 - Community Garden

11. Resident Services:
 There will not be any resident services offered on-site.

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

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

13. Rental Assistance:
 None of the proposed subject units will operate with project-based rental assistance.

14. Parking:
 The subject site will offer 108 open lot parking spaces at no additional charge.



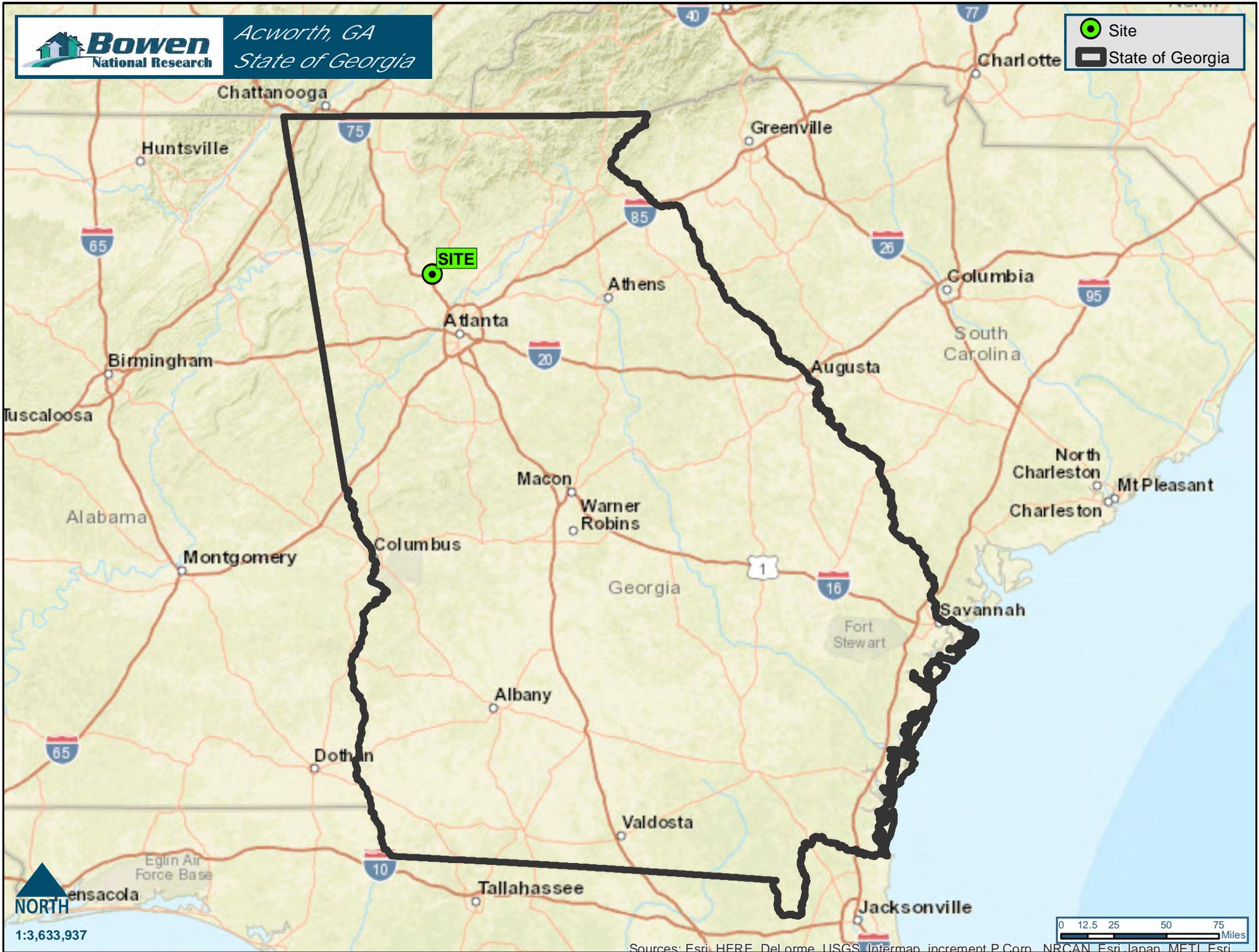
15. Current Project Status:

Not Applicable; New Construction

16. Statistical Area:

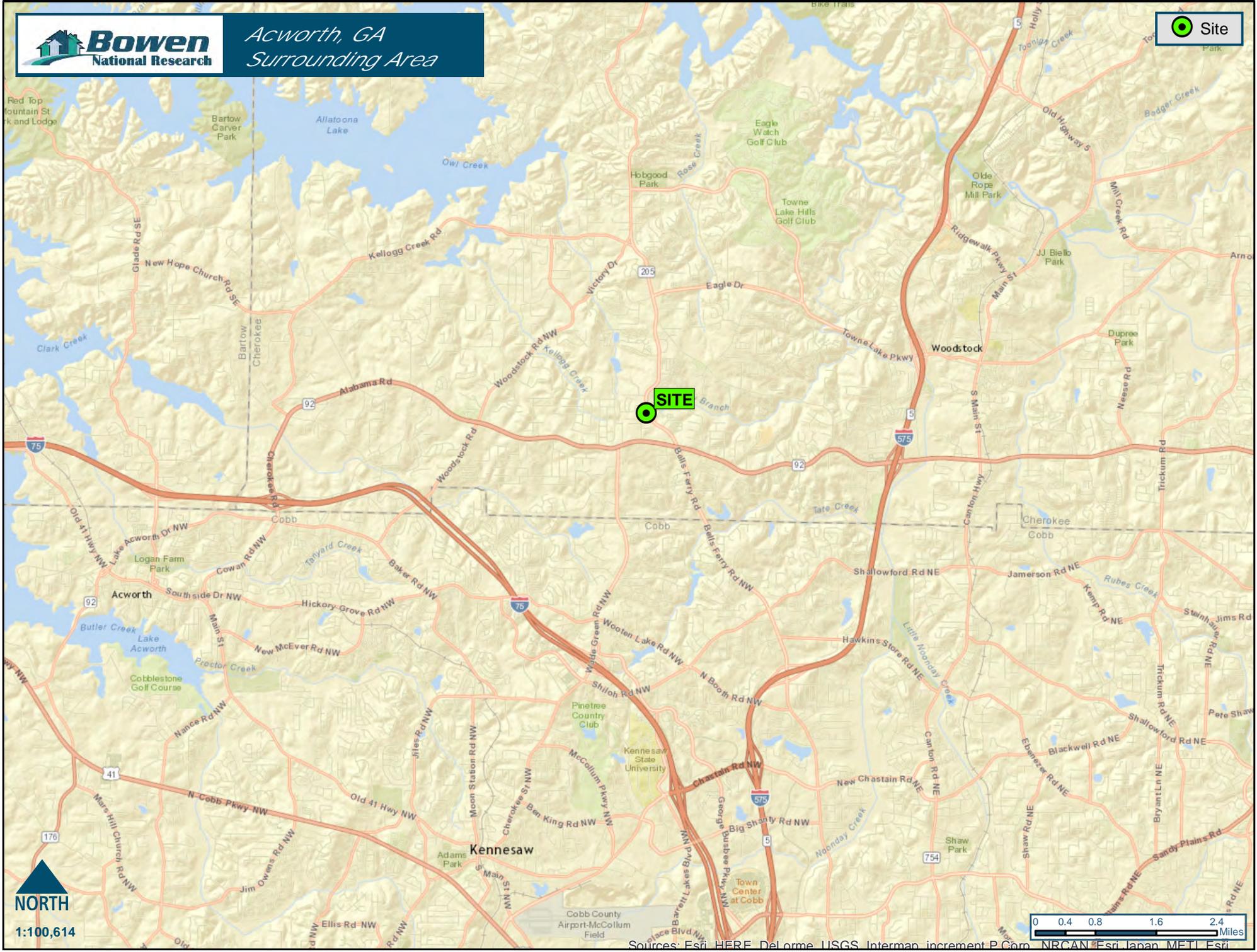
Atlanta-Sandy Springs-Marietta, GA HUD Metro FMR Area (2015)

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





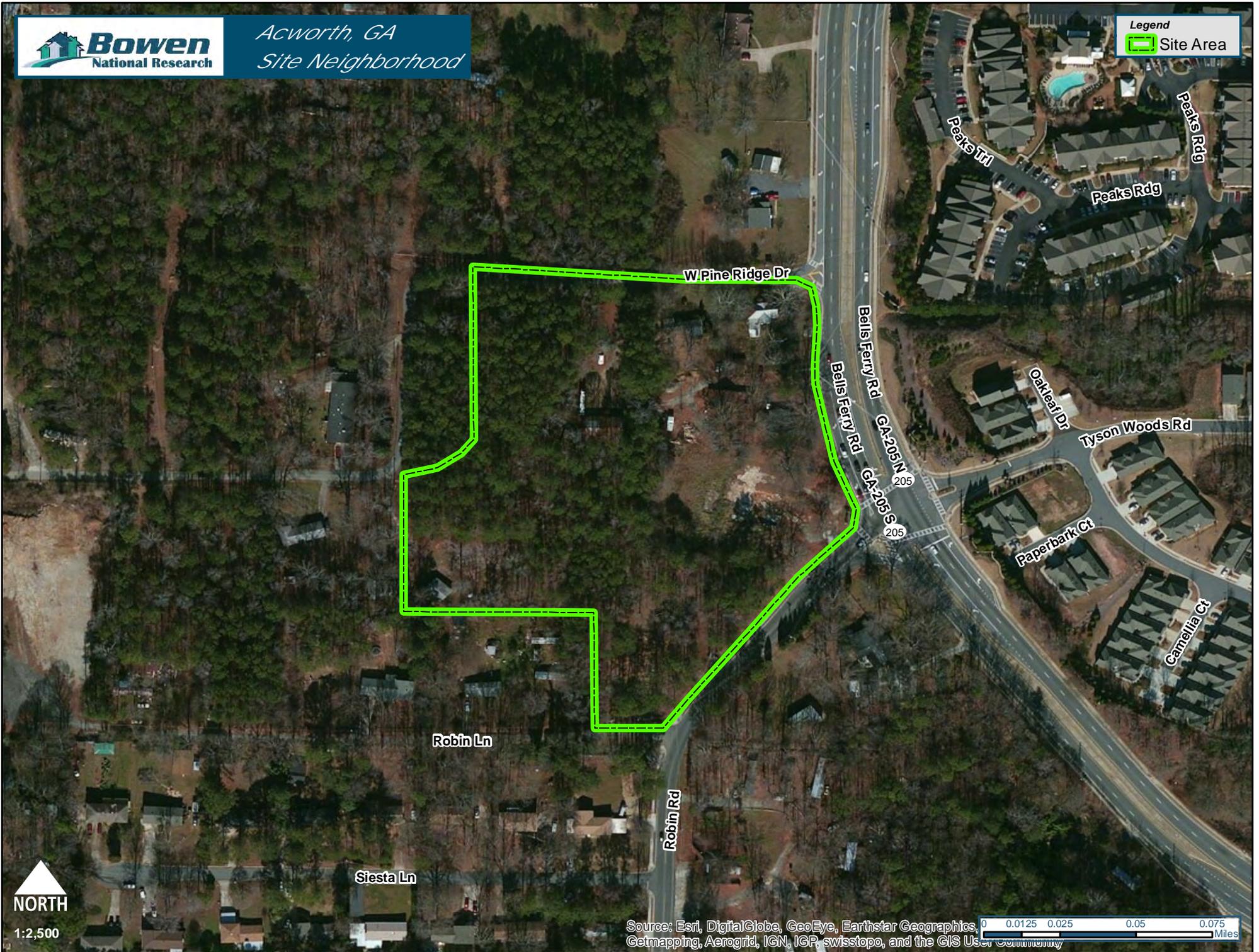
Acworth, GA Surrounding Area



NORTH
1:100,614

0 0.4 0.8 1.6 2.4
Miles

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



SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site consists of undeveloped, wooded land with existing structures scattered throughout located immediately west of the intersection of Bells Ferry and Robin roads, northeast of the Acworth, Georgia city limits. Note that the existing structures within the subject parcel will be razed during the development process. Located within Cherokee County, Acworth is approximately 29.0 miles northwest of Atlanta, Georgia and approximately 87.0 miles west of Athens, Georgia. An employee of Bowen National Research originally inspected the site and area apartments during the week of May 23, 2016.

2. SURROUNDING LAND USES

The subject site is within an established area of Acworth. Surrounding land uses include wooded land, single- and multifamily homes. Adjacent land uses are detailed as follows:

North -	West Pine Ridge Drive borders the subject site to the north and is a lightly traveled, two-lane residential roadway. Continuing north are single-family homes in average condition along Bells Ferry Road. Extending beyond are scattered single-family homes in average condition, along with undeveloped land.
East -	Bells Ferry Road, a heavily traveled, four-lane divided highway, borders the subject site to the east. Continuing east is the Tyson Woods residential community, which consists of homes observed to be in excellent condition. Extending beyond to the northeast are the Peaks at Bells Ferry (Map ID 6) and Cherokee Summit (Map ID 2) rental communities observed to be in good condition.
South -	Robin Lane borders the subject site to the south and is a lightly traveled, two-lane residential roadway featuring scattered single-family and trailer homes observed to be in poor to average condition. Continuing south is Siesta Lane, a lightly traveled residential roadway featuring single-family homes ranging in condition from average to good. Extending beyond is the Cherokee Commons Shopping Center, which includes a Kroger, China House Restaurant, Wendy's, Krystal and other local businesses.
West -	Wooded land borders the subject site immediately to the west. Continuing west and extending beyond is the Tanglewood Estates Mobile Home Park. These mobile homes were all observed to generally be in poor condition.

Although there are various structures within the immediate subject neighborhood that are considered to be in poor condition, the subject project will be consistent with the residential dwellings to the north, northeast and east, as they were observed to generally be in good condition. Nonetheless, the development of the subject project will contribute to the revitalization of the area. Additionally, based on the site plan provided by the developer, the subject project will be surrounded by green space to the south and west which will likely mitigate any potential impact from the condition of the surrounding land uses.

3. VISIBILITY AND ACCESS

The proposed site is located on the west side of both Bells Ferry and Robin roads. Although the subject parcel is situated along Bells Ferry Road, a heavily traveled arterial roadway, based on the site plan provided by the developer, the eastern edge will primarily consist of green space, which will likely obstruct its view from motorists traveling along this arterial roadway. As such, it is recommended that the developer implements permanent signage near the intersection of West Pine Ridge Drive and Bells Ferry Road to the northeast corner, as well as near the intersection of Bells Ferry and Robin roads to the southeast corner to increase its awareness.

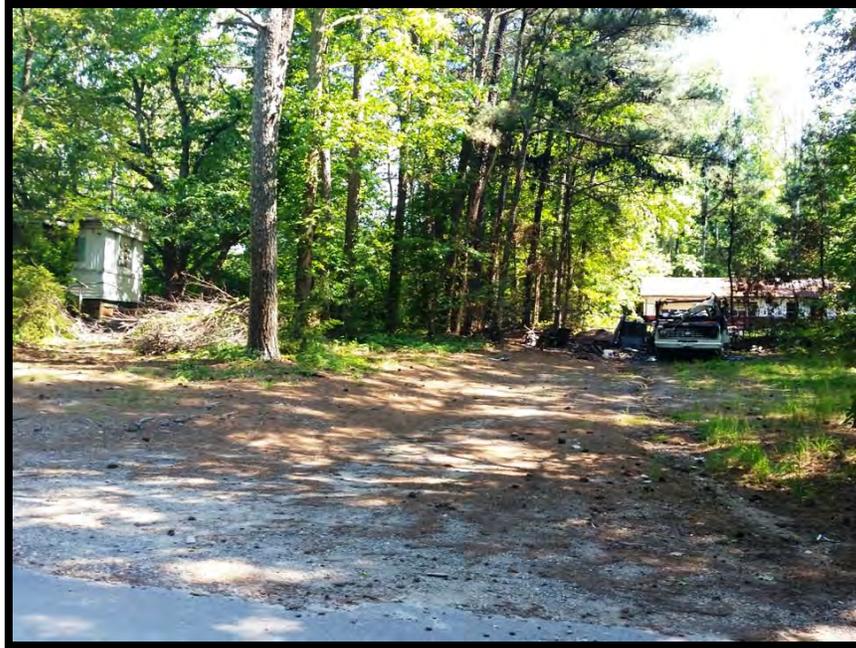
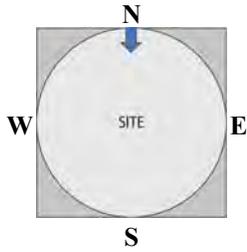
There will be two access points along West Pine Ridge Drive to the north and one access point along Robin Lane to the south. Both roadways are lightly traveled residential roads and, as such, ingress and egress will be convenient. Access from Bells Ferry Road utilizing the Robin Road entrance is convenient and no traffic delays are expected due to the existence of a traffic light along this intersection. However, it is important to note that access to and from the site traveling along Bells Ferry Road is limited utilizing the West Pine Ridge Drive entrance due the existing median on Bells Ferry Road at this intersection. The site is within 3.1 miles of State Routes 5, 92 and 401, as well as Interstates 75 and 575. Although there are no designated public bus stops within the area, the Cherokee Area Transportation System (CATS), provides on-call, on-site pickup services for a nominal fee. Overall, access is considered good.

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area.

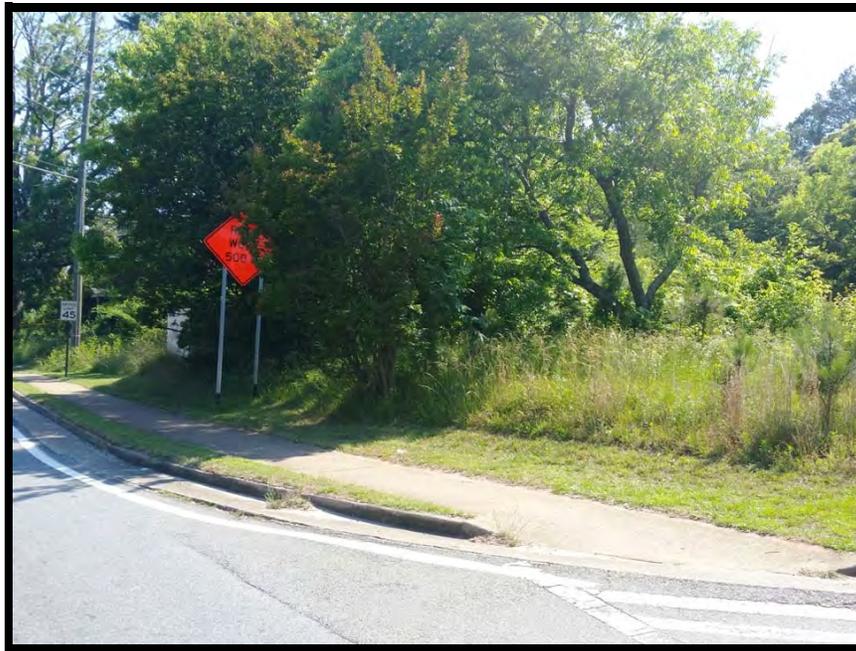
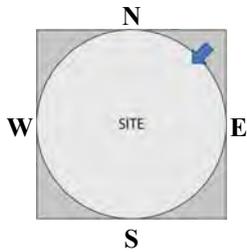
4. SITE PHOTOGRAPHS

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

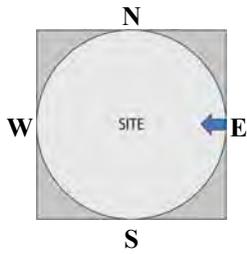
SITE PHOTOGRAPHS



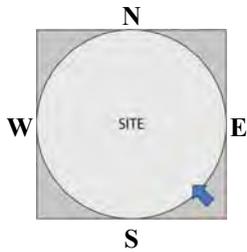
View of site from the north



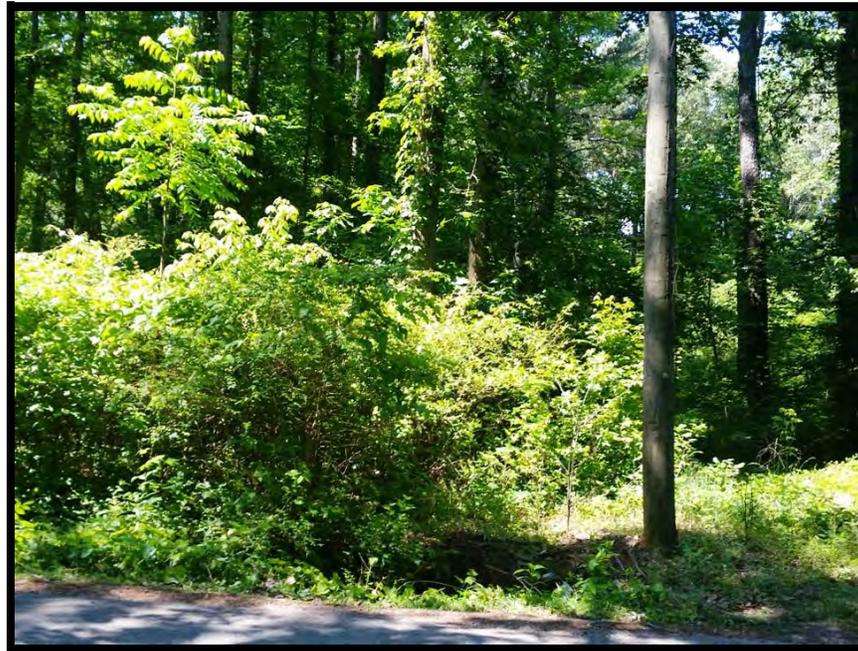
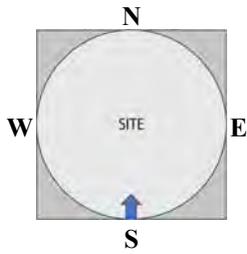
View of site from the northeast



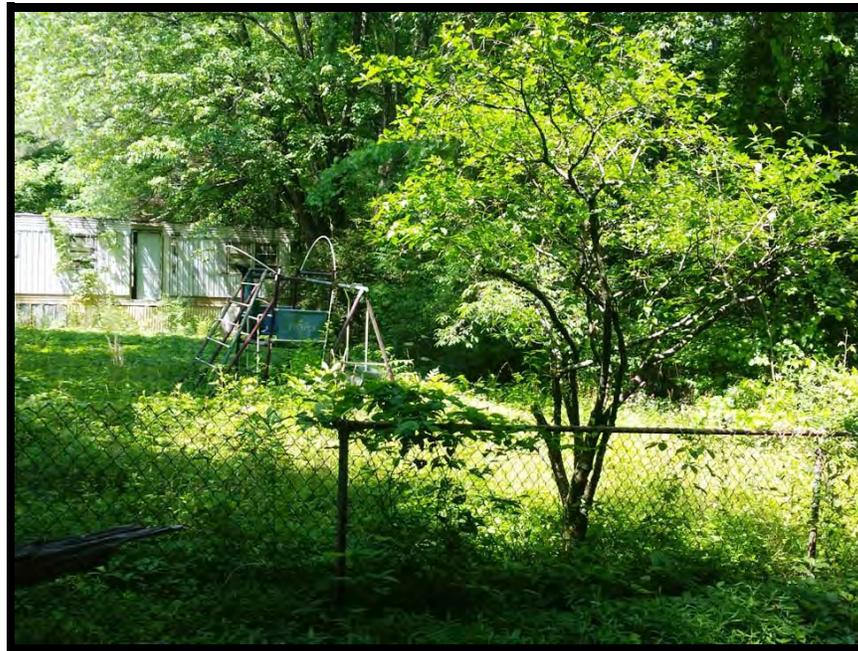
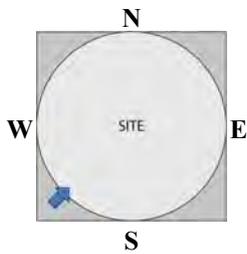
View of site from the east



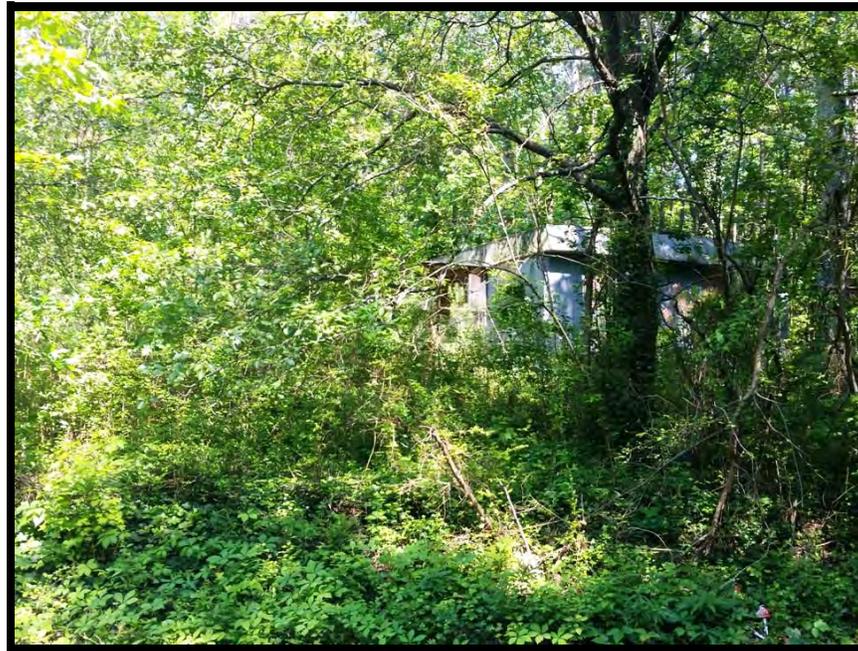
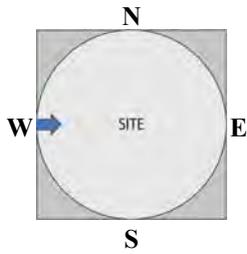
View of site from the southeast



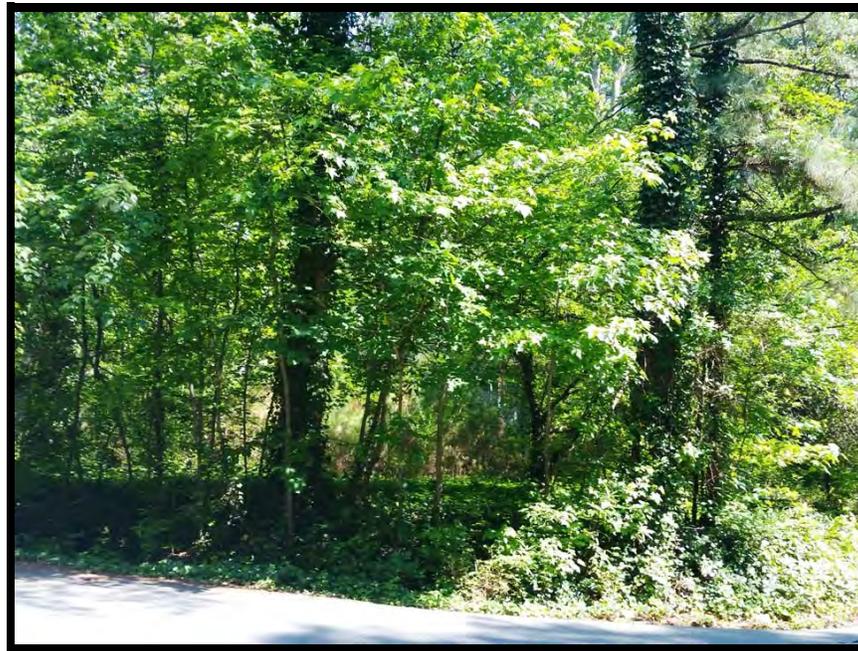
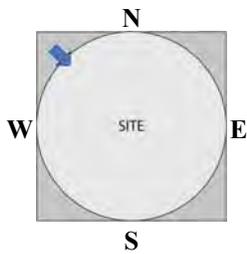
View of site from the south



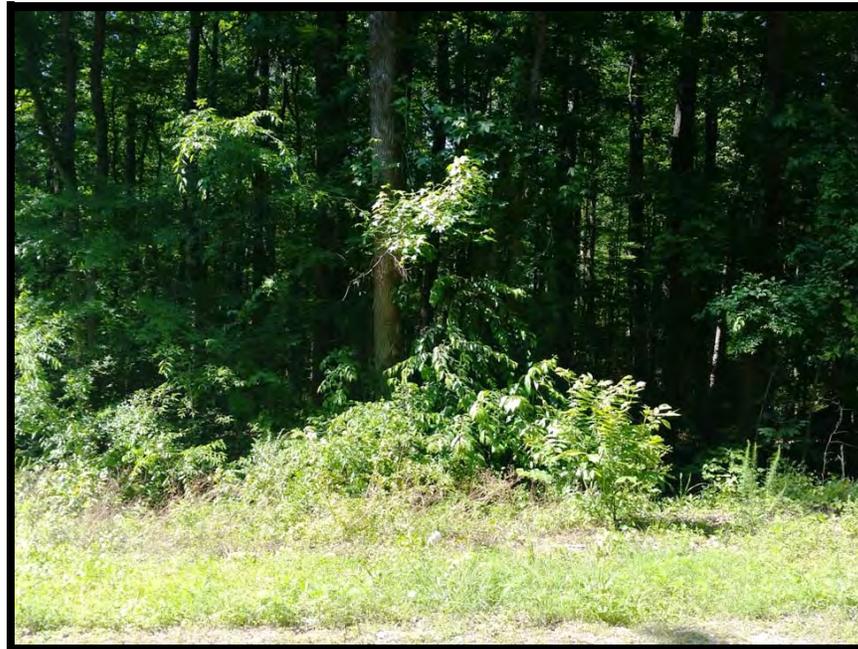
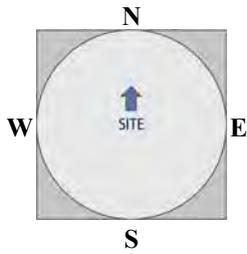
View of site from the southwest



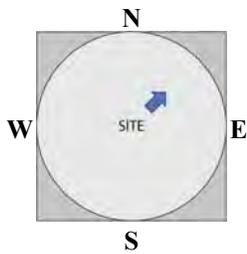
View of site from the west



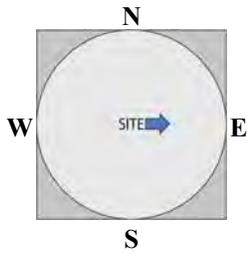
View of site from the northwest



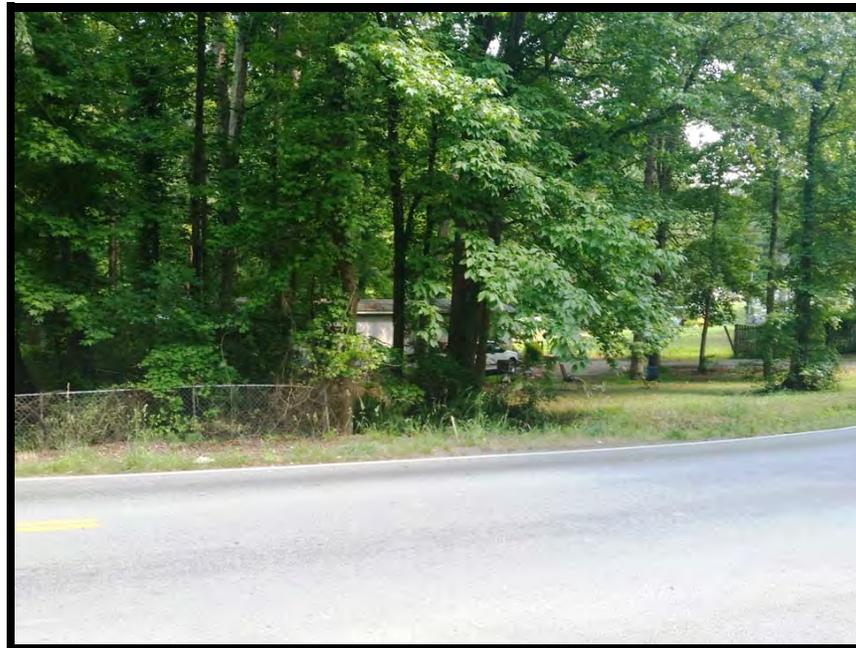
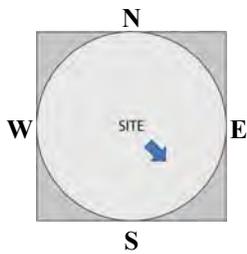
North view from site



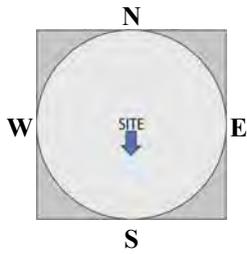
Northeast view from site



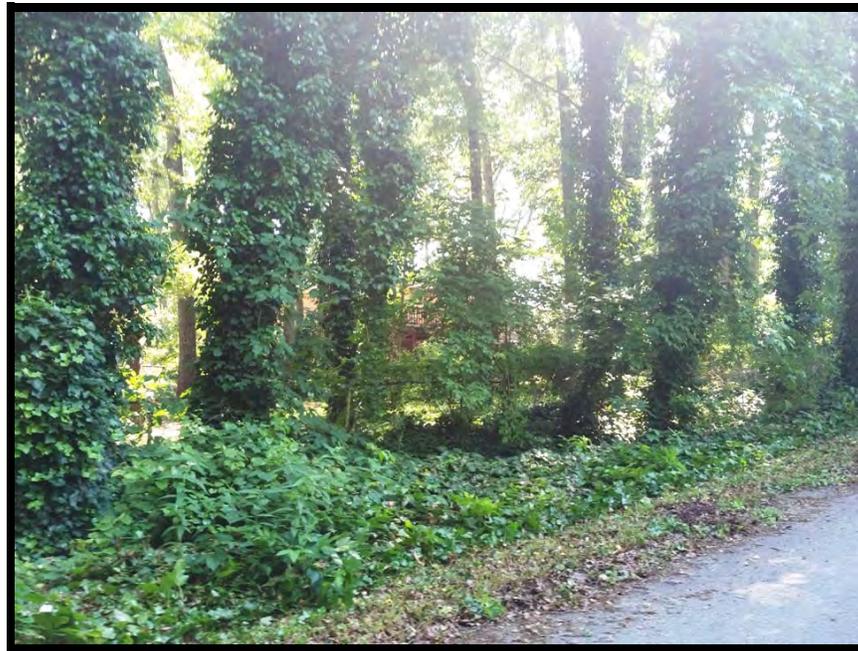
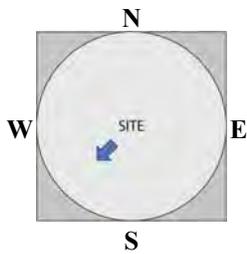
East view from site



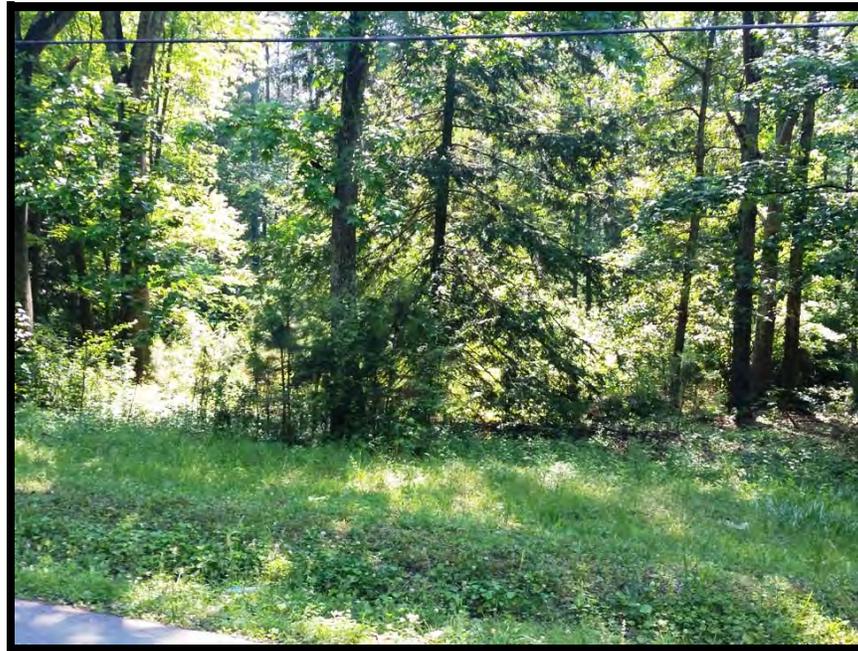
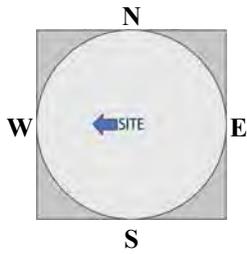
Southeast view from site



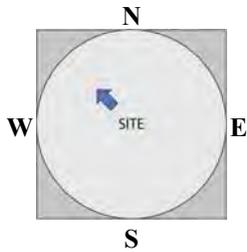
South view from site



Southwest view from site



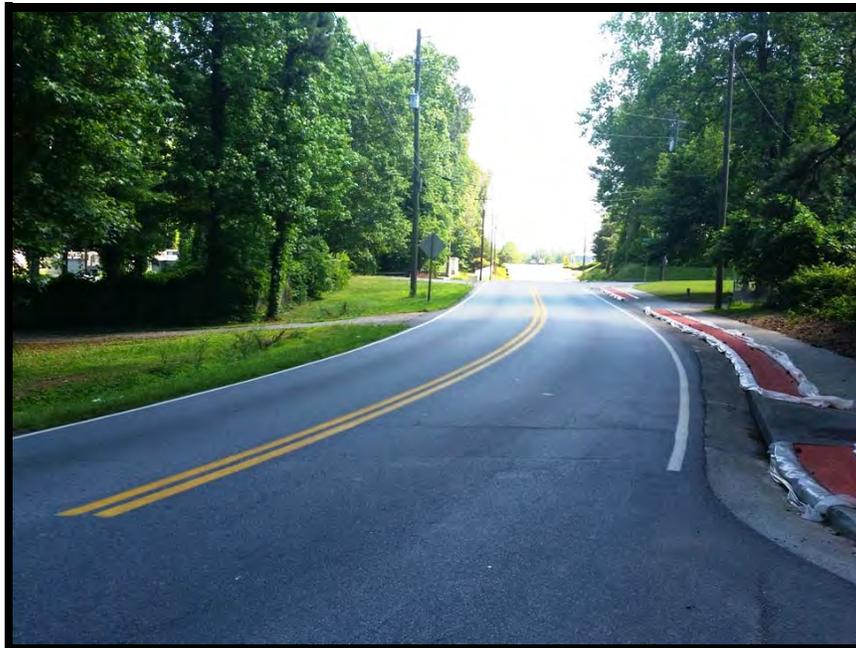
West view from site



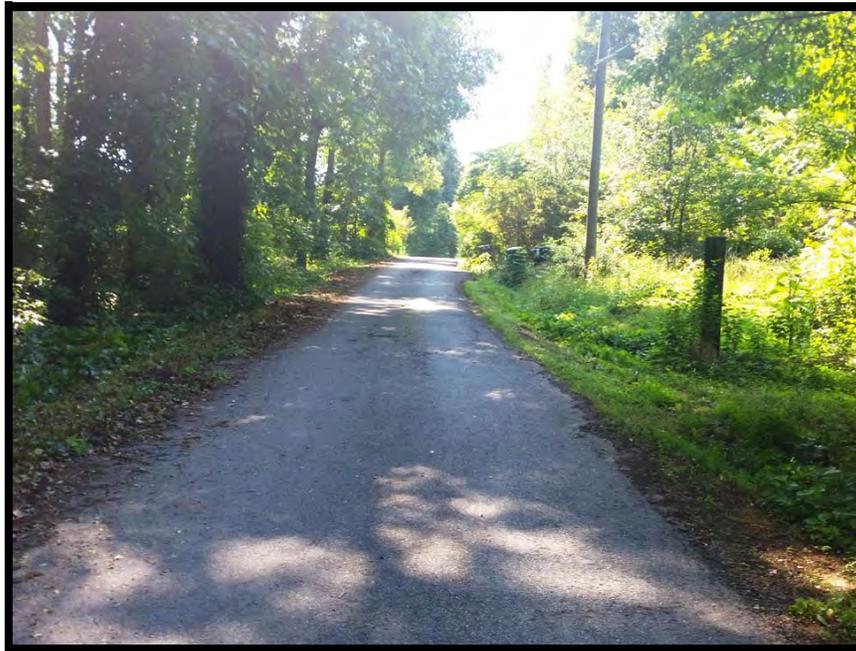
Northwest view from site



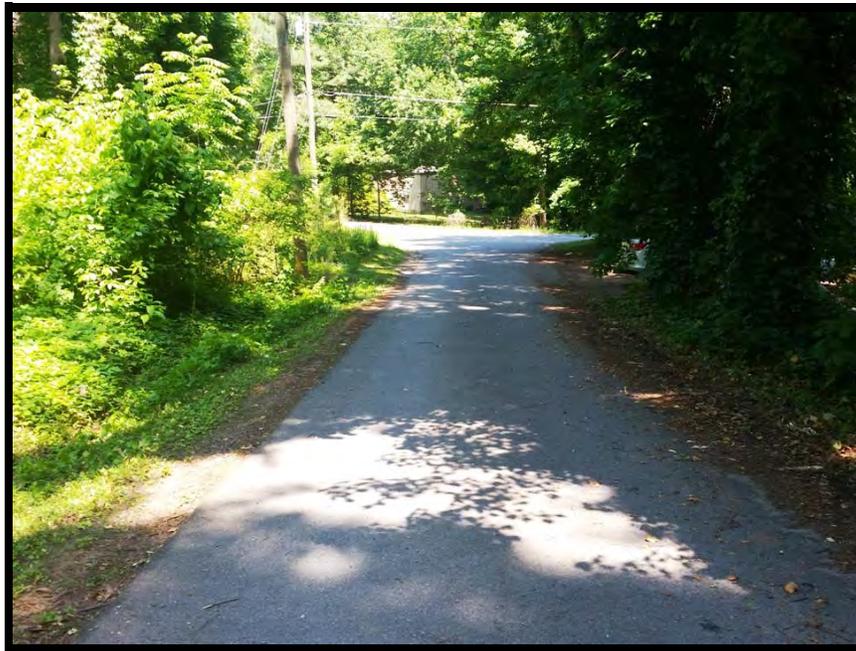
Streetscape: Northeast view of Robin Road



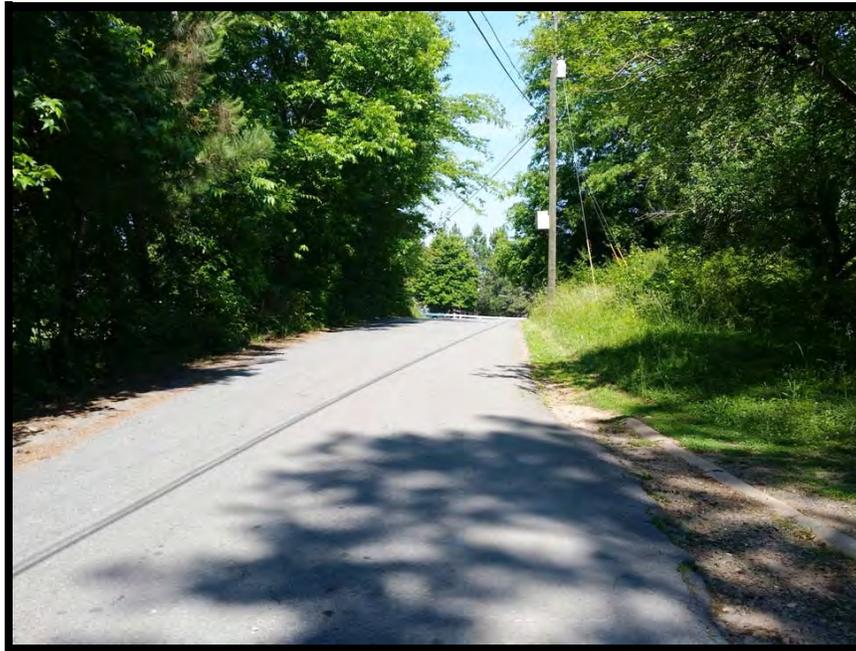
Streetscape: Southwest view of Robin Road



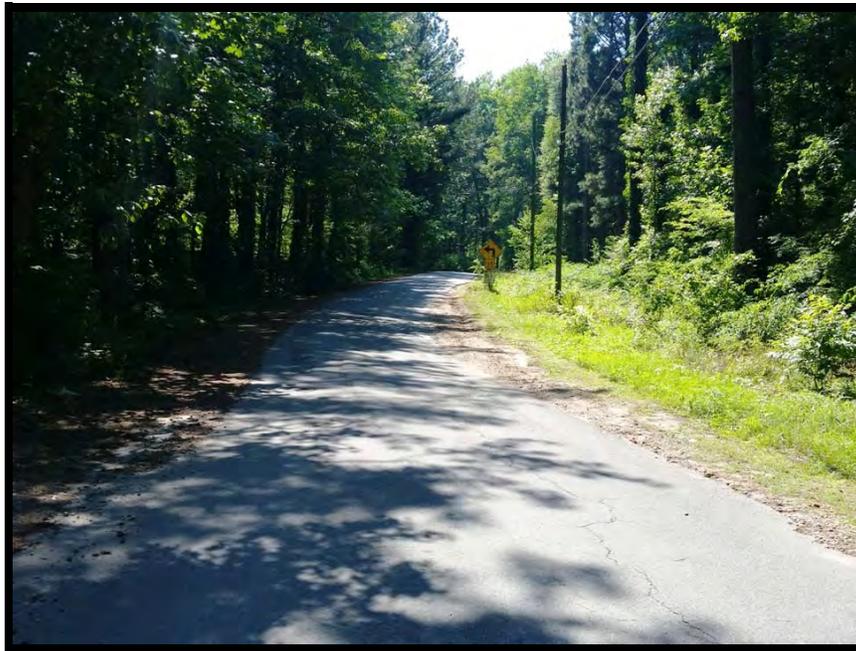
Streetscape: West view of Robin Lane



Streetscape: East view of Robin Lane



Streetscape: East view of West Pine Ridge Drive



Streetscape: West view of West Pine Ridge Drive



Streetscape: North view of Bells Ferry Road



Streetscape: South view of Bells Ferry Road

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

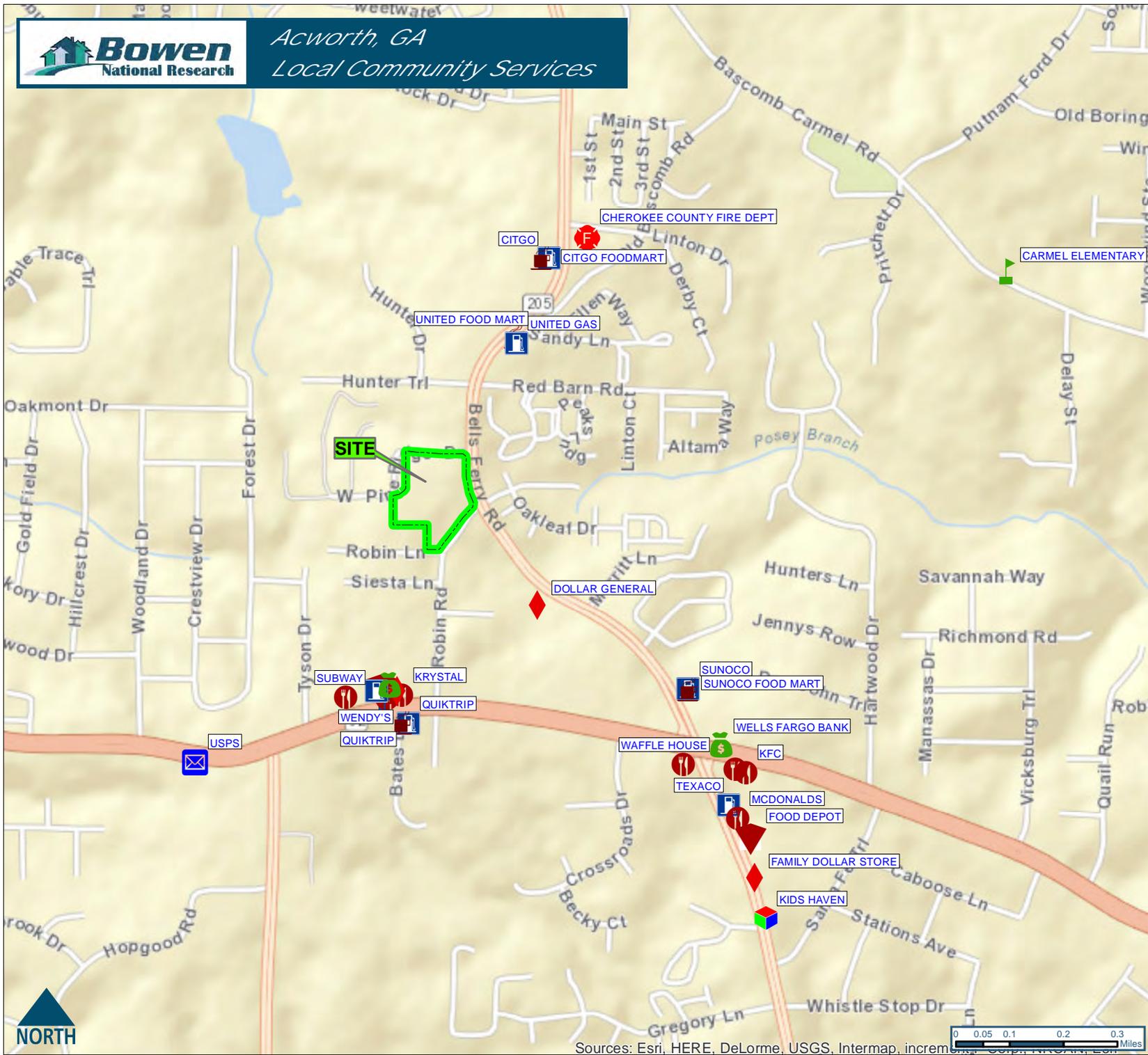
The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	Bells Ferry Road State Route 92 Interstate 75/U.S. Highway 401 Interstate 575/State Route 5	Adjacent East 0.3 South 3.0 South 3.1 East
Public Bus Stop	Cherokee Area Transportation System (CATS)	On Site/On Call
Major Employers/Employment Centers	Walmart Supercenter Inalfa Roof Systems Roytec Industries	1.5 North 3.2 West 6.9 Northeast
Convenience Store	United Food Store QuikTrip CITGO	0.3 Northeast 0.3 South 0.5 Northeast
Grocery	Kroger Food Depot Aldi	0.3 South 0.8 Southeast 2.2 Northeast
Discount Department Store	Dollar General Family Dollar Walmart Supercenter Dollar Tree	0.3 Southeast 0.9 Southeast 1.5 North 1.5 North
Shopping Center/Mall	Cherokee Commons Shopping Center Bells Ferry Landing Shopping Center Woodstock Square	0.3 South 0.6 Southeast 2.5 Southeast
Schools: Elementary Middle High	Clark Creek Elementary School E. T. Booth Middle School Etowah High School	4.3 West 2.5 Northeast 2.6 Northeast
Hospital	Wellstar Medical Group Urgent Care-Kennesaw Wellstar Kennestone Hospital	3.7 Southwest 9.8 South
Police	Woodstock Police Department Acworth Police Department	6.5 East 6.8 Southwest
Fire	Cherokee County Fire Department	0.6 Northeast
Post Office	U.S. Post Office	0.7 Southwest
Bank	Best Bank Wells Fargo PNC	0.3 South 0.6 Southeast 1.5 North
Fitness Center	LA Fitness	2.4 Northeast
Gas Station	Kroger QuikTrip United Gas	0.3 South 0.3 South 0.3 Northeast
Pharmacy	Kroger Pharmacy Walmart Pharmacy CVS	0.3 South 1.5 North 2.1 West
Restaurant	China House Wendy's Krystal	0.3 South 0.3 South 0.3 South
Day Care	Kids Haven	0.9 Southeast
Library	Rose Creek Public Library	2.9 North

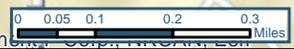
The proposed site is within proximity of numerous shopping and dining opportunities, as well as other basic community services. Full service grocery stores, pharmacies and discount retailers are all within 1.5 miles of the site. In addition, restaurants, gas stations/convenience stores and social services are also within close proximity of the site. Notably, the Cherokee Commons Shopping Center is located within walking distance to the site and features a Kroger, Wendy's, China House, Krystal and Subway.

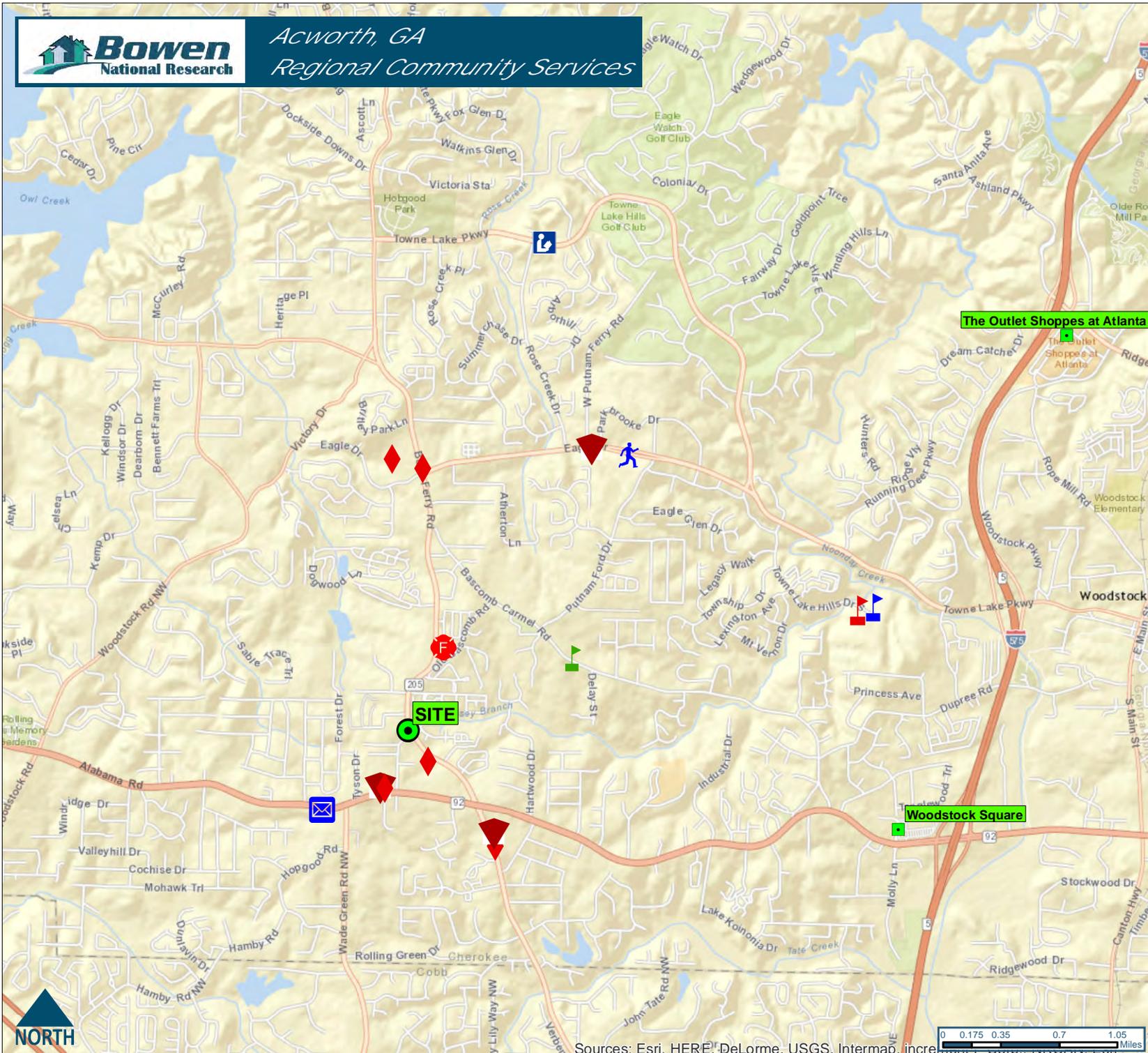
Public safety services are provided by the Cherokee County Fire Department and Woodstock Police Department, which are located 0.6 and 6.5 miles from the subject site, respectively. In addition, the Wellstar Kennestone Hospital is located 9.8 miles from the site and features a 633-bed facility with a 24/7 Emergency Room. Additionally, all applicable attendance schools are located within 4.1 miles of the site.

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



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





Legend

- Site Area
- church
- elementary school
- fire
- fitness center
- grocery
- high school
- library
- middle school
- post office
- shopping

Shopping Center
Gross Leasable Area

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.



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

1:50,643

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 (56) for the Site PMA is below the national average with an overall personal crime index of 37 and a property crime index of 67. Total crime risk (41) for Cherokee County is also below the national average with indexes for personal and property crime of 28 and 50, respectively.

	Crime Risk Index	
	Site PMA	Cherokee County
Total Crime	56	41
Personal Crime	37	28
Murder	48	36
Rape	45	30
Robbery	33	18
Assault	28	30
Property Crime	67	50
Burglary	73	56
Larceny	79	51
Motor Vehicle Theft	52	43

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk indices for both the Site PMA (56) and Cherokee County (41) are well below the national average (100). As such, the perception of crime, or lack thereof, will have a positive impact on the subject's marketability.

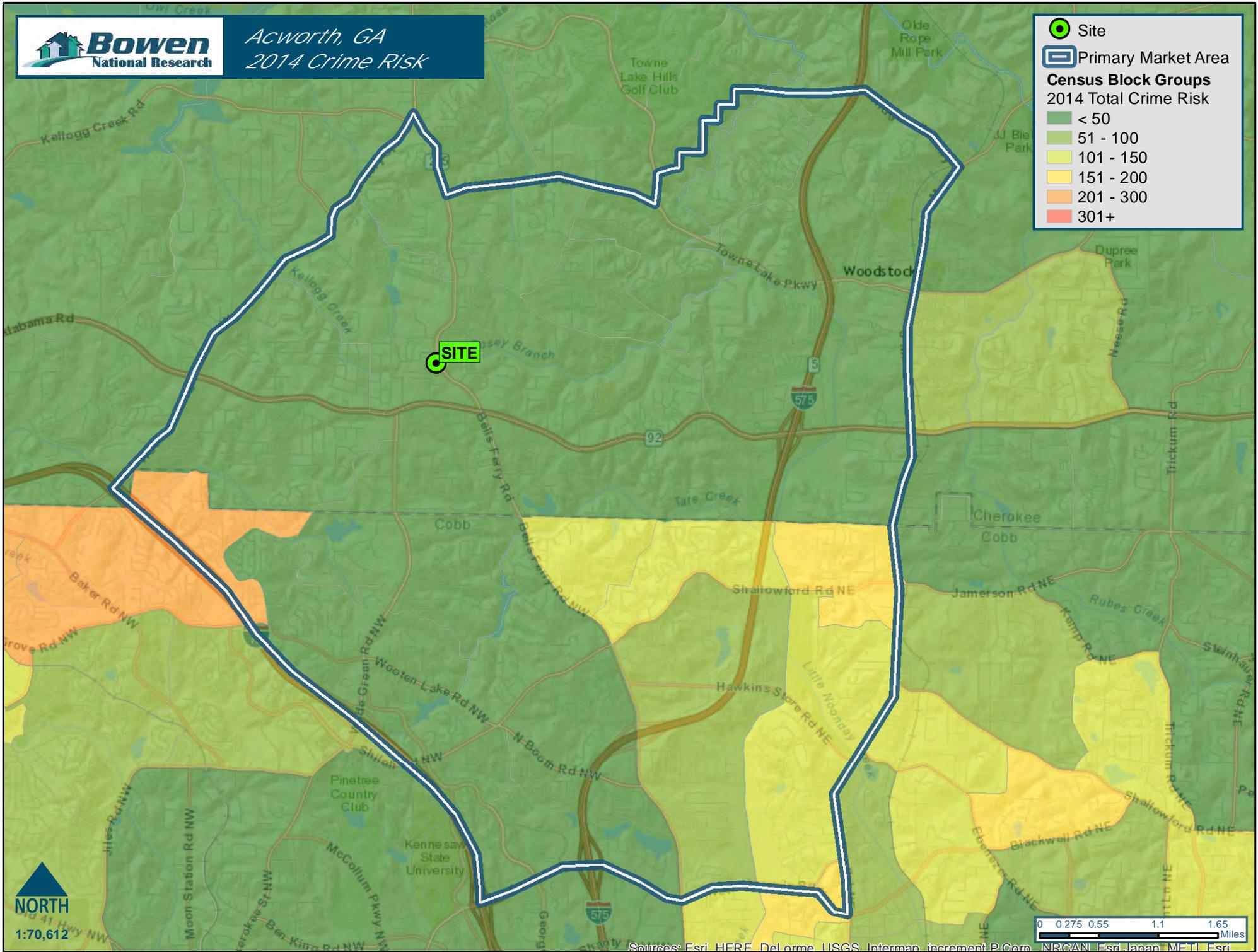
A map illustrating crime risk is on the following page.

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



7. OVERALL SITE EVALUATION

The subject project is located in an established area northeast of the city limits of Acworth. Although there are various structures within the immediate site area that are in poor condition, the subject project will be consistent with the residential dwellings to the north, northeast and east, as they were observed to be in good condition. Nonetheless, the development of the subject project will contribute to the revitalization of the area. Visibility of the site will be slightly obstructed by the surrounding green space for motorists traveling along Bells Ferry Road and permanent signage is recommended to increase its awareness. Access to the site is considered good, as it is within 3.1 miles of State Routes 5, 92 and 401, as well as Interstates 75 and 575. In addition, on-call, on-site pickup transit services are available through the Cherokee Area Transportation System (CATS) for a nominal fee. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social services and public safety services are all within 6.5 miles. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

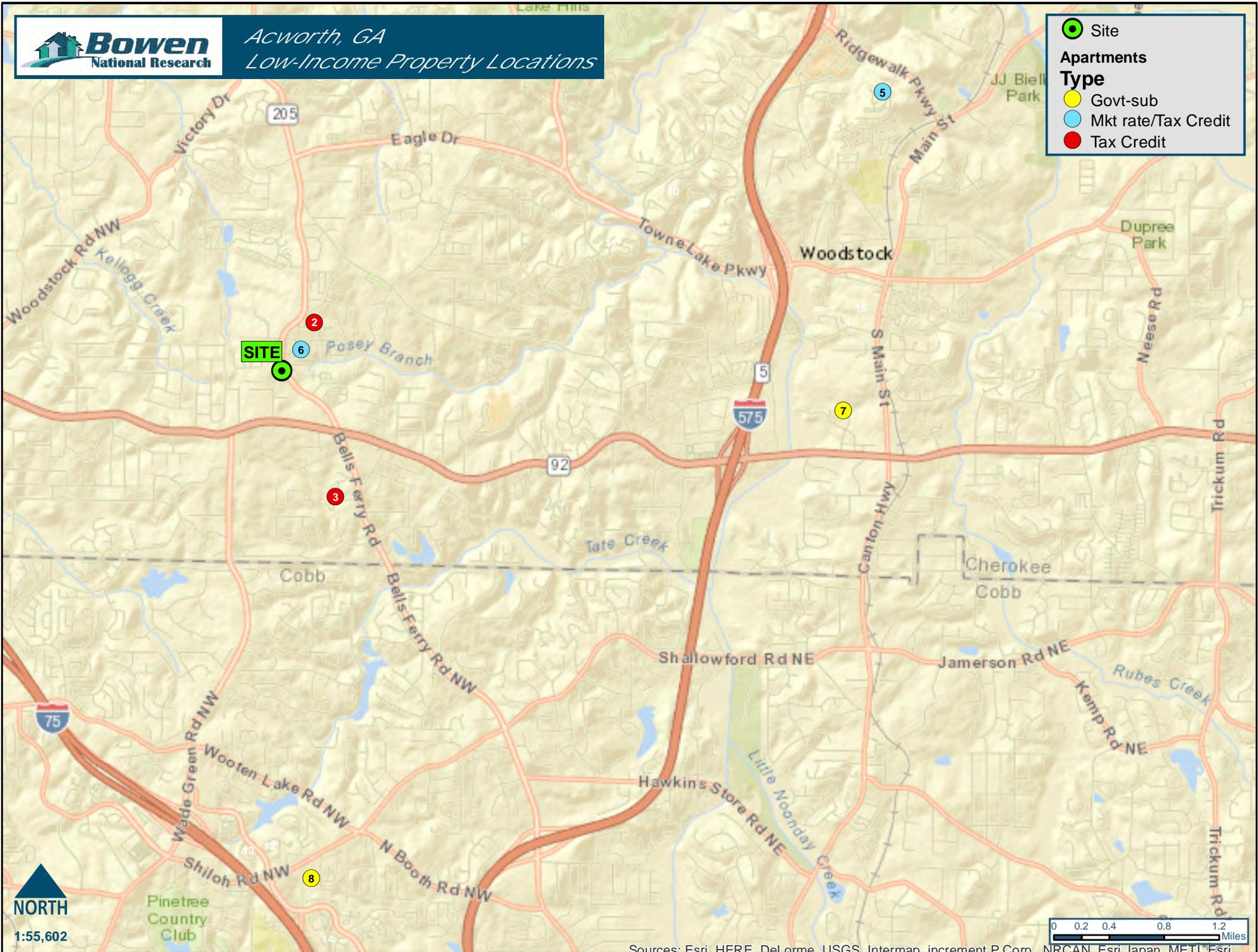
8. MAP OF LOW-INCOME RENTAL HOUSING

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



Acworth, GA
Low-Income Property Locations

● Site
Apartments Type
● Govt-sub
● Mkt rate/Tax Credit
● Tax Credit



NORTH
1:55,602

0 0.2 0.4 0.8 1.2 Miles

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 Acworth 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.

Kathy Harris, Property Manager of Gregory Lane Apartments I and II (Map ID 3), an 111-unit LIHTC community in Acworth, confirmed the Site PMA, explaining that at least 80% of her property's residents are local to both the Acworth and Woodstock areas. Ms. Harris further stated that she would expect area residents to remain local as they have family nearby.

The Acworth Site PMA includes the unincorporated areas of Acworth, western portions of Woodstock, northern portions of Kennesaw, as well as the surrounding unincorporated areas of Cherokee County. Specifically, the boundaries of the Site PMA include Bells Ferry Road, Eagle Drive, Towne Lake Parkway, Woodstock city limits and Ridgewalk Parkway to the north; Main Street and Canton Road to the east; New Chastain Road and Chastain Road Northwest to the south; and Interstate 75, Woodstock Road, and Victory Drive to the west. The areas beyond the Site PMA in all directions are predominantly comprised of more affluent neighborhoods with high shares of owner households, which are not likely to respond to or qualify to reside at an affordable rental community.

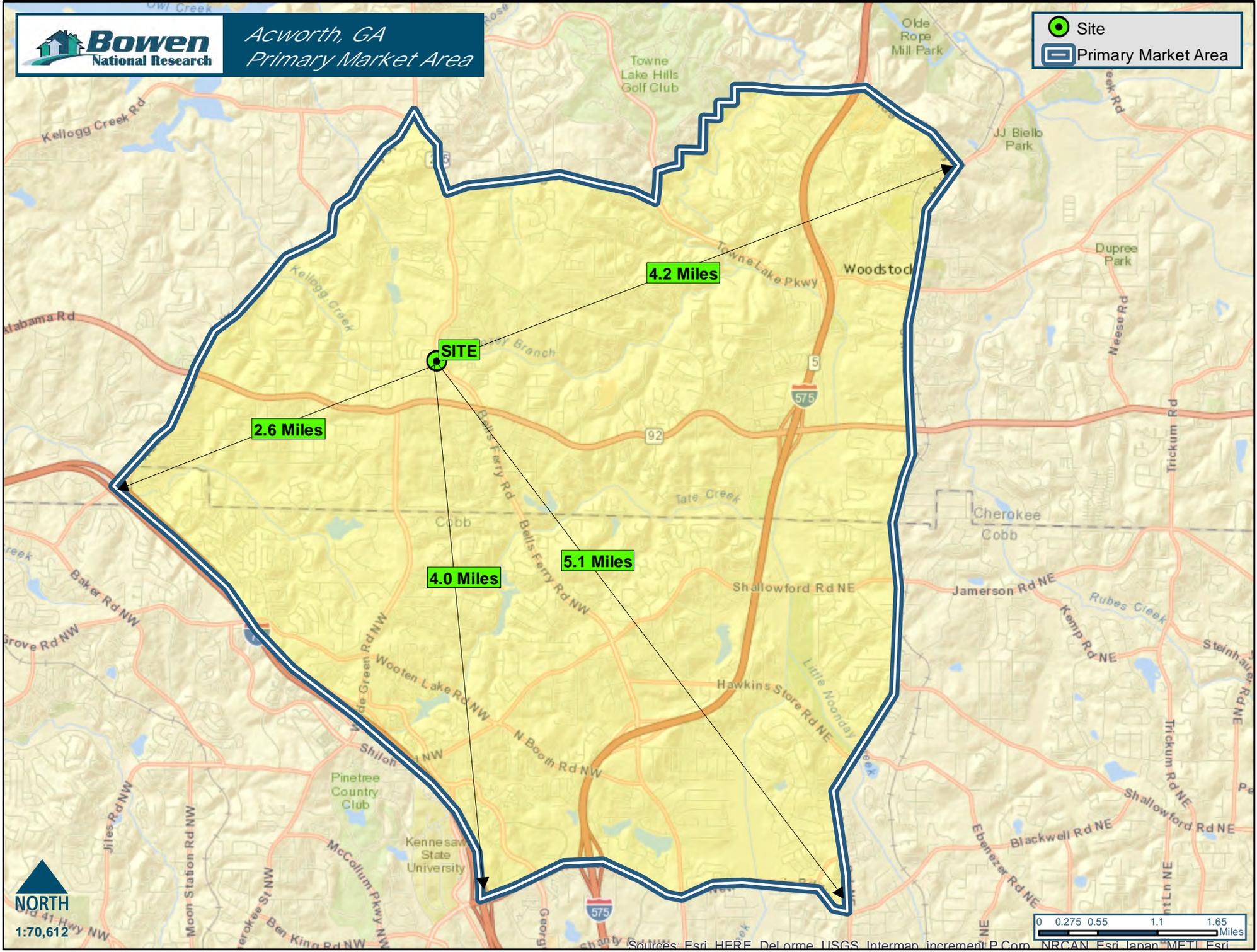
Though some support for the proposed project will undoubtedly originate from areas outside the Site PMA, the majority of support is expected to derive from within the boundaries of the Site PMA. Based on the preceding analysis, we have not considered a secondary market area in this report.

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



Acworth, GA
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:70,612

0 0.275 0.55 1.1 1.65 Miles

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	55,170	63,170	67,058	68,573
Population Change	-	8,000	3,888	1,514
Percent Change	-	14.5%	6.2%	2.3%

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

The Acworth Site PMA population base increased by 8,000 between 2000 and 2010. This represents a 14.5% increase over the 2000 population, or an annual rate of 1.4%. Between 2010 and 2016, the population increased by 3,888, or 6.2%. It is projected that the population will increase by 1,514, 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	18,457	29.2%	17,885	26.7%	18,133	26.4%	248	1.4%
20 to 24	5,267	8.3%	4,947	7.4%	4,758	6.9%	-188	-3.8%
25 to 34	9,158	14.5%	11,038	16.5%	11,497	16.8%	460	4.2%
35 to 44	9,715	15.4%	9,406	14.0%	9,551	13.9%	145	1.5%
45 to 54	9,490	15.0%	9,379	14.0%	9,241	13.5%	-138	-1.5%
55 to 64	6,398	10.1%	7,646	11.4%	7,945	11.6%	299	3.9%
65 to 74	3,003	4.8%	4,564	6.8%	4,987	7.3%	423	9.3%
75 & Over	1,683	2.7%	2,193	3.3%	2,460	3.6%	266	12.1%
Total	63,171	100.0%	67,058	100.0%	68,573	100.0%	1,514	2.3%

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

As the preceding table illustrates, nearly 56% 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 Acworth Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2016 (Estimated)	2018 (Projected)
Households	19,412	22,897	24,470	25,065
Household Change	-	3,485	1,573	596
Percent Change	-	18.0%	6.9%	2.4%
Household Size	2.84	2.76	2.74	2.73

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

Within the Acworth Site PMA, households increased by 3,485 (18.0%) between 2000 and 2010. Between 2010 and 2016, households increased by 1,573 or 6.9%. By 2018, there will be 25,065 households, an increase of 596 households, or 2.4% from 2016. This is an increase of approximately 298 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	1,520	6.6%	1,307	5.3%	1,290	5.1%	-18	-1.3%
25 to 34	3,985	17.4%	4,690	19.2%	4,861	19.4%	170	3.6%
35 to 44	5,183	22.6%	4,908	20.1%	4,951	19.8%	43	0.9%
45 to 54	5,459	23.8%	5,182	21.2%	5,085	20.3%	-98	-1.9%
55 to 64	3,761	16.4%	4,270	17.4%	4,397	17.5%	127	3.0%
65 to 74	1,940	8.5%	2,798	11.4%	3,027	12.1%	229	8.2%
75 to 84	800	3.5%	1,006	4.1%	1,130	4.5%	125	12.4%
85 & Over	251	1.1%	307	1.3%	325	1.3%	17	5.6%
Total	22,899	100.0%	24,468	100.0%	25,065	100.0%	596	2.4%

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

Between 2016 and 2018, the greatest growth among household age groups is projected to be among those between the ages of 65 and 74. Notable household growth is also occurring among those between the ages of 25 and 34. These trends indicate that there will be an increasing need for both family (general-occupancy) and senior-specific housing in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2016 (Estimated)		2018 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	15,680	68.5%	15,777	64.5%	16,122	64.3%
Renter-Occupied	7,217	31.5%	8,693	35.5%	8,944	35.7%
Total	22,897	100.0%	24,470	100.0%	25,065	100.0%

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

As the preceding table illustrates, renter households are projected to increase by 251, or 2.9%, between 2016 and 2018. This illustrates that there will likely be an increasing need for rental housing within the market.

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	2,334	26.8%	2,399	26.8%	65	2.8%
2 Persons	2,458	28.3%	2,529	28.3%	72	2.9%
3 Persons	1,708	19.6%	1,758	19.7%	50	2.9%
4 Persons	1,437	16.5%	1,477	16.5%	40	2.8%
5 Persons+	756	8.7%	781	8.7%	24	3.2%
Total	8,693	100.0%	8,944	100.0%	251	2.9%

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	2,912	18.5%	2,975	18.5%	64	2.2%
2 Persons	5,281	33.5%	5,397	33.5%	116	2.2%
3 Persons	3,143	19.9%	3,212	19.9%	70	2.2%
4 Persons	2,677	17.0%	2,734	17.0%	57	2.1%
5 Persons+	1,764	11.2%	1,803	11.2%	39	2.2%
Total	15,777	100.0%	16,122	100.0%	345	2.2%

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 Acworth 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 Acworth Site PMA is summarized as follows:

Household Income	2010 (Census)		2016 (Estimated)		2018 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	1,936	8.5%	2,022	8.3%	2,132	8.5%
\$15,000 to \$24,999	1,803	7.9%	1,733	7.1%	1,736	6.9%
\$25,000 to \$34,999	2,232	9.7%	2,134	8.7%	2,165	8.6%
\$35,000 to \$49,999	2,733	11.9%	2,867	11.7%	2,982	11.9%
\$50,000 to \$74,999	4,915	21.5%	5,450	22.3%	5,517	22.0%
\$75,000 to \$99,999	3,397	14.8%	4,111	16.8%	4,269	17.0%
\$100,000 to \$149,999	4,135	18.1%	3,766	15.4%	3,829	15.3%
\$150,000 to \$199,999	1,086	4.7%	1,507	6.2%	1,554	6.2%
\$200,000 & Over	662	2.9%	880	3.6%	881	3.5%
Total	22,899	100.0%	24,470	100.0%	25,066	100.0%
Median Income	\$63,965		\$65,958		\$65,938	

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

In 2010, the median household income was \$63,965. This increased by 3.1% to \$65,958 in 2016. By 2018, it is projected that the median household income will be \$65,938, a slight decline from 2016.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	400	380	263	220	120	1,383
\$15,000 to \$24,999	190	234	163	137	72	796
\$25,000 to \$34,999	252	316	219	186	98	1,071
\$35,000 to \$49,999	266	373	259	217	114	1,229
\$50,000 to \$74,999	328	499	348	292	153	1,620
\$75,000 to \$99,999	142	222	154	130	68	716
\$100,000 to \$149,999	76	120	81	70	36	383
\$150,000 to \$199,999	3	4	3	3	0	13
\$200,000 & Over	2	3	1	0	0	6
Total	1,659	2,151	1,491	1,255	661	7,217

Source: ESRI; Urban Decision Group

Renter Households	2016 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	396	361	253	211	113	1,334
\$15,000 to \$24,999	305	297	205	173	92	1,072
\$25,000 to \$34,999	310	308	213	180	96	1,108
\$35,000 to \$49,999	378	389	271	227	121	1,386
\$50,000 to \$74,999	541	603	420	353	186	2,102
\$75,000 to \$99,999	258	314	218	184	97	1,072
\$100,000 to \$149,999	132	169	117	99	52	569
\$150,000 to \$199,999	9	11	7	7	0	35
\$200,000 & Over	4	5	4	3	0	16
Total	2,334	2,458	1,708	1,437	756	8,693

Source: ESRI; Urban Decision Group

Renter Households	2018 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	412	375	262	218	117	1,384
\$15,000 to \$24,999	316	304	211	178	94	1,104
\$25,000 to \$34,999	319	315	218	183	98	1,133
\$35,000 to \$49,999	379	394	275	230	122	1,401
\$50,000 to \$74,999	544	611	425	357	189	2,126
\$75,000 to \$99,999	269	327	227	191	100	1,114
\$100,000 to \$149,999	148	190	132	111	59	640
\$150,000 to \$199,999	8	9	6	6	0	28
\$200,000 & Over	4	4	3	2	0	13
Total	2,399	2,529	1,758	1,477	781	8,944

Source: ESRI; Urban Decision Group

Demographic Summary

Demographic trends within the Acworth Site PMA are projected to be positive between 2016 and 2018, as the total population will increase by 1,514 (2.3%) and the total number of households will increase by 596 (2.4%) during this time period. These trends demonstrate an expanding overall demographic base within the Site PMA. Additionally, it is projected that there will be 8,944 renter households in the market in 2018, an increase of 251 households, or 2.9%, from 2016. Notably, low-income renter households (earning below \$35,000) are projected to increase by 107, or 3.0%, during the same time period. Based on the preceding analysis and additional demographic data contained within this report, there appears to be a deep base of income-appropriate renter support for affordable rental housing in the market, such as that proposed at the subject site.

SECTION F – ECONOMIC TRENDS

1. LABOR FORCE PROFILE

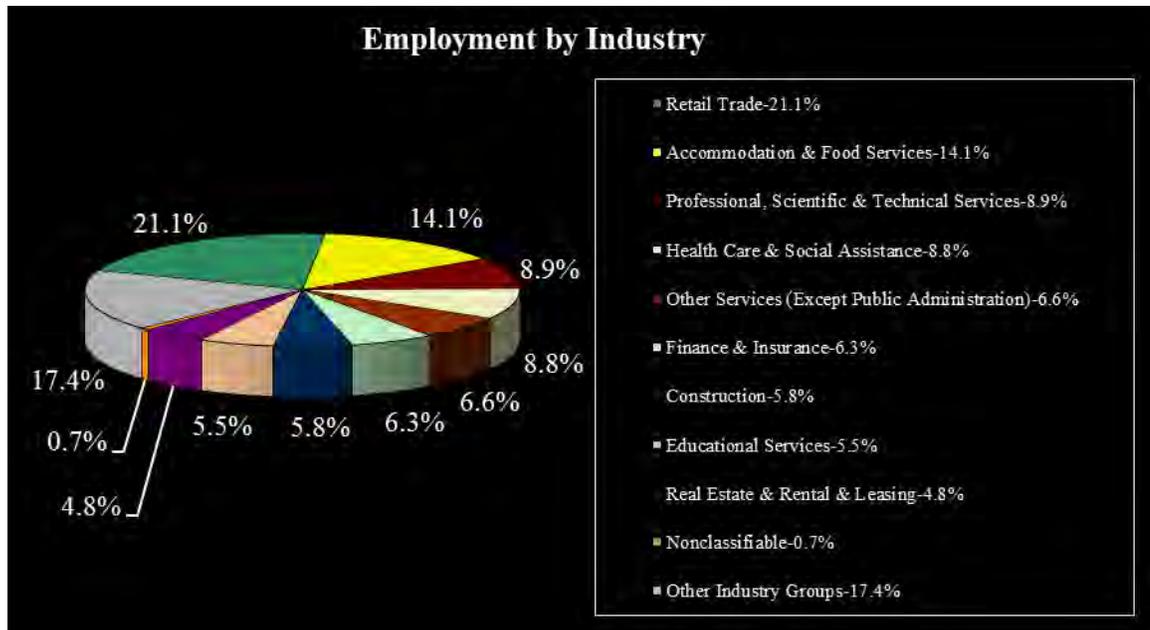
The labor force within the Acworth Site PMA is based primarily in two sectors. Retail Trade (which comprises 21.1%) and Accommodation & Food Services comprise over 35% of the Site PMA labor force. Employment in the Acworth Site PMA, as of 2016, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	4	0.1%	7	0.0%	1.8
Mining	2	0.1%	17	0.1%	8.5
Utilities	4	0.1%	53	0.2%	13.3
Construction	303	9.7%	1,346	5.8%	4.4
Manufacturing	96	3.1%	1,030	4.4%	10.7
Wholesale Trade	123	3.9%	846	3.6%	6.9
Retail Trade	490	15.7%	4,899	21.1%	10.0
Transportation & Warehousing	49	1.6%	405	1.7%	8.3
Information	49	1.6%	179	0.8%	3.7
Finance & Insurance	264	8.4%	1,466	6.3%	5.6
Real Estate & Rental & Leasing	186	6.0%	1,120	4.8%	6.0
Professional, Scientific & Technical Services	360	11.5%	2,058	8.9%	5.7
Management of Companies & Enterprises	5	0.2%	12	0.1%	2.4
Administrative, Support, Waste Management & Remediation Services	166	5.3%	990	4.3%	6.0
Educational Services	50	1.6%	1,280	5.5%	25.6
Health Care & Social Assistance	225	7.2%	2,040	8.8%	9.1
Arts, Entertainment & Recreation	60	1.9%	441	1.9%	7.4
Accommodation & Food Services	193	6.2%	3,259	14.1%	16.9
Other Services (Except Public Administration)	365	11.7%	1,531	6.6%	4.2
Public Administration	5	0.2%	49	0.2%	9.8
Nonclassifiable	126	4.0%	159	0.7%	1.3
Total	3,125	100.0%	23,187	100.0%	7.4

*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 Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Atlanta-Sandy Springs-Roswell MSA	Georgia
Management Occupations	\$120,150	\$111,250
Business and Financial Occupations	\$73,320	\$70,750
Computer and Mathematical Occupations	\$83,580	\$81,100
Architecture and Engineering Occupations	\$78,420	\$76,920
Community and Social Service Occupations	\$47,940	\$44,150
Art, Design, Entertainment and Sports Medicine Occupations	\$52,740	\$51,440
Healthcare Practitioners and Technical Occupations	\$80,900	\$74,690
Healthcare Support Occupations	\$29,050	\$27,640
Protective Service Occupations	\$36,370	\$34,870
Food Preparation and Serving Related Occupations	\$20,590	\$20,150
Building and Grounds Cleaning and Maintenance Occupations	\$25,820	\$24,510
Personal Care and Service Occupations	\$25,130	\$24,220
Sales and Related Occupations	\$41,300	\$37,170
Office and Administrative Support Occupations	\$36,490	\$34,610
Construction and Extraction Occupations	\$40,010	\$38,540
Installation, Maintenance and Repair Occupations	\$45,490	\$43,540
Production Occupations	\$32,730	\$32,590
Transportation and Moving Occupations	\$35,310	\$33,620

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

Most annual blue-collar salaries range from \$20,590 to \$52,740 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$87,274. It is important to note that most occupational types within the MSA have higher 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 proposed subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The ten largest employers within the Cherokee County area comprise a total of approximately 2,920 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Pilgrim Pride	Poultry Processing	800
Chart Industries, Inc	Stainless Steel Cylinders	552
Inalfa Roof Systems	Advanced Automotive Roofing System	268
Universal Alloy Corporation	Aluminum Extrusion	260
Piolax Corporation	Automobile Parts	250
Belnick, Inc	Distribution Office Furniture	250
Roytec Industries	Electric Wire Assemblies	250
Meyn America, Inc	Manufacturing & Distribution	225
Hydro-Chem	Hydrogen	161
LAT Apparel	Sportswear	104
Total		2,920

Source: Cherokee Office of Economic Development 2016

Despite numerous attempts to contact local representatives regarding the economic health of the area, a response was not received at the time this report was issued. The following was obtained via our online research:

- Piolax USA, an automotive manufacturer, is expanding to a 82,000 square-foot facility, a \$15 million investment, which is anticipated to create 30 jobs. The expansion is expected to be complete sometime in 2016, located within the Canton-Cherokee Business Industrial Park.
- LAT Apparel, a sportswear company in Ball Ground, will be expanding to a 166,000 square-foot facility, a \$9.6 million investment, which is anticipated to create 30 jobs. The new facility is expected to open sometime in the middle of 2016.
- Inalfa Roof Systems, manufacturer of vehicle roof systems, will be expanding to a 115,000 square-foot facility, a \$20.7 million investment, and will create approximately 300 jobs by 2019.

- The Outlet Shoppes at Atlanta expanded, adding 33,000 square feet. This is a \$5.5 million investment and has created 115 new jobs within five new store openings. The new addition opened in December 2015.
- Construction has started on the \$250 million Northside Hospital-Cherokee campus in Canton. The hospital is expected to open in early 2017 and will bring hundreds of jobs to the area.
- It was announced in February 2016 that Papa Johns International was in the process of relocating to a new 110,000 square-foot regional hub in Cherokee County. This is a \$15 million investment that will create 106 jobs.
- Also announced in February 2016, Jaipur Living Inc., a textile company, will be relocating their headquarters from Norcross, Georgia to the Cherokee 75 Corporate Park. The new 180,000 square-foot facility will eventually expand to 300,000 square feet, a total investment of \$22.3 million, and will create 100 jobs.
- The Cherokee Veterans Park is currently under construction. The park will be one of the largest parks in the county with 149 acres. The park will also feature two traditional baseball/softball fields, a walking track, dog park, playground and an open meadow. Completion is set for late 2016.

WARN (layoff notices):

According to the Georgia Department of Economic Development there have been no WARN notices (large-scale layoffs/closures) reported for Cherokee County since January 2015.

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.

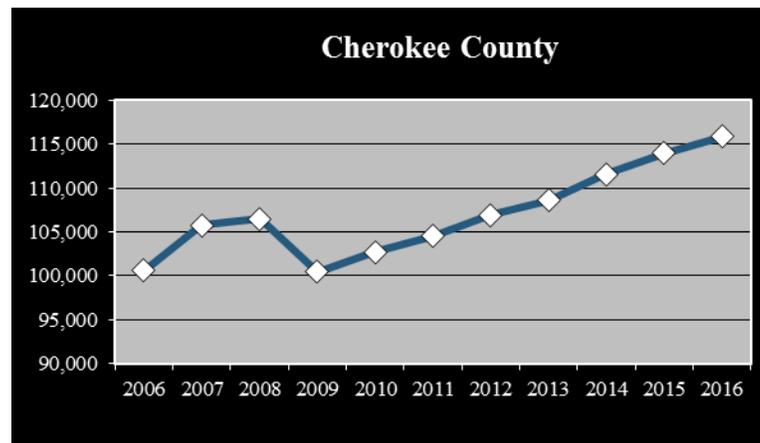
Excluding 2016, the employment base has increased by 9.0% over the past five years in Cherokee County, more than the Georgia state increase of 5.3%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Cherokee County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2006	100,633	-	4,489,128	-	145,000,042	-
2007	105,748	5.1%	4,597,640	2.4%	146,388,400	1.0%
2008	106,486	0.7%	4,575,010	-0.5%	146,047,748	-0.2%
2009	100,467	-5.7%	4,311,854	-5.8%	140,696,560	-3.7%
2010	102,687	2.2%	4,202,052	-2.5%	140,469,139	-0.2%
2011	104,542	1.8%	4,263,305	1.5%	141,791,255	0.9%
2012	106,938	2.3%	4,349,796	2.0%	143,688,931	1.3%
2013	108,641	1.6%	4,369,349	0.4%	145,126,067	1.0%
2014	111,575	2.7%	4,416,715	1.1%	147,604,328	1.7%
2015	113,989	2.2%	4,490,931	1.7%	149,950,804	1.6%
2016*	115,912	1.7%	4,562,044	1.6%	150,558,884	0.4%

Source: Department of Labor; Bureau of Labor Statistics

*Through April

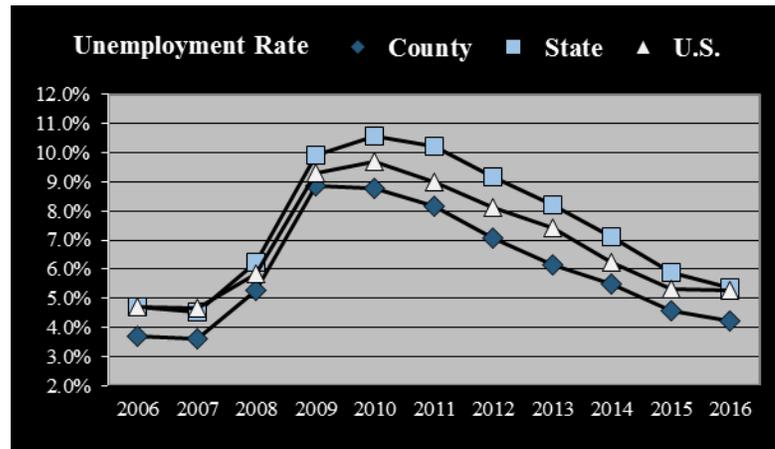


The employment base within Cherokee County declined significantly between 2008 and 2009 as a result of the national recession. However, employment growth has rebounded sharply since and has outpaced both state and national averages. Total employment in 2016 (to date) is above prerecession levels.

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

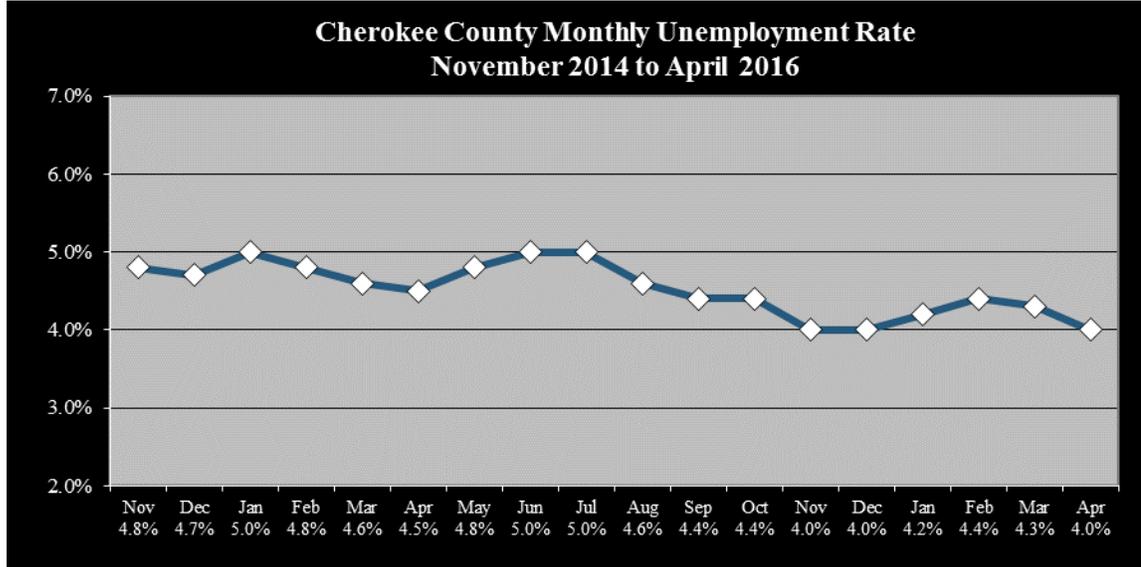
Year	Unemployment Rate		
	Cherokee County	Georgia	United States
2006	3.7%	4.7%	4.7%
2007	3.6%	4.5%	4.7%
2008	5.3%	6.2%	5.8%
2009	8.9%	9.9%	9.3%
2010	8.8%	10.6%	9.7%
2011	8.2%	10.2%	9.0%
2012	7.1%	9.2%	8.1%
2013	6.2%	8.2%	7.4%
2014	5.5%	7.1%	6.2%
2015	4.6%	5.9%	5.3%
2016*	4.2%	5.4%	5.3%

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



The unemployment rate in Cherokee County has ranged between 3.6% and 8.9%, below both state and national averages since 2006. As the preceding table illustrates, the county's unemployment rate increased by over five percentage points between 2007 and 2009, 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 seven-year period and is at its lowest level (4.2%) since 2007 (3.6%).

The following table illustrates the monthly unemployment rate in Cherokee 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 Cherokee County.

In-Place Employment Cherokee County			
Year	Employment	Change	Percent Change
2005	42,877	-	-
2006	46,811	3,934	9.2%
2007	48,155	1,344	2.9%
2008	46,963	-1,192	-2.5%
2009	44,360	-2,603	-5.5%
2010	43,563	-797	-1.8%
2011	44,123	560	1.3%
2012	45,609	1,486	3.4%
2013	47,636	2,027	4.4%
2014	49,914	2,278	4.8%
2015*	52,702	2,788	5.6%

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 Cherokee County to be 44.7% of the total Cherokee County employment. This means that Cherokee County has more employed persons leaving the county for daytime employment than those who work in the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs. However considering that Marietta (located in Cobb County) is within 11.0 miles of the site and provides numerous employment opportunities, the low percentage of in-place employment within the subject county is not anticipated to have an adverse impact on the subject's marketability.

4. ECONOMIC FORECAST

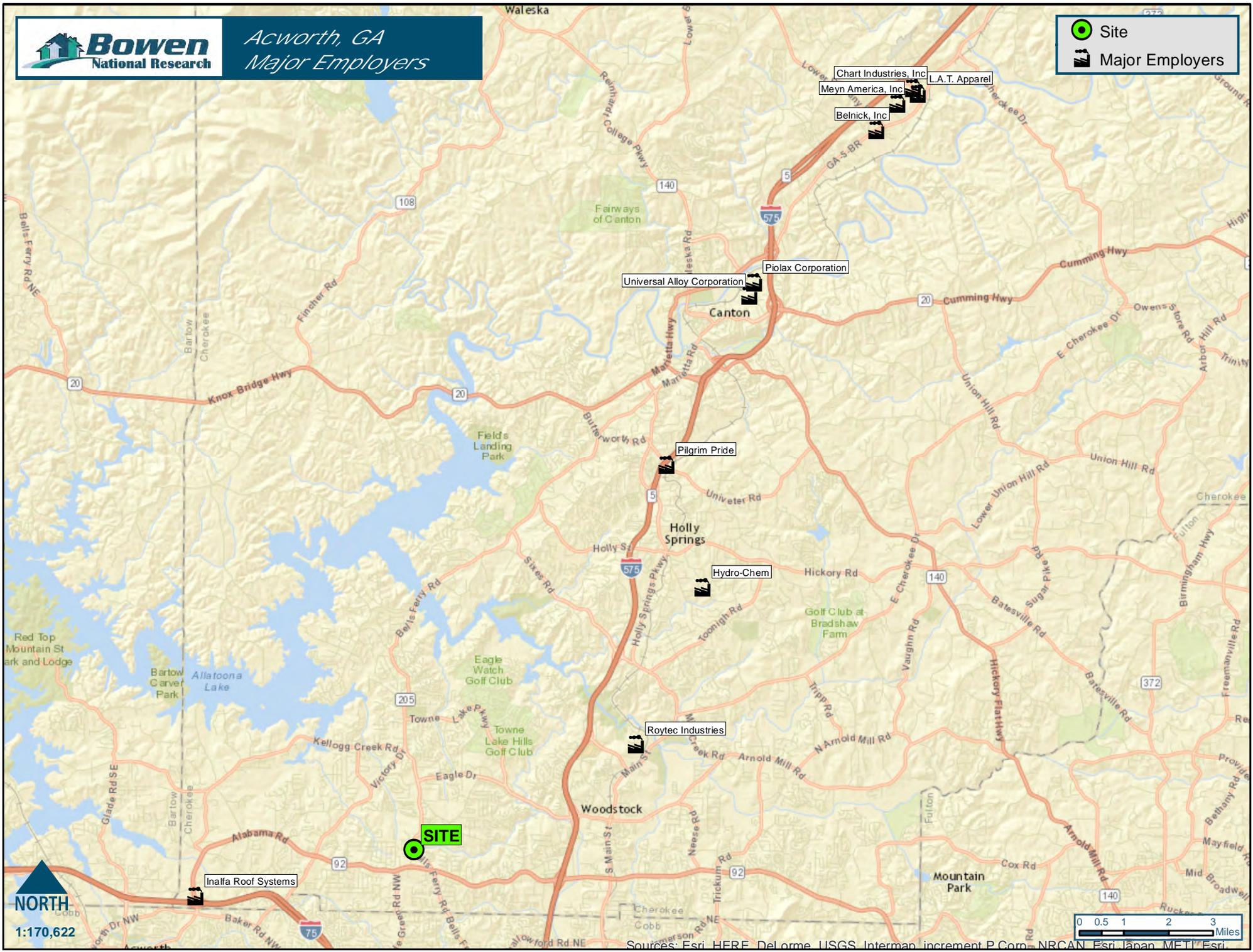
Based on information via our online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Cherokee County economy continues to experience growth. Notably, over 680 jobs are anticipated to be added within the county over the next three years. Additionally, aside from a downturn between 2007 and 2009, the employment base within the county has consistently increased over the preceding seven-year period. In fact, the employment base has increased by 15,445 employees, or 15.4%, since 2009 and is currently above pre-recession levels. Further, the unemployment rate has decreased each of the past seven years and is currently at its lowest level (4.2%) since 2007 (3.6%). Overall, these positive economic trends indicate that the Cherokee County economy is strong and improving. Based on these recent trends, it is anticipated that Cherokee 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.



Acworth, GA Major Employers

- Site
- Major Employers



NORTH
1:170,622



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 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 Atlanta-Sandy Springs-Marietta, Georgia HUD Metro FMR Area, which has a four-person median household income of \$68,300 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	\$23,900	\$28,680
Two-Person	\$27,300	\$32,760
Three-Person	\$30,700	\$36,840
Four-Person	\$34,100	\$40,920
Five-Person	\$36,850	\$44,220

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 **\$44,220**.

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 \$618 (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 \$7,416.

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 **\$21,189**.

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 16 (22.2%) 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 \$44,220 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)	\$21,189	\$36,850
Tax Credit (Limited To 60% Of AMHI)	\$22,937	\$44,220
Tax Credit Overall	\$21,189	\$44,220
Market-Rate	\$44,221	-

2. METHODOLOGY

Demand

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

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



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

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2010-2014 5-year estimates, approximately 8.6% to 68.5% (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) 2010-2014 5-year estimates, 4.9% 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 rental property within the development pipeline that will likely compete with the subject project. This one project is summarized as follows:

- Woodstock West by Walton (Map ID 15) is an existing 308-unit market-rate community in Woodstock, with an additional 99 units currently under construction. Additional information on this project can be found later in this section of the report, as well as in Addendum A - *Field Survey of Conventional Rentals*.

The aforementioned rental development will likely compete with the subject's market-rate units and all 99 units under construction have been considered in the following demand analysis:

Demand Component	Percent Of Median Household Income			
	50% AMHI (\$21,189-\$36,850)	60% AMHI (\$22,937-\$44,220)	Tax Credit Overall (\$21,189-\$44,220)	Market Rate (\$44,221+)
Demand From New Households (Age- And Income-Appropriate)	1,726 - 1,687 = 39	2,221 - 2,180 = 41	2,414 - 2,368 = 46	4,462 - 4,327 = 135
+				
Demand From Existing Households (Rent Overburdened)	1,687 X 68.5% = 1,156	2,180 X 56.6% = 1,234	2,368 X 57.9% = 1,371	4,327 X 8.6% = 372
+				
Demand From Existing Households (Renters In Substandard Housing)	1,687 X 4.9% = 83	2,180 X 4.9% = 107	2,368 X 4.9% = 116	4,327 X 4.9% = 212
=				
Demand Subtotal	1,278	1,382	1,533	719
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A
=				
Total Demand	1,278	1,382	1,533	719
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	0	0	99
=				
Net Demand	1,278	1,382	1,533	620
Proposed Units / Net Demand	15 / 1,278	41 / 1,382	56 / 1,533	16 / 620
Capture Rate	= 1.2%	= 3.0%	= 3.7%	= 2.6%

N/A – Not applicable

Per GDCA guidelines, capture rates below 30% for projects in urban markets such as the Acworth Site PMA are considered acceptable. As such, the project's overall LIHTC-only capture rate of 3.7% is considered low and easily achievable within the Acworth 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 maintained among the existing LIHTC properties surveyed in the Site PMA. Also note that the 16 market-rate units proposed at the subject site have a capture rate of just 2.6%, 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	30%
Two-Bedroom	50%
Three-Bedroom	20%
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 (30%)	50%	2	383	0	383	0.5%	< 1 Month	\$1,048	\$499
	60%	4	415	0	415	1.0%	< 1 Month	\$1,048	\$550
	MR	2	216	41	175	1.1%	< 1 Month	\$1,048	\$625
One-Bedroom	Total	8	1,014	41	973	0.8%	1 Month	\$1,048	\$556***
Two-Bedroom (50%)	50%	3	639	0	639	0.5%	< 1 Month	\$1,318	\$593
	60%	5	691	0	691	0.7%	< 1 Month	\$1,318	\$650
	MR	6	360	48	312	1.9%	< 1 Month	\$1,318	\$725
Two-Bedroom	Total	14	1,690	48	1,642	0.9%	1 to 2 Months	\$1,318	\$670***
Three-Bedroom (20%)	50%	10	256	0	256	3.9%	1 Month	\$1,617	\$656
	60%	32	276	0	276	11.6%	5 Months	\$1,617	\$700
	MR	8	143	10	133	6.0%	1 Month	\$1,617	\$775
Three-Bedroom	Total	50	675	10	665	7.5%	6 to 7 Months	\$1,617	\$703***

*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 0.5% to 11.6%. 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 Acworth 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 Acworth 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	22,897	93.2%	24,470	93.3%
Owner-Occupied	15,680	68.5%	15,777	64.5%
Renter-Occupied	7,217	31.5%	8,693	35.5%
Vacant	1,678	6.8%	1,759	6.7%
Total	24,575	100.0%	26,229	100.0%

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

Based on a 2016 update of the 2010 Census, of the 26,229 total housing units in the market, 6.7% were vacant. In 2016, it was estimated that homeowners occupied 64.5% of all occupied housing units, while the remaining 35.5% were occupied by renters. The share of renters is considered typical for a market of this size and the current 8,693 renter households represent a deep base of potential support in the Site PMA for the subject development.

We identified and personally surveyed 15 conventional housing projects containing a total of 3,684 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 96.7%, a good rate for rental housing. Among these projects, 13 are non-subsidized (market-rate and Tax Credit) projects containing 3,565 units. These non-subsidized units are 96.6% occupied. The remaining two projects contain 119 government-subsidized units, which are 100.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	9	2,594	103	96.0%
Market-rate/Tax Credit	2	588	14	97.6%
Tax Credit	2	383	3	99.2%
Government-Subsidized	2	119	0	100.0%
Total	15	3,684	120	96.7%

All rental housing segments surveyed in the market are operating at good occupancy levels, as none are lower than 96.0%. As such, there appear to be no deficiencies within the Acworth rental housing market.

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	909	33.1%	33	3.6%	\$1,152
Two-Bedroom	1.0	423	15.4%	20	4.7%	\$1,194
Two-Bedroom	2.0	1,118	40.8%	38	3.4%	\$1,376
Three-Bedroom	2.0	257	9.4%	14	5.4%	\$1,620
Three-Bedroom	2.5	4	0.1%	0	0.0%	\$1,329
Three-Bedroom	3.0	32	1.2%	0	0.0%	\$1,868
Total Market-rate		2,743	100.0%	105	3.8%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	177	21.5%	4	2.3%	\$893
Two-Bedroom	2.0	489	59.5%	9	1.8%	\$1,078
Three-Bedroom	2.0	156	19.0%	2	1.3%	\$1,202
Total Tax Credit		822	100.0%	15	1.8%	-

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 98.2% occupancy rate of all non-subsidized Tax Credit units in the market.

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	5	1,299	3.6%
A-	2	401	3.5%
B+	3	554	5.4%
B	1	489	2.9%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	1	239	0.8%
B+	2	311	3.2%
B	1	272	1.1%

Regardless of quality, all non-subsidized rental projects surveyed within the market are maintaining low vacancy rates, none higher than 5.4%. As such, it can be concluded that quality has not had an impact on the Acworth rental housing market.

2. SUMMARY OF ASSISTED PROJECTS

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

Map I.D.	Project Name	Type	Year Built	Total Units	Occup.	Gross Rent (Unit Mix)				
						Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.
2	Cherokee Summit	TAX	2002	272	98.9%	-	\$875 (48)	\$1078 (184)	\$1120 - \$1253 (40)	-
3	Gregory Lane Apts. I & II	TAX	1996	111	100.0%	-	-	\$918 (86)	\$1057 (25)	-
5	Ridgewalk Apts.	TAX	2004	239*	99.2%	-	\$912 - \$930 (81)	\$1094 (118)	\$1272 (40)	-
6	Peaks at Bells Ferry	TAX	2005	200*	95.0%	-	\$893 (48)	\$1067 (101)	\$1202 (51)	-
7	Colbert Square	SEC 8 & 202	1990	70	100.0%	SUB (17)	SUB (53)	-	-	-
8	Laurel's Edge	SEC 202	2004	49	100.0%	-	\$530 (49)	-	-	-
Total				941	98.4%					

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

SEC - Section

*Market-rate units not included

The overall occupancy is 98.4% for these affordable projects, a strong rate for affordable housing.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (GDCA)-Athens Office, there are approximately 206 Housing Choice Voucher holders within the agency's jurisdiction and 302 households currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. This reflects the continuing need for Housing Choice Voucher assistance.

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
2	Cherokee Summit	272	7	2.6%
3	Gregory Lane Apts. I & II	111	2	1.8%
5	Ridgewalk Apts.	239*	14	5.9%
6	Peaks at Bells Ferry	200*	28	14.0%
Total		822	51	6.2%

*Tax Credit units only

As the preceding table illustrates, there are a total of approximately 51 units that are occupied by Voucher holders among the four competitive LIHTC projects in the market. The 51 units occupied by Voucher holders comprise only 6.2% of these comparable units. This illustrates that nearly 94% 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 Atlanta-Sandy Springs-Marietta, GA HUD Metro FMR Area 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	\$773	\$618 (50%) \$669 (60%)
Two-Bedroom	\$916	\$745 (50%) \$802 (60%)
Three-Bedroom	\$1,213	\$862 (50%) \$906 (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 Acworth 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, as well as our personal observations, it was determined that there are two rental projects within the development pipeline in the Site PMA. These projects are summarized as follows.

- Meadowside is a proposed affordable rental community to be located at 214 to 224 Seaside Avenue in Acworth. To be developed by Codespoti and Associates, this project will include seven cottage-style two-bedroom units targeting households with incomes up to 60% of Area Median Household Income (AMHI). The Planning and Zoning Department has denied the proposal; however, the developer is currently in the appeal process. It should also be noted that this project has not been allocated financing from the LIHTC program.
- Woodstock West by Walton (Map ID 15) is an existing 308-unit market-rate community in Woodstock, with an additional 99 units currently under construction. Additional information on this project can be found later in this section of the report, as well as in Addendum A - *Field Survey of Conventional Rentals*.

Considering that Meadowside is within the very preliminary phases of development, the seven unit at this project have not been considered in our demand analysis illustrated earlier in this report. The 99 units under construction at Woodstock West by Walton will likely be competitive with the market-rate units offered at the site and have been considered in our demand analysis.

Building Permit Data

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

Housing Unit Building Permits for Acworth, GA:										
Permits	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Multifamily Permits	0	8	0	0	0	112	0	0	0	20
Single-Family Permits	109	121	46	48	30	11	50	70	46	86
Total Units	109	129	46	48	30	123	50	70	46	106

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

As the preceding table indicates, multifamily building permit activity within Acworth has been virtually nonexistent since 2012. Given that the combined occupancy rate of all rental projects identified and surveyed in the market is 96.7%, as well as the fact that renter households are projected to experience growth between 2016 and 2018 as illustrated in our demographic analysis, 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 Units

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 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	Acworth Commons	2018	56*	-	-	-	Families; 50% & 60% AMHI
2	Cherokee Summit	2002	272	98.9%	0.4 Miles	None	Families; 60% AMHI
3	Gregory Lane Apts. I & II	1996	111	100.0%	1.1 Miles	3 H.H.	Families; 60% AMHI
5	Ridgewalk Apts.	2004	239*	99.2%	6.3 Miles	None	Families; 60% AMHI
6	Peaks at Bells Ferry	2005	200*	95.0%	0.4 Miles	None	Families; 60% AMHI

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

The four LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for rental housing. In fact, one of these projects, Gregory Lane Apartments I and II (Map ID 3), is 100.0% occupied and maintains a waitlist. This illustrates that pent-up demand likely exists for additional affordable rental housing within the market.

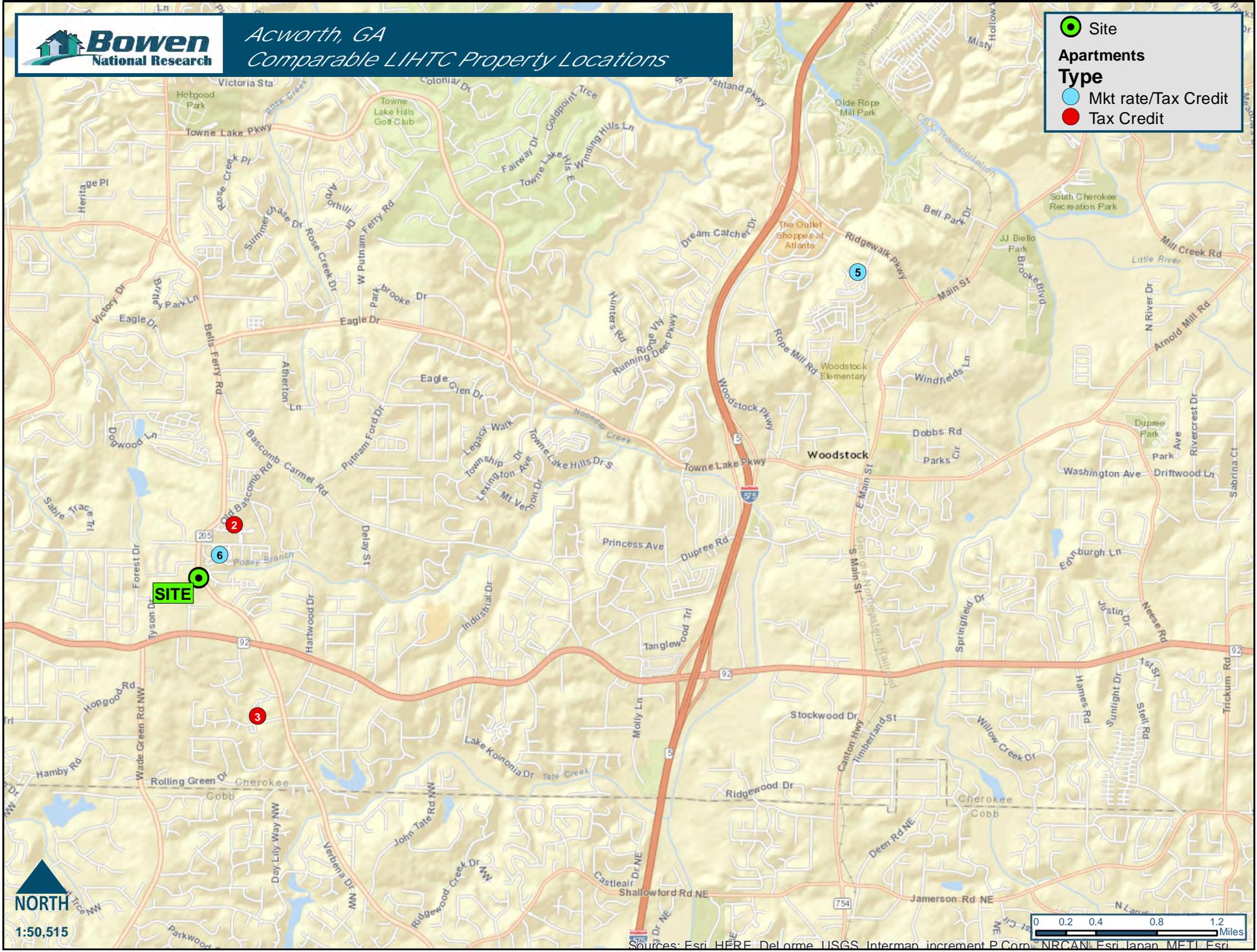
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed subject site location.



Acworth, GA

Comparable LIHTC Property Locations

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



NORTH
1:50,515



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.	
Site	Acworth Commons	\$618/50% (2) \$669/60% (4)	\$745/50% (3) \$802/60% (5)	\$862/50% (10) \$906/60% (32)	-
2	Cherokee Summit	\$875/60% (48/0)	\$1,078/60% (184/3)	\$1,120-\$1,253/60% (40/0)	None
3	Gregory Lane Apts. I & II	-	\$918/60% (86/0)	\$1,057/60% (25/0)	None
5	Ridgewalk Apts.	\$912-\$930/60% (81/2)	\$1,094/60% (118/0)	\$1,272/60% (40/0)	None
6	Peaks at Bells Ferry	\$893/60% (48/2)	\$1,067/60% (101/6)	\$1,202/60% (51/2)	None

The proposed subject gross LIHTC rents, ranging from \$618 to \$906, will be the lowest LIHTC rents relative to the rents offered at the competitive affordable developments. Combined with the fact that the subject project will be at least 13 years newer than these LIHTC projects will provide it with a significant competitive advantage. It should also be noted that the subject project will be the only LIHTC project to offer units set aside at 50% of AMHI within the market. The subject project will be able to provide an affordable housing alternative to lower-income households that are currently underserved within the Site PMA.

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

Weighted Average Collected Rent Of Comparable LIHTC Units		
One-Br.	Two-Br.	Three-Br.
\$730	\$853	\$951

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.	\$730	- \$533	\$197	/ \$533	37.0%
Two-Br.	\$853	- \$629	\$224	/ \$629	35.6%
Three-Br.	\$951	- \$690	\$261	/ \$690	37.8%

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.
Site	Acworth Commons	700	1,040	1,190
2	Cherokee Summit	975	1,150	1,350
3	Gregory Lane Apts. I & II	-	976	1,176
5	Ridgewalk Apts.	634 - 877	1,018 - 1,247	1,547
6	Peaks at Bells Ferry	874	1,149	1,388

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Acworth Commons	1.0	2.0	2.0
2	Cherokee Summit	1.0	2.0	2.0
3	Gregory Lane Apts. I & II	-	2.0	2.0
5	Ridgewalk Apts.	1.0	2.0	2.0
6	Peaks at Bells Ferry	1.0	2.0	2.0

The subject development will offer competitive unit sizes, based on square feet, relative to the unit sizes offered at the comparable LIHTC developments within the market. Considering the strong occupancy levels maintained at the competitive affordable developments and the fact that the subject's unit sizes are within the range of those offered, they are considered appropriate for the market. 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 other LIHTC projects in the market.

COMPARABLE PROPERTIES AMENITIES - ACWORTH, 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	X	X				B		S	
5	X	X		X	X		X		C		X	X					B		D(s), S	Sunroom
6	X	X		X	X	X	X		C		X	X	X				B		D(o), S	
2	X	X	X	X	X	X	X		C		X	X	X				B		S	Storage
3	X	X		X			X		C		X	X	S				B		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						Community Garden; Outdoor Walking and Seating Areas
5	X	X	X		X	X		X		X			X			X				Media Room
6	X	X	X	X		X		X				X				X		X		
2	X	X	X	X		X		X		X		X				X	X			
3	X	X	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 than those offered at the existing low-income projects in the market. In terms of unit amenities, the subject project will not lack any that will have an adverse impact on its marketability. Regarding project amenities, although the subject project will be one of few LIHTC developments to offer a computer/business center, it will be one of few to not offer a picnic area and a sports court, and the only LIHTC development to not offer a swimming pool and playground. However, the lack of the aforementioned amenities are not anticipated to have an adverse impact on the subject's marketability, especially considering that it will offer the lowest LIHTC rents within the market.

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 inferior amenities package, it will be at least 13 years newer than the competitive affordable product within the market, offering the lowest general-occupancy LIHTC rents. 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
2	Cherokee Summit	98.9%	95.0%+
3	Gregory Lane Apts. I & II	100.0%	95.0%+
5	Ridgewalk Apts.	99.2%	95.0%+
6	Peaks at Bells Ferry	95.0%	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 generally operating at very strong occupancy levels. Given the limited availability of 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 significant 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 Units

We identified and surveyed five market-rate projects in the Site PMA 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	Acworth Commons	2018	16*	-	-	-
6	Peaks at Bells Ferry	2005	48*	100.0%	0.4 Miles	None
10	Heights at Towne Lake	2001	194	96.9%	3.9 Miles	None
12	Camden Shiloh	2001	232	98.3%	3.9 Miles	None
13	Hawthorne at Kennesaw	2005	322	97.5%	3.5 Miles	None
15	Woodstock West by Walton	2013	308 + 99**	96.8%	4.6 Miles	None

*Market-rate units only

**Units under construction

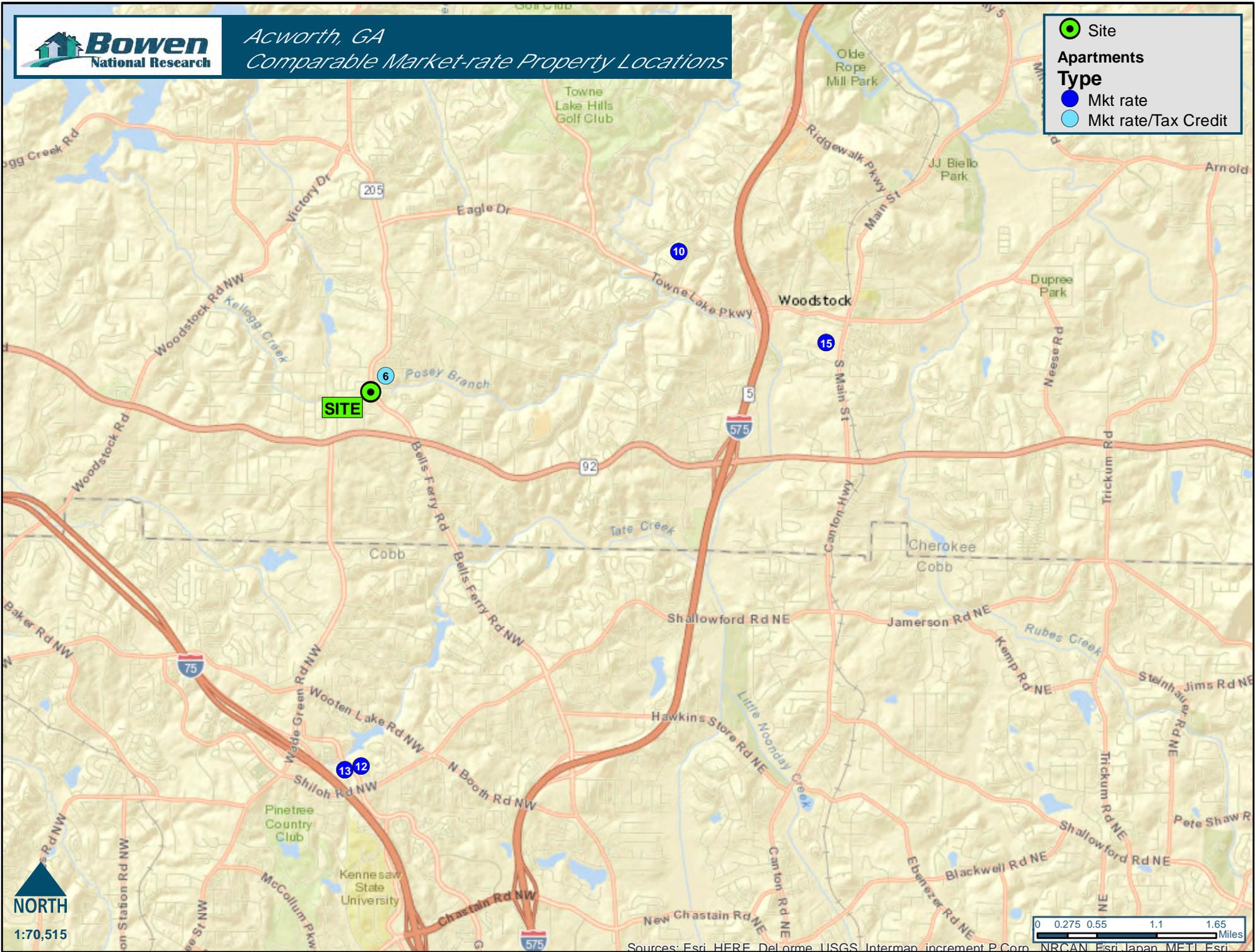
The five selected market-rate projects have a combined total of 1,104 units with an overall occupancy rate of 97.5%, a strong rate for rental housing. As such, these market-rate projects will serve as accurate benchmarks with which to compare to the proposed development.

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



Acworth, GA
Comparable Market-rate Property Locations

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



NORTH
1:70,515

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	Acworth Commons	\$744 (2)	\$877 (6)	\$981 (8)
6	Peaks at Bells Ferry	\$943 (10/0)	\$1,092 (25/0)	\$1,242 (13/0)
10	Heights at Towne Lake	\$1,135-\$1,205 (90/3)	\$1,349-\$1,529 (90/3)	\$1,771 (14/0)
12	Camden Shiloh	\$1,103-\$1,284 (92/3)	\$1,282-\$1,562 (108/1)	\$1,868-\$1,874 (32/0)
13	Hawthorne at Kennesaw	\$1,041-\$1,357 (76/0)	\$1,339-\$1,701 (192/2)	\$1,971-\$2,078 (54/6)
15	Woodstock West by Walton	\$1,280-\$1,342 (126/4)	\$1,674-\$1,807 (167/6)	\$1,979 (15/0)

The proposed subject gross market-rate rents, ranging between \$744 and \$981, will be the lowest rents relative to those offered at the comparable market-rate developments within the market. Combined with the fact that the subject project will be at least five years newer than these market-rate projects will provide it with a significant competitive advantage.

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

Weighted Average Collected Rent Of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$1,048	\$1,318	\$1,617

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

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$1,048	- \$625	\$423	/ \$625	67.7%
Two-Br.	\$1,318	- \$725	\$593	/ \$725	81.8%
Three-Br.	\$1,617	- \$775	\$842	/ \$775	108.6%

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	Acworth Commons	700	1,040	1,190
6	Peaks at Bells Ferry	874	1,149	1,388
10	Heights at Towne Lake	800 - 874	1,029 - 1,254	1,417
12	Camden Shiloh	852 - 950	1,215 - 1,262	1,509
13	Hawthorne at Kennesaw	693 - 880	1,177 - 1,378	1,479 - 1,561
15	Woodstock West by Walton	728 - 794	1,105 - 1,176	1,199

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Acworth Commons	1.0	2.0	2.0
6	Peaks at Bells Ferry	1.0	2.0	2.0
10	Heights at Towne Lake	1.0	1.0 - 2.0	2.0
12	Camden Shiloh	1.0	2.0	3.0
13	Hawthorne at Kennesaw	1.0	2.0	2.0
15	Woodstock West by Walton	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. This will position the subject project at 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 - ACWORTH, 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	X	X				B		S	
10	X	X		X	X	S	X		C	X	X	X	X				B		D(o), S	Storage
12	X	X		X	X	X	X		W	X	X	X	X				B		D(o), S	
13	X	X		X	X	S	X		C		X	X	X				B		A(s), S	
15	X	X	X	X	X		X		C		X	S	S		X		B		S	
6	X	X		X	X	X	X		C		X	X	X				B		D(o), 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					Community Garden; Outdoor Walking and Seating Areas
10	X	X	X			X		X					X	X		X			Dog Park; DVD Library
12	X	X				X		X					X	X		X			Dog Park; Cyber Café
13	X	X	X	X		X		X	X				X	X		X	X		
15	X	X		X		X									X	X	X		WiFi; Dog Park
6	X	X	X	X		X		X					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 than those offered at the comparable market-rate projects in the market. In terms of unit amenities, the subject project will not lack any that will have an adverse impact on its marketability. Regarding project amenities, the subject project will be the only newer market-rate development to not offer a picnic area and a swimming pool, and one of few to not offer a dog park and playground. However, the lack of the aforementioned amenities are not anticipated to have an adverse impact on the subject's marketability, especially considering that it will offer some of the lowest market-rate rents within the market.

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 comparable market-rate properties within the market, it is our opinion that the subject development will be very competitive. Aside from the subject's smaller unit sizes and slightly inferior amenities package, it will be at least five years newer than the competitive affordable product within the market, 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 was \$199,909. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$199,909 home is \$1,203, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$199,909
Mortgaged Value = 95% of Median Home Price	\$189,914
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$962
Estimated Taxes and Insurance*	\$241
Estimated Monthly Mortgage Payment	\$1,203

*Estimated at 25% of principal and interest

In comparison, the proposed collected LIHTC rents for the subject property range from \$499 to \$700 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 \$503 to \$704 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 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 Acworth 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 72 proposed LIHTC and market-rate units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately seven months. This absorption period is based on an average monthly absorption rate of approximately 10 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 Acworth Site PMA.

- Nancy Dove, Office Director for the GDCA Athens Office, indicated that they currently maintain a waiting list of 302 households for additional Housing Choice Vouchers within the region. Given this significant waiting list, Ms. Driver feels that there is a need for more affordable housing in the Acworth area.
- Kathy Harris, Property Manager of Gregory Lane Apartments I and II (Map ID 3), a Tax Credit community, explained that there is absolutely a need for more affordable housing for families in both Acworth and Woodstock. Specifically, Ms. Harris believes there is a need for one-, two- and three-bedroom units. Ms. Harris went on to explain that a large majority of her residents are minimum wage/low income employees.
- Pat Hendrix, Community Manager at Columbia Creek, a 172-unit market rate and Tax Credit community just outside of the Site PMA, believes that there is a huge need for more affordable housing within the immediate region. Note that her property is 100.0% occupied with a waiting list.

SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 72 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 Acworth rental housing market is performing well, as evidenced by the overall rental market occupancy rate of 96.7%. When compared to the competitive rental properties within the market, the subject project will be very competitive. In fact, the proposed subject rents will be some of the lowest rents within the Acworth Site PMA. This will provide the subject a market advantage.

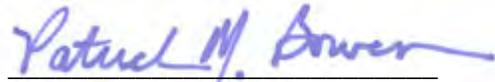
The overall required capture rates of 3.7% and 2.6% for the subject's LIHTC and market-rate units, respectively, are considered very low and demonstrate that a significant base of potential income-appropriate renter support exists for the subject project within the Acworth Site PMA.

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

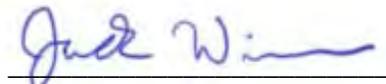
Certified:



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Date: June 3, 2016



Jordan Resnick
Market Analyst
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Date: June 3, 2016



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: June 3, 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

ACWORTH, 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.

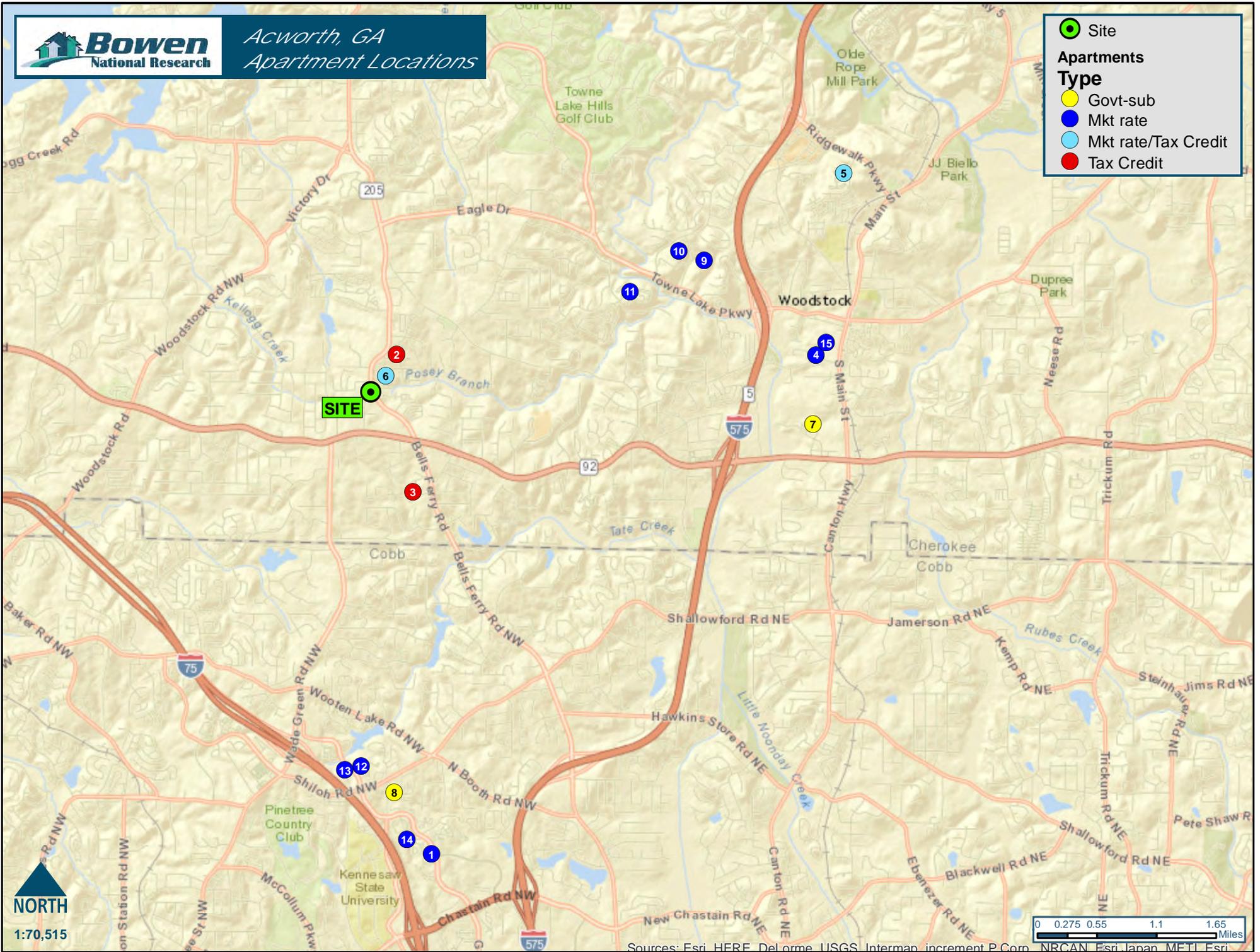


Acworth, GA
Apartment Locations

● Site

Apartments Type

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



NORTH
1:70,515

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

MAP IDENTIFICATION LIST - ACWORTH, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Town Park Crossing	MRR	A-	1996	300	12	96.0%	4.7
2	Cherokee Summit	TAX	B	2002	272	3	98.9%	0.4
3	Gregory Lane Apts. I & II	TAX	B+	1996	111	0	100.0%	1.1
4	Woodberry Field	MRR	B+	1987	4	0	100.0%	4.2
5	Ridgewalk Apts.	MRT	A-	2004	340	4	98.8%	6.3
6	Peaks at Bells Ferry	MRT	B+	2005	248	10	96.0%	0.4
7	Colbert Square	GSS	B-	1990	70	0	100.0%	4.0
8	Laurel's Edge	GSS	B+	2004	49	0	100.0%	4.1
9	Park at Towne Lake	MRR	A	1997	243	19	92.2%	4.0
10	Heights at Towne Lake	MRR	A	2001	194	6	96.9%	3.9
11	Terraces at Town Lake	MRR	B+	1996	502	30	94.0%	3.3
12	Camden Shiloh	MRR	A	2001	232	4	98.3%	3.9
13	Hawthorne at Kennesaw	MRR	A	2005	322	8	97.5%	3.5
14	Greenhouse Apts.	MRR	B	1987	489	14	97.1%	4.3
15	Woodstock West by Walton	MRR	A	2013	308	10	96.8%	4.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	9	2,594	103	96.0%	99
MRT	2	588	14	97.6%	0
TAX	2	383	3	99.2%	0
GSS	2	119	0	100.0%	0

Total units does not include units under construction.

◆	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: May 2016

DISTRIBUTION OF UNITS - ACWORTH, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	909	33.1%	33	3.6%	\$1,152
2	1	423	15.4%	20	4.7%	\$1,194
2	2	1,118	40.8%	38	3.4%	\$1,376
3	2	257	9.4%	14	5.4%	\$1,620
3	2.5	4	0.1%	0	0.0%	\$1,329
3	3	32	1.2%	0	0.0%	\$1,868
TOTAL		2,743	100.0%	105	3.8%	

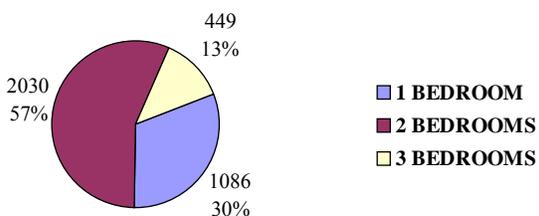
99 UNITS UNDER CONSTRUCTION

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	177	21.5%	4	2.3%	\$893
2	2	489	59.5%	9	1.8%	\$1,078
3	2	156	19.0%	2	1.3%	\$1,202
TOTAL		822	100.0%	15	1.8%	

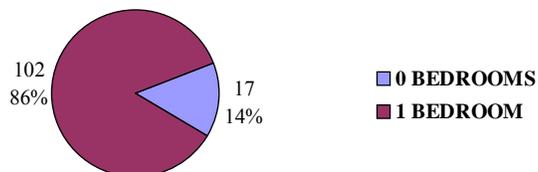
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	17	14.3%	0	0.0%	N.A.
1	1	102	85.7%	0	0.0%	N.A.
TOTAL		119	100.0%	0	0.0%	
GRAND TOTAL		3,684	-	120	3.3%	

DISTRIBUTION OF UNITS BY BEDROOM

NON-SUBSIDIZED



SUBSIDIZED



SURVEY OF PROPERTIES - ACWORTH, GEORGIA

1 Town Park Crossing			
	Address 3725 George Busbee Pkwy Kennesaw, GA 30144	Phone (855) 330-0858 (Contact in person)	Total Units 300
	Year Built 1996 Comments Does not accept HCV; Rents change daily; Select units have fireplace	Contact Cheryl	Vacancies 12 Occupied 96.0% Floors 2 Quality Rating A- Waiting List None
2 Cherokee Summit			
	Address 5920 Bells Ferry Rd. Acworth, GA 30102	Phone (678) 494-9400 (Contact in person)	Total Units 272
	Year Built 2002 Comments 60% AMHI; HCV (7 units); Rent range based on unit updates	Contact Corles	Vacancies 3 Occupied 98.9% Floors 2,3 Quality Rating B Waiting List None
3 Gregory Lane Apts. I & II			
	Address 465 & 466 Gregory Ln. Acworth, GA 30102	Phone (770) 591-6590 (Contact in person)	Total Units 111
	Year Built 1996 Comments 60% AMHI; HCV (2 units); Unit mix estimated	Contact Kathy	Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B+ Waiting List 3 households
4 Woodberry Field			
	Address 126 Woodberry Court Woodstock, GA 30188	Phone (770) 953-0806 (Contact in person)	Total Units 4
	Year Built 1987 Comments Does not accept HCV	Contact Roger	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List None
5 Ridgewalk Apts.			
	Address 1 Elena Way Woodstock, GA 30188	Phone (770) 516-5636 (Contact in person)	Total Units 340
	Year Built 2004 Comments Market-rate (101 units); 60% AMHI (239 units); HCV (14 units); Rents change daily; Some units include detached garage, add'l detached garages available for a fee	Contact Cheryl	Vacancies 4 Occupied 98.8% Floors 3 Quality Rating A- Waiting List None

Project Type

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

Survey Date: May 2016

SURVEY OF PROPERTIES - ACWORTH, GEORGIA

6 Peaks at Bells Ferry			
	Address 100 The Peaks at Bells Fy Acworth, GA 30102	Phone (770) 928-0860 (Contact in person)	Total Units 248
	Year Built 2005 Comments Market-rate (48 units); 60% AMHI (200 units); HCV (28 units)	Contact Jay	Vacancies 10 Occupied 96.0% Floors 3,4 Quality Rating B+
			Waiting List None
7 Colbert Square			
	Address 211 Woodpark Pl. Woodstock, GA 30188	Phone (770) 926-5506 (Contact in person)	Total Units 70
	Year Built 1990 Comments HUD Section 8 & HUD Section 202; Lifeline pendants included	Contact Tracy	Vacancies 0 Occupied 100.0% Floors 4 Quality Rating B- Senior Restricted (62+) Waiting List 23 households
8 Laurel's Edge			
	Address 3950 Frey Rd. NW Kennesaw, GA 30144	Phone (770) 514-1573 (Contact in person)	Total Units 49
	Year Built 2004 Comments HUD Section 202	Contact Don	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Senior Restricted (62+) Waiting List 3 years
9 Park at Towne Lake			
	Address 50 Paces Pkwy Woodstock, GA 30189	Phone (378) 819-9354 (Contact in person)	Total Units 243
	Year Built 1997 Renovated 2014 Comments Does not accept HCV; Select units have fireplace; Rent range based on fireplace, location & view; Unit mix estimated	Contact Jimmy	Vacancies 19 Occupied 92.2% Floors 3 Quality Rating A
			Waiting List None
10 Heights at Towne Lake			
	Address 1395 Buckhead Crossing Woodstock, GA 30189	Phone (678) 391-4353 (Contact in person)	Total Units 194
	Year Built 2001 Comments Does not accept HCV; Rents change daily; Select units have fireplace; 1 & 2-br unit mix estimated	Contact April	Vacancies 6 Occupied 96.9% Floors 3 Quality Rating A
			Waiting List None

Project Type

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

Survey Date: May 2016

SURVEY OF PROPERTIES - ACWORTH, GEORGIA

11 Terraces at Town Lake			
	Address 1345 Towne Lake Hills South Dr. Woodstock, GA 30189	Phone (678) 819-9359 (Contact in person)	Total Units 502
	Year Built 1996	Contact Torez	Vacancies 30
	Comments Accepts HCV; Rents change daily; Select units have fireplace, screened porch & washer/dryer hookups; Unit mix estimated		Occupied 94.0%
			Floors 2,3
			Quality Rating B+
			Waiting List None
12 Camden Shiloh			
	Address 4044 George Busbee Pkwy NW Kennesaw, GA 30144	Phone (678) 631-6476 (Contact in person)	Total Units 232
	Year Built 2001	Contact Randal	Vacancies 4
	Comments Does not accept HCV; Rents change daily; 40 units have fireplace		Occupied 98.3%
			Floors 2,3
			Quality Rating A
			Waiting List None
13 Hawthorne at Kennesaw			
	Address 4045 George Busbee Pkwy NW Kennesaw, GA 30144	Phone (678) 981-8152 (Contact in person)	Total Units 322
	Year Built 2005	Contact Lauren	Vacancies 8
	Comments Does not accept HCV; Select units have attached garages; Renovated units have microwaves		Occupied 97.5%
			Floors 3,4
			Quality Rating A
			Waiting List None
14 Greenhouse Apts.			
	Address 3885 George Busbee Pkwy Kennesaw, GA 30144	Phone (678) 981-8157 (Contact in person)	Total Units 489
	Year Built 1987	Contact Zac	Vacancies 14
	Comments Does not accept HCV; Rents change daily; Select units have icemake, patio & fireplace		Occupied 97.1%
			Floors 2,3
			Quality Rating B
	Rent Special Look & Lease: \$99		Waiting List None
15 Woodstock West by Walton			
	Address 735 Market St. Woodstock, GA 30188	Phone (678) 807-9981 (Contact in person)	Total Units 308
	Year Built 2013	Contact Hillary	Vacancies 10
	Comments Does not accept HCV; Select units have ceiling fans & patio/balcony; 99 units under construction, unknown completion date		Occupied 96.8%
			Floors 3,4
			Quality Rating A
			Waiting List None

Project Type

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

Survey Date: May 2016

COLLECTED RENTS - ACWORTH, 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		\$840 to \$968	\$1048 to \$1129						
2		\$721	\$885	\$878 to \$1011					
3			\$760	\$860					
4								\$1050	
5		\$727 to \$895	\$865 to \$1185	\$993 to \$1305					
6		\$730 to \$780	\$860 to \$885	\$945 to \$985					
9		\$952 to \$1032	\$1022 to \$1161	\$1432					
10		\$950 to \$1020	\$1120 to \$1300	\$1492					
11		\$968 to \$1043	\$978 to \$1013	\$1213 to \$1368					
12		\$969 to \$1150	\$1119 to \$1399	\$1669 to \$1675					
13		\$856 to \$1172	\$1110 to \$1472	\$1692 to \$1799					
14		\$893 to \$983	\$987 to \$1169	\$1200					
15		\$1095 to \$1157	\$1445 to \$1578	\$1700					

◆	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: May 2016

PRICE PER SQUARE FOOT - ACWORTH, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Town Park Crossing	1	784 to 858	\$1025 to \$1153	\$1.31 to \$1.34
9	Park at Towne Lake	1	742 to 858	\$1137 to \$1217	\$1.42 to \$1.53
10	Heights at Towne Lake	1	800 to 874	\$1135 to \$1205	\$1.38 to \$1.42
11	Terraces at Town Lake	1	707 to 769	\$1137 to \$1212	\$1.58 to \$1.61
12	Camden Shiloh	1	852 to 950	\$1103 to \$1284	\$1.29 to \$1.35
13	Hawthorne at Kennesaw	1	693 to 880	\$1041 to \$1357	\$1.50 to \$1.54
14	Greenhouse Apts.	1	688 to 853	\$1062 to \$1152	\$1.35 to \$1.54
15	Woodstock West by Walton	1	728 to 794	\$1280 to \$1342	\$1.69 to \$1.76
5	Ridgewalk Apts.	1	634 to 877	\$912 to \$1080	\$1.23 to \$1.44
6	Peaks at Bells Ferry	1	874	\$893 to \$943	\$1.02 to \$1.08
2	Cherokee Summit	1	975	\$875	\$0.90
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Town Park Crossing	2	1106 to 1131	\$1277 to \$1358	\$1.15 to \$1.20
9	Park at Towne Lake	1 to 2	1140 to 1360	\$1251 to \$1390	\$1.02 to \$1.10
10	Heights at Towne Lake	1 to 2	1029 to 1254	\$1349 to \$1529	\$1.22 to \$1.31
11	Terraces at Town Lake	1 to 2	1062 to 1216	\$1185 to \$1220	\$1.00 to \$1.12
12	Camden Shiloh	2	1215 to 1262	\$1282 to \$1562	\$1.06 to \$1.24
13	Hawthorne at Kennesaw	2	1177 to 1378	\$1339 to \$1701	\$1.14 to \$1.23
14	Greenhouse Apts.	1 to 2	827 to 1253	\$1194 to \$1376	\$1.10 to \$1.44
15	Woodstock West by Walton	2	1105 to 1176	\$1674 to \$1807	\$1.51 to \$1.54
5	Ridgewalk Apts.	2	1018 to 1247	\$1094 to \$1414	\$1.07 to \$1.13
6	Peaks at Bells Ferry	2	1149	\$1067 to \$1092	\$0.93 to \$0.95
2	Cherokee Summit	2	1150	\$1078	\$0.94
3	Gregory Lane Apts. I & II	2	976	\$918	\$0.94
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	Woodberry Field	2.5	1358	\$1329	\$0.98
9	Park at Towne Lake	2	1530	\$1711	\$1.12
10	Heights at Towne Lake	2	1417	\$1771	\$1.25
11	Terraces at Town Lake	2	1323 to 1408	\$1465 to \$1620	\$1.11 to \$1.15
12	Camden Shiloh	3	1509	\$1868 to \$1874	\$1.24 to \$1.24
13	Hawthorne at Kennesaw	2	1479 to 1561	\$1971 to \$2078	\$1.33 to \$1.33
14	Greenhouse Apts.	2	1254	\$1452	\$1.16
15	Woodstock West by Walton	2	1199	\$1979	\$1.65

◆	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: May 2016

PRICE PER SQUARE FOOT - ACWORTH, GEORGIA

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Ridgewalk Apts.	2	1547	\$1272 to \$1584	\$0.82 to \$1.02
6	Peaks at Bells Ferry	2	1388	\$1202 to \$1242	\$0.87 to \$0.89
2	Cherokee Summit	2	1350	\$1120 to \$1253	\$0.83 to \$0.93
3	Gregory Lane Apts. I & II	2	1176	\$1057	\$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: May 2016

AVERAGE GROSS RENT PER SQUARE FOOT - ACWORTH, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.47	\$1.20	\$1.20
TOWNHOUSE	\$0.00	\$0.00	\$0.98

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.09	\$0.95	\$0.86
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.41	\$1.14	\$1.08
TOWNHOUSE	\$0.00	\$0.00	\$0.98

TAX CREDIT UNITS - ACWORTH, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Cherokee Summit	48	975	1	60%	\$721
5	Ridgewalk Apts.	81	634 - 877	1	60%	\$727 - \$745
6	Peaks at Bells Ferry	48	874	1	60%	\$730
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Gregory Lane Apts. I & II	86	976	2	60%	\$760
6	Peaks at Bells Ferry	101	1149	2	60%	\$860
5	Ridgewalk Apts.	118	1018 - 1247	2	60%	\$865
2	Cherokee Summit	184	1150	2	60%	\$885
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Gregory Lane Apts. I & II	25	1176	2	60%	\$860
2	Cherokee Summit	40	1350	2	60%	\$878 - \$1011
6	Peaks at Bells Ferry	51	1388	2	60%	\$945
5	Ridgewalk Apts.	40	1547	2	60%	\$993

QUALITY RATING - ACWORTH, GEORGIA

MARKET-RATE PROJECTS AND UNITS

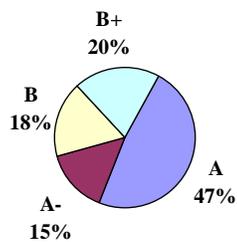
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	5	1,299	3.6%		\$1,217	\$1,529	\$1,874	
A-	2	401	3.5%		\$1,080	\$1,358	\$1,584	
B+	3	554	5.4%		\$1,137	\$1,185	\$1,465	
B	1	489	2.9%		\$1,152	\$1,194	\$1,452	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

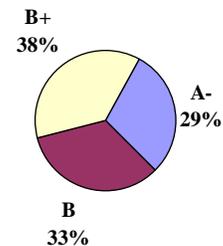
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A-	1	239	0.8%		\$930	\$1,094	\$1,272	
B+	2	311	3.2%		\$893	\$1,067	\$1,202	
B	1	272	1.1%		\$875	\$1,078	\$1,120	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - ACWORTH, 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	2	493	14	2.8%	493	13.8%
1990 to 1999	4	1156	61	5.3%	1649	32.4%
2000 to 2005	6	1608	35	2.2%	3257	45.1%
2006	0	0	0	0.0%	3257	0.0%
2007	0	0	0	0.0%	3257	0.0%
2008	0	0	0	0.0%	3257	0.0%
2009	0	0	0	0.0%	3257	0.0%
2010	0	0	0	0.0%	3257	0.0%
2011	0	0	0	0.0%	3257	0.0%
2012	0	0	0	0.0%	3257	0.0%
2013	1	308	10	3.2%	3565	8.6%
2014	0	0	0	0.0%	3565	0.0%
2015	0	0	0	0.0%	3565	0.0%
2016**	0	0	0	0.0%	3565	0.0%
TOTAL	13	3565	120	3.4%	3565	100.0 %

YEAR RENOVATED - ACWORTH, 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	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	0	0	0	0.0%	0	0.0%
2009	0	0	0	0.0%	0	0.0%
2010	0	0	0	0.0%	0	0.0%
2011	0	0	0	0.0%	0	0.0%
2012	0	0	0	0.0%	0	0.0%
2013	0	0	0	0.0%	0	0.0%
2014	1	243	19	7.8%	243	100.0%
2015	0	0	0	0.0%	243	0.0%
2016**	0	0	0	0.0%	243	0.0%
TOTAL	1	243	19	7.8%	243	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

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

** As of May 2016

APPLIANCES AND UNIT AMENITIES - ACWORTH, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	13	100.0%	3,565
REFRIGERATOR	13	100.0%	3,565
ICEMAKER	4	30.8%	1,369
DISHWASHER	13	100.0%	3,565
DISPOSAL	11	84.6%	3,450
MICROWAVE	6	46.2%	1,511
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	13	100.0%	3,565
AC - WINDOW	0	0.0%	
FLOOR COVERING	13	100.0%	3,565
WASHER/DRYER	3	23.1%	928
WASHER/DRYER HOOK-UP	13	100.0%	3,565
PATIO/DECK/BALCONY	12	92.3%	3,265
CEILING FAN	12	92.3%	3,225
FIREPLACE	6	46.2%	1,960
BASEMENT	0	0.0%	
INTERCOM SYSTEM	3	23.1%	1,053
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	13	100.0%	3,565
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 - ACWORTH, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	12	92.3%	3,561
ON-SITE MANAGEMENT	12	92.3%	3,561
LAUNDRY	8	61.5%	2,030
CLUB HOUSE	8	61.5%	2,552
MEETING ROOM	1	7.7%	340
FITNESS CENTER	11	84.6%	3,450
JACUZZI/SAUNA	1	7.7%	502
PLAYGROUND	10	76.9%	2,953
COMPUTER LAB	4	30.8%	1,048
SPORTS COURT	7	53.8%	2,468
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	8	61.5%	2,353
BUSINESS CENTER	1	7.7%	248
CAR WASH AREA	8	61.5%	2,381
PICNIC AREA	11	84.6%	3,450
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	3	23.1%	902

DISTRIBUTION OF UTILITIES - ACWORTH, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	70	1.9%
GAS	1	49	1.3%
TENANT			
OTHER	1	111	3.0%
ELECTRIC	9	2,191	59.5%
GAS	3	1,263	34.3%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	2	119	3.2%
TENANT			
ELECTRIC	12	3,293	89.4%
GAS	1	272	7.4%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	70	1.9%
GAS	1	49	1.3%
TENANT			
ELECTRIC	11	2,574	69.9%
GAS	2	991	26.9%
			100.0%
ELECTRIC			
LANDLORD	3	351	9.5%
TENANT	12	3,333	90.5%
			100.0%
WATER			
LANDLORD	2	119	3.2%
TENANT	13	3,565	96.8%
			100.0%
SEWER			
LANDLORD	2	119	3.2%
TENANT	13	3,565	96.8%
TRASH PICK-UP			
LANDLORD	5	750	20.4%
TENANT	10	2,934	79.6%
			100.0%

UTILITY ALLOWANCE - ACWORTH, 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: May 2016

A-19



ADDENDUM B

COMPARABLE PROPERTY PROFILES

10 Heights at Towne Lake

3.9 miles to site



Address	1395 Buckhead Crossing Woodstock, GA 30189		
Phone	(678) 391-4353	Contact	April
Total Units	194	Vacancies	6
		Percent Occupied	96.9%
Project Type	Market-Rate		
Year Open	2001	Floors	3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Does not accept HCV; Rents change daily; Select units have fireplace; 1 & 2-br unit mix estimated		



Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Fireplace, Blinds, Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Security Gate, Computer Lab, Car Wash Area, Picnic Area, Dog Park; DVD Library

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	90	3	800 to 874	\$1.17 - \$1.19	\$950 to \$1020
2	1 to 2	G	90	3	1029 to 1254	\$1.04 - \$1.09	\$1120 to \$1300
3	2	G	14	0	1417	\$1.05	\$1492

12 Camden Shiloh

3.9 miles to site



Address	4044 George Busbee Pkwy NW Kennesaw, GA 30144		
Phone	(678) 631-6476	Contact	Randal
Total Units	232	Vacancies	4
		Percent Occupied	98.3%
Project Type	Market-Rate		
Year Open	2001	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; Rents change daily; 40 units have fireplace		

Features and Utilities

Utilities	Landlord pays Electric
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Fireplace, Blinds
Project Amenities	Swimming Pool, On-site Management, Fitness Center, Playground, Security Gate, Computer Lab, Car Wash Area, Picnic Area, Dog Park; Cyber Café

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	92	3	852 to 950	\$1.14 - \$1.21	\$969 to \$1150
2	2	G	108	1	1215 to 1262	\$0.92 - \$1.11	\$1119 to \$1399
3	3	G	32	0	1509	\$1.11 - \$1.11	\$1669 to \$1675

13 Hawthorne at Kennesaw

3.5 miles to site



Address	4045 George Busbee Pkwy NW Kennesaw, GA 30144		
Phone	(678) 981-8152	Contact	Lauren
Total Units	322	Vacancies	8
		Percent Occupied	97.5%
Project Type	Market-Rate		
Year Open	2005	Floors	3,4
Concessions	No Rent Specials		
Parking	Attached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Offers Tennis court; Does not accept HCV; Select units have attached garages; Renovated units have microwaves		

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
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Security Gate, Computer Lab, Car Wash Area, Picnic Area, Social Services

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	76	0	693 to 880	\$1.24 - \$1.33	\$856 to \$1172
2	2	G	192	2	1177 to 1378	\$0.94 - \$1.07	\$1110 to \$1472
3	2	G	54	6	1479 to 1561	\$1.14 - \$1.15	\$1692 to \$1799

15 Woodstock West by Walton

4.6 miles to site



Address	735 Market St. Woodstock, GA 30188		
Phone	(678) 807-9981	Contact	Hillary
Total Units	308	Vacancies	10
		Percent Occupied	96.8%
Project Type	Market-Rate		
Year Open	2013	Floors	3,4
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Does not accept HCV; Select units have ceiling fans & patio/balcony; 99 units under construction, unknown completion date		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Intercom, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Fitness Center, Picnic Area, Social Services, WiFi; Dog Park

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	126	4	728 to 794	\$1.46 - \$1.50	\$1095 to \$1157
2	2	G	167	6	1105 to 1176	\$1.31 - \$1.34	\$1445 to \$1578
3	2	T	0	0	1199	\$1.42	\$1700
3	2	G	15	0	1199	\$1.42	\$1700

5 Ridgewalk Apts.

6.3 miles to site



Address	1 Elena Way Woodstock, GA 30188		
Phone	(770) 516-5636	Contact	Cheryl
Total Units	340	Vacancies	4
		Percent Occupied	98.8%
Project Type	Market-Rate & Tax Credit		
Year Open	2004	Floors	3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Offers Indoor Basketball & Tennis; Market-rate (101 units); 60% AMHI (239 units); HCV (14 units); Rents change daily; Some units include detached garage, add'l detached garages available for a fee		

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, Sunroom
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Sports Court, Security Gate, Car Wash Area, Picnic Area, Media Room

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	33	0	634 to 877	\$1.02 - \$1.41	\$895	
1	1	G	81	2	634 to 877	\$0.85 - \$1.15	\$727 to \$745	60%
2	2	G	54	2	1018 to 1247	\$0.95 - \$1.16	\$1185	
2	2	G	118	0	1018 to 1247	\$0.69 - \$0.85	\$865	60%
3	2	G	14	0	1547	\$0.84	\$1305	
3	2	G	40	0	1547	\$0.64	\$993	60%

6 Peaks at Bells Ferry

0.4 miles to site



Address	100 The Peaks at Bells Fy Acworth, GA 30102		
Phone	(770) 928-0860	Contact	Jay
Total Units	248	Vacancies	10
		Percent Occupied	96.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2005	Floors	3,4
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Market-rate (48 units); 60% AMHI (200 units); HCV (28 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, 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, Security Gate, Car Wash Area, Picnic Area, Business Center

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	10	0	874	\$0.89	\$780	
1	1	G	48	2	874	\$0.84	\$730	60%
2	2	G	25	0	1149	\$0.77	\$885	
2	2	G	101	6	1149	\$0.75	\$860	60%
3	2	G	13	0	1388	\$0.71	\$985	
3	2	G	51	2	1388	\$0.68	\$945	60%

2

Cherokee Summit

0.4 miles to site



Address 5920 Bells Ferry Rd.
Acworth, GA 30102

Phone (678) 494-9400 **Contact** Corles

Total Units 272 **Vacancies** 3 **Percent Occupied** 98.9%

Project Type Tax Credit

Year Open 2002 **Floors** 2,3

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating B **Neighborhood Rating** B

Remarks 60% AMHI; HCV (7 units); Rent range based on unit updates

Features and Utilities

Utilities Landlord pays 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, Sports Court, Security Gate, Picnic Area, Social Services

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	48	0	975	\$0.74	\$721	60%
2	2	G	184	3	1150	\$0.77	\$885	60%
3	2	G	40	0	1350	\$0.65 - \$0.75	\$878 to \$1011	60%

3 Gregory Lane Apts. I & II

1.1 miles to site



Address	465 & 466 Gregory Ln. Acworth, GA 30102		
Phone	(770) 591-6590	Contact	Kathy
Total Units	111	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1996	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	3 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	60% AMHI; HCV (2 units); Unit mix estimated		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground

Unit Configuration

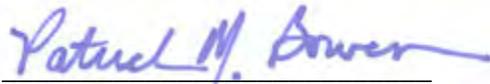
BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	86	0	976	\$0.78	\$760	60%
3	2	G	25	0	1176	\$0.73	\$860	60%

ADDENDUM C – MEMBER CERTIFICATION & CHECKLIST

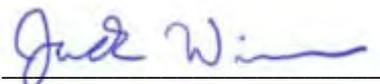
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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

ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

A. INTRODUCTION

We identified five market-rate properties within the Acworth 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	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Acworth Commons	2018	72	-	8 (-)	14 (-)	50 (-)
6	Peaks at Bells Ferry	2005	48*	100.0%	10 (100.0%)	25 (100.0%)	13 (100.0%)
10	Heights at Towne Lake	2001	194	96.9%	90 (96.7%)	90 (96.7%)	14 (100.0%)
12	Camden Shiloh	2001	232	98.3%	92 (96.7%)	108 (99.1%)	32 (100.0%)
13	Hawthorne at Kennesaw	2005	322	97.5%	76 (100.0%)	192 (99.0%)	54 (88.9%)
15	Woodstock West by Walton	2013	308 + 99**	96.8%	126 (96.8%)	167 (96.4%)	15 (100.0%)

Occ. – Occupancy

*Market-rate units only

**Units under construction

The five selected market-rate projects have a combined total of 1,104 units with an overall occupancy rate of 97.5%, 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	
Acworth Commons		Peaks at Bells Ferry		Heights at Towne Lake		Camden Shiloh		Hawthorne at Kennesaw		Woodstock West by Walton	
Bells Ferry & Robin roads		100 The Peaks at Bells Fy		1395 Buckhead Crossing		4044 George Busbee Pkwy NW		4045 George Busbee Pkwy NW		735 Market St.	
Acworth, GA		Acworth, GA		Woodstock, GA		Kennesaw, GA		Kennesaw, GA		Woodstock, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$780		\$950		\$969		\$856		\$1,095	
2	Date Surveyed	May-16		May-16		May-16		May-16		Jun-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		97%		97%		100%		97%	
5	Effective Rent & Rent/ sq. ft	\$780	0.89	\$950	1.19	\$969	1.14	\$856	1.24	\$1,095	1.50
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	R/1		WU/3		WU/2,3		WU/3,4		WU/3,4	
7	Yr. Built/Yr. Renovated	2018		2005	\$13	2001	\$17	2005	\$13	2013	\$5
8	Condition /Street Appeal	E		G	\$15	E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	700	(\$51)	874	(\$51)	800	(\$29)	852	(\$45)	693	\$2
14	Balcony/ Patio	Y		Y		Y		Y		Y	
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		Y/Y		Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L	(\$25)	W/D	(\$25)	HU/L		HU	\$5
19	Floor Coverings	C		C		W		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		Y/N	(\$3)
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y		Y		N	\$5	Y		Y	
28	Pool/ Recreation Areas	F/G	(\$7)	P/F	(\$7)	P/F	(\$7)	P/F/S	(\$10)	P/F	(\$7)
29	Computer/Business Center	Y		Y		Y		Y		N	\$3
30	Picnic Area	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
32	Social Services	N		N		N		Y	(\$10)	Y	(\$10)
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		Y/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		Y	(\$51)	N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		N/N	\$22	N/N	\$22	N/N	\$22
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	2	5	2	6	2	6	2	5	4	5
41	Sum Adjustments B to D	\$28	(\$69)	\$22	(\$72)	\$22	(\$88)	\$15	(\$31)	\$18	(\$31)
42	Sum Utility Adjustments			\$22		\$22	(\$51)	\$22		\$22	
		Net		Gross		Net		Gross		Net	
43	Net/ Gross Adjmts B to E	(\$41)	\$97	(\$28)	\$116	(\$95)	\$183	\$6	\$68	\$9	\$71
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$739		\$922		\$874		\$862		\$1,104	
45	Adj Rent/Last rent		95%		97%		90%		101%		101%
46	Estimated Market Rent	\$800	\$1.14 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Acworth Commons		Peaks at Bells Ferry		Heights at Towne Lake		Camden Shiloh		Hawthorne at Kennesaw		Woodstock West by Walton	
Bells Ferry & Robin roads		100 The Peaks at Bells Fy		1395 Buckhead Crossing		4044 George Busbee Pkwy NW		4045 George Busbee Pkwy NW		735 Market St.	
Acworth, GA		Acworth, GA		Woodstock, GA		Kennesaw, GA		Kennesaw, GA		Woodstock, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$885		\$1,120		\$1,119		\$1,110		\$1,445	
2	Date Surveyed	May-16		May-16		May-16		May-16		Jun-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		97%		99%		99%		96%	
5	Effective Rent & Rent/ sq. ft	\$885	0.77	\$1,120	1.09	\$1,119	0.92	\$1,110	0.94	\$1,445	1.31
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	TH/2		WU/3		WU/2,3		WU/3,4		WU/3,4	
7	Yr. Built/Yr. Renovated	2018		2005	\$13	2001	\$17	2005	\$13	2013	\$5
8	Condition /Street Appeal	E		G	\$15	E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?		Yes		Yes		Yes		Yes		Yes
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2	\$30	2		2		2	
13	Unit Interior Sq. Ft.	1040	(\$27)	1149	\$3	1215	(\$44)	1177	(\$34)	1105	(\$16)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
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		Y/Y		Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L	(\$25)	W/D	(\$25)	HU/L		HU	\$5
19	Floor Coverings	C		C		W		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		Y/N	(\$3)
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y		Y	\$5	N	\$5	Y		Y	
28	Pool/ Recreation Areas	F/G	(\$7)	P/F	(\$7)	P/F	(\$7)	P/F/S	(\$10)	P/F	(\$7)
29	Computer/Business Center	Y		Y		Y		Y		N	\$3
30	Picnic Area	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
32	Social Services	N		N		N		Y	(\$10)	Y	(\$10)
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		Y/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		Y	(\$66)	N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N		Y/N	\$22	N/N	\$22	N/N	\$22	N/N	\$22
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	2	5	4	5	2	6	1	6	4	5
41	Sum Adjustments B to D	\$28	(\$45)	\$55	(\$43)	\$22	(\$87)	\$13	(\$65)	\$18	(\$39)
42	Sum Utility Adjustments			\$22		\$22	(\$66)	\$22		\$22	
		Net		Gross		Net		Gross		Net	
43	Net/ Gross Adjmts B to E	(\$17)	\$73	\$34	\$120	(\$109)	\$197	(\$30)	\$100	\$1	\$79
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$868		\$1,154		\$1,010		\$1,080		\$1,446	
45	Adj Rent/Last rent		98%		103%		90%		97%		100%
46	Estimated Market Rent	\$920	\$0.88 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Acworth Commons		Peaks at Bells Ferry		Heights at Towne Lake		Camden Shiloh		Hawthorne at Kennesaw		Woodstock West by Walton	
Bells Ferry & Robin roads		100 The Peaks at Bells Fy		1395 Buckhead Crossing		4044 George Busbee Pkwy NW		4045 George Busbee Pkwy NW		735 Market St.	
Acworth, GA		Acworth, GA		Woodstock, GA		Kennesaw, GA		Kennesaw, GA		Woodstock, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$985		\$1,492		\$1,669		\$1,692		\$1,700	
2	Date Surveyed	May-16		May-16		May-16		May-16		Jun-16	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		89%		100%	
5	Effective Rent & Rent/ sq. ft	\$985	0.71	\$1,492	1.05	\$1,669	1.11	\$1,692	1.14	\$1,700	1.42
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	TH/2		WU/3		WU/2,3		WU/3,4		WU/3,4	
7	Yr. Built/Yr. Renovated	2018		2005	\$13	2001	\$17	2001	\$17	2005	\$5
8	Condition /Street Appeal	E		G	\$15	E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?		Yes		Yes		Yes		Yes		Yes
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		3	(\$30)	2		2	
13	Unit Interior Sq. Ft.	1190	(\$53)	1388	(\$53)	1417	(\$61)	1509	(\$86)	1479	(\$78)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
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		Y/Y		Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L	(\$25)	W/D	(\$25)	HU/L		HU	\$5
19	Floor Coverings	C		C		W		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		Y/N	(\$3)
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
27	Clubhouse/ Meeting Rooms	Y		Y		N	\$5	Y		Y	
28	Pool/ Recreation Areas	F/G	(\$7)	P/F	(\$7)	P/F	(\$7)	P/F/S	(\$10)	P/F	(\$7)
29	Computer/Business Center	Y		Y		Y		Y		N	\$3
30	Picnic Area	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
32	Social Services	N		N		N		Y	(\$10)	Y	(\$10)
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		Y/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		Y	(\$80)	N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		N/N	\$22	N/N	\$22	N/N	\$22
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	2	5	2	6	2	7	1	6	4	5
41	Sum Adjustments B to D	\$28	(\$71)	\$22	(\$104)	\$22	(\$159)	\$13	(\$109)	\$18	(\$25)
42	Sum Utility Adjustments			\$22		\$22	(\$80)	\$22		\$22	
		Net		Gross		Net		Gross		Net	
43	Net/ Gross Adjmts B to E	(\$43)	\$99	(\$60)	\$148	(\$195)	\$283	(\$74)	\$144	\$15	\$65
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$942		\$1,432		\$1,474		\$1,618		\$1,715	
45	Adj Rent/Last rent		96%		96%		88%		96%		101%
46	Estimated Market Rent	\$1,025	\$0.86 ←	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 \$800 for a one-bedroom unit, \$920 for a two-bedroom unit and \$1,025 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$499 (50%)	\$800	37.6%
	\$550 (60%)		31.3%
	\$625 (MR)		21.9%
Two-Bedroom	\$593 (50%)	\$920	35.5%
	\$650 (60%)		29.3%
	\$725 (MR)		21.2%
Three-Bedroom	\$656 (50%)	\$1,025	36.0%
	\$700 (60%)		31.7%
	\$775 (MR)		24.4%

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 29.3% and 37.6%, 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 21.2% and 24.4%, 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.
12. There is a variety of the number of bathrooms offered among the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable 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.